

Service Level Agreement

between

Cape Agulhas Municipality

("the Municipality")

and

PricewaterhouseCoopers Inc

Registration number 1998/012055/21

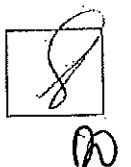
("the Service Provider")

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Revenue Enhancement Strategy

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1 Introduction

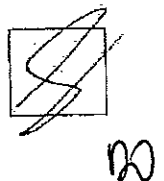
1.1 Overview

- 1.1.1 This Service Level Agreement is between PwC and Cape Agulhas Municipality for the development of a Revenue Enhancement Strategy. It clearly defines:
- the guiding principles by which services will be delivered and managed
 - the roles and responsibilities of those involved in managing the Agreement
 - the schedule of services that are governed by the Agreement
 - the service levels, measures and fees of all service offerings covered by the Agreement
 - the terms and conditions which will apply to the Agreement

1.2 Interpretation

- 1.2.1 In this Agreement, unless inconsistent with the context, the terms below shall have the following meaning.

"this Agreement"	- means this Service Level Agreement and the Contract Documents
"Business day"	- means any calendar day other than a Saturday, Sunday or statutory public holiday in the Republic of South Africa
"commencement date"	- means 8 June 2016 notwithstanding the date of signature of this Agreement
"Contract documents"	- means the Request for a Proposal to develop a Revenue Enhancement Strategy in terms of Section 32 of the SCM the Procurement of goods/service under contract secured by other organs of state
"contract period"	- means the period starting on the commencement date and ending on 30 September 2016
"deliverables"	- means all the services to be rendered and delivered in terms of this Agreement
"General Conditions of Contract"	- means the General Conditions of Contract prescribed by National Treasury
"the Municipality"	- means Cape Agulhas Municipality with principal offices 1 Dirkie Uys Street, Bredasdorp and herein represented by the Municipal Manager or duly authorised person
"Parties"	- means the Service Provider and the Municipality and "Party" means one of them, as the context may indicate
"Revenue Enhancement Strategy"	- means the proposal submitted by the Service Provider in response to the Request for a Proposal for a service provider to develop a Revenue Enhancement Strategy in terms of Section 32 of the SCM the Procurement of goods/service under contract secured by other organs of state including all annexures thereto



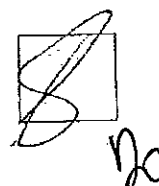
<p>“Request for a Proposal for a service provider to develop a Revenue Enhancement Strategy”</p>	<p>- means the request for procurement of goods and service under contracts secured by other Organs of state for the development of the Municipality’s revenue enhancement strategy including all the relevant documentation under the Breede Valley Municipality Bid No BV 459 Revenue Enhancement Strategy</p>
<p>“the Service Level Agreement”</p>	<p>- means this service level agreement entered into between the parties excluding the Contract documents</p>
<p>“the Service Provider”</p>	<p>- means PricewaterhouseCoopers Inc with its principal place of business at No.1 Waterhouse Place, Century City, Cape Town en herein represented by Pieter Strauss who warrants that he is duly authorised, hereinafter referred to as the Service Provider Partner</p>
<p>“Terms of Business”</p>	<p>- means the Service Provider’s Terms of Business which forms part of the Proposal to develop a Revenue Enhancement Strategy</p>

1.2.2 In this Agreement:

- reference to a statutory provision includes any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time;
- word importing any particular gender include the other gender (i.e: the masculine, feminine and neuter genders, as the case may be), the singular includes the plural and *vice versa* and natural persons include artificial persons and *vice versa*;
- if a definition imposes substantive rights and obligations on a Party, such rights and obligations shall be given effect to and shall be enforceable, notwithstanding that they are contained in a definition;
- any definition, wherever it appears in this Agreement, shall bear the same meaning and apply throughout this Agreement unless otherwise stated or inconsistent within the context in which it appears;
- where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business day, in which event the last day shall be the next succeeding Business day;
- any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having not been written (i.e. *pro non scripto*) and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

1.3 Precedence of documents

1.3.1 In the event of any conflict or inconsistency between the terms or provisions of the Service Level Agreement and the Contract Documents, the Service Level Agreement shall prevail.



- 1.3.2 In the event of a conflict between the terms or provisions of the Contract Documents where such term or provision is not contained in the Service Level Agreement, the following order of preference shall apply:
- Revenue Enhancement Strategy
 - The General Conditions of Contract
 - Request for procurement of goods and service under contracts secured by other Organs of state for the development of the Municipality's Revenue Enhancement Strategy including all the relevant documentation under the Breedé Valley Municipality Bid No BV 459 Revenue Enhancement Strategy
- 1.3.3 Without effecting generality of the above it is expressly agreed for the purposes of section 8.12 of the Terms of Business that the Service Level Agreement amend clauses 2, 4 and 7 of the Terms of Business to the extent that it is regulated in the Service Level Agreement.

1.4 Scope of Services

- 1.4.1 The Service Provider shall execute and provide the deliverables in terms of and as set out in the Proposal for the Development of a Revenue Enhancement Strategy, upon the terms and conditions of this Agreement and clarified in the Project Charter within the contract period as well as anything in addition or incidental thereto.

1.5 Service fees

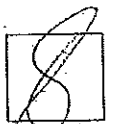
- 1.5.1 The Municipality shall pay the Service Provider the fees at the rate as set out in the Proposal to Develop a Revenue Enhancement Strategy.
- 1.5.2 Payment shall only be effected by the Municipality to the Service Provider in respect of invoices based on an approved estimate in accordance with the monthly payment plan.
- 1.5.3 All invoices will be due for payment on receipt by the Municipality.

2 Service Management Principles

- 2.0.1 The Service Provider aims to work closely with the Municipality to ensure services are delivered as specified in the Scope of Services (Paragraph 1.4 in this document). Successful delivery is dependent on a number of principles as outlined below.

2.1 Objectives

- 2.1.1 Service Management is a process that includes establishing service level objectives and expectations, creating Service Levels, monitoring, collecting and analysing data, and establishing user feedback and escalation procedures. The Service Provider shares with the Municipality a number of Service Level Management Goals:



Service Level Management Goals
Establish confidence that the processes around the services delivered are consistent and repeatable through: <ul style="list-style-type: none"> • Agreed availability levels • Good operational performance • Satisfied users
Institute an objective basis for measuring service delivery through: <ul style="list-style-type: none"> • Identification of metrics and continual review • Establishing baselines based on benchmarks for similar services

2.2 Reporting

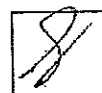
- 2.2.1 The Service Provider shall report to the Municipality on such intervals and in respect of such issues as set out in the Proposal.
- 2.2.2 The Service Provider is responsible for creating and issuing invoices derived from the agreed fee mechanisms.
- 2.2.3 Disputes over invoicing should be raised in the first instance with the relevant Service Provider Partner. If no agreement is reached the matter will be escalated as set out in Paragraph 3.2 of this Agreement.

2.3 Service Provider Commitments – general

- 2.3.1 In addition to the commitments outlined above, the Service Provider will undertake where applicable:
- To inform internal users Municipality wide on commitments and the likely impact of commitments upon service delivery.
 - To engage internal users early on in the budget review process.
 - To implement whatever agreements are necessary with third parties (internal or external to the Municipality) to support delivery of its service.
 - To work with internal users to formulate policies and procedures and processes that meet business needs.

2.4 The Municipalities Commitments – general

- 2.4.1 The internal municipal user commitments required by the Service Provider to deliver its services within service levels are collated here as follows:
- The Municipality will provide the Service Provider with advance notification of significant organisational changes or other changes that may materially impact the delivery of services.
 - The internal users, with support from the Service Provider, will train and prepare staff to use the Service Provider through appropriate induction and training.
 - The internal users, with help from the Service Provider, will actively publicise Service Levels to relevant staff.



3 Governance and Change Management

3.1 Governance

3.1.1 This document includes processes for changing the agreement by consensus on the part of the parties. The foreseeable circumstances that may initiate changes to this agreement include:

- Addition of new services
- Changes to the levels of service that can be provided

3.2 Problem Resolution.

3.2.1 The scope of services indicates the targets and processes for problem resolution for individual service activities. Where the Agreement does not provide an appropriate course of action or problems cannot be resolved in the established cycle of service review, the following process of dispute escalation and resolution will be followed:

- The first instance of dispute should be raised with the relevant Service Provider Partner.
- If no agreement is reached both parties will attempt to resolve the dispute in good faith through senior-level negotiations.
- Where both parties agree that it may be beneficial the parties will seek to resolve the dispute through mediation.
- If the dispute is not resolved through negotiation or mediation within a reasonable time both parties agree that it shall be finally resolved in accordance with the latest rules of the Arbitration Foundation of Southern Africa (AFSA) by an arbitrator or arbitrators appointed by the Foundation, or failing such appointment by the Arbitration Foundation of Southern Africa, by the Chairman of SAICA or its successor.
- If the dispute is not resolved through negotiation, mediation or arbitration both parties agree that the South African Courts will have exclusive jurisdiction in connection with the resolution of the dispute.

3.3 Service Modification

3.3.1 This is defined as any change to any part of the Agreement, namely:

- Scope of service including additional services
- Service level as defined from time to time in the Project Charter
- Service fee



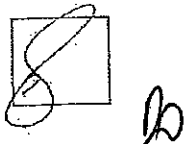
- 3.3.2 Any request to change service levels will be accommodated on a quarterly review basis throughout the year unless change is made necessary by major business drivers or events that are outside either Party's control. All modifications must be directed to the Municipal Manager or duly authorised person and the Service Provider Partner for discussion and agreement. All parties must agree upon changes to this Agreement in writing.
- 3.3.3 Any request for additional services - Either party may request additional services related to the services provided under this Agreement. Such requests shall be sufficiently detailed to enable the other party to assess the impact of the requested service on the fees, timetable or any other aspect of the Agreement. Both parties agree to work together to consider, and, if appropriate, agree to any additional services and resultant fee variations. Until a change is agreed to in writing both parties will continue to act in accordance with the latest agreed version of the Agreement.
- 3.3.4 Changes to the monthly fee of services prompted by efficiencies or circumstances - Both parties agree to work together to consider, and, if appropriate, agree to any changes to the monthly service fees and a new monthly payment plan. Until such a change is agreed to in writing both parties will continue to act in accordance with the latest agreed version of the Agreement.

3.4 Limitations to Agreed Services

- 3.4.1 Any material changes may affect delivery and may require renegotiation of Service Levels. Either the Municipality or the Service Provider may make notice of such material change and once given, Service Level renegotiation must be carried out in a reasonable manner.
- 3.4.2 Requests for services outside the scope of this agreement must be submitted in writing (e-mail is acceptable) and approved by the Service Provider Partner and the Municipal Manager within a reasonable period of time. Requests for out of scope services will not be accepted where they are likely to compromise the ability of the Service Provider to deliver and meet its service level agreements for other in scope services. Note: The Municipal Manager or duly authorised person and Service Provider Engagement Partner are the primary contact points for receipt of requests for services outside the scope of the Agreement.

3.5 Service Termination

- 3.5.1 This Agreement commences on the Commencement Date and is expected to continue until 30 September 2016, subject to termination as provided in the Agreement.
- 3.5.2 Termination of the services provided shall require a one month's written notice unless it is terminated by either party with immediate effect if the other commits a material breach of any term of the Agreement that is not remedied within 30 days of dispatch of a written request to remedy the same. There will be no commitment on either party to resume the service once it has been terminated.



3.6 Indemnity and Limitations of Liability

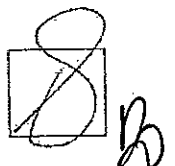
- 3.6.1 The Service Provider will accept liability without limit for i) death or personal injury caused by our negligence or the negligence of our employees acting in the course of their employment, ii) any fraudulent pre-contractual misrepresentations made by us on which you can be shown to have relied, iii) any other liability which by law we cannot exclude or limit. This does not in any way confer greater rights than any party would otherwise have at law.
- 3.6.2 The Municipality shall not be liable for any loss, damage, or injury, whether direct, indirect or consequential of whatsoever nature and howsoever arising, occasioned to the Service Provider, its partners or employees, or to any other person or property, arising out of or in connection with the deliverables, save as may arise out of the gross negligence or wilful default on the part of the Municipality.
- 3.6.3 Subject to the exclusions set out in the Agreement, the Service Provider will accept liability to pay compensation for proven financial damages and losses suffered by the Municipality as a direct result of providing the services where this arises as a consequence of a breach of any contractual obligations or negligence by the Service Provider. Subject to Paragraph 3.6.1, the Service Provider's collective liability to the Municipality arising out of or relating to the Agreement, including without limitation on account of performance or non-performance of obligations, and regardless of the cause of action, whether in contract, delict or otherwise will not exceed an amount equal to the fees paid or payable to the Service Provider in the year in which a breach occurs. This maximum liability shall be an aggregate liability for all claims from whatever source and howsoever arising, whether in contract, delict or otherwise.

3.7 Ownership and Access to working papers

- 3.7.1 It is specifically recorded that the Parties shall have co-ownership of the working papers and other internal documentation created during the course of this Agreement.
- 3.7.2 The Municipality shall be entitled to grant access to the Auditor-General to the working papers produced and the resultant deliverables.

3.8 Copyright and Warranties

- 3.8.1 The Service Provider (or its licensor in the case of software) shall own, including the copyright and any other rights to, any general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software (whether written or machine readable), materials (including training and presentation materials) or other intellectual property or information and any modification of the same which may have been discovered, created, developed or derived by or licensed to the Service Provider either prior to or as a result of provision of the services under the Agreement ("the Service Provider Materials").
- 3.8.2 The Service Provider warrants that no intellectual property of any person will be violated in performance of these services and hereby indemnify the Municipality in full against such claim.

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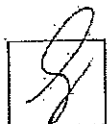
- 3.8.3 The Municipality shall have a non-exclusive, non-transferable licence, subject to the terms of any Software License and subject to payments of service fees as set out in Paragraph 1.5 due under this Agreement, to use materials (to the extent that these form part of the deliverables) for internal use and only for purposes for which they were delivered.
- 3.8.4 The Municipality warrants that it will not provide the deliverables (or any Service Provider material to the extent that it forms part of the deliverables) or copies of them to any third party.

3.9 Confidentiality

- 3.9.1 All data relating specifically to a party's business and any other information which reasonably should be understood to be confidential in nature are confidential information of such party. The Service Provider's proprietary software, tools, methodologies, techniques, ideas, discoveries, inventions, know-how and any other information which reasonably should be understood to be confidential to the Service Provider are confidential information of the Service Provider ("the Service Provider's Confidential Information").
- 3.9.2 The Municipality's confidential information and the Service Provider's Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party only in furtherance of the purposes of the Agreement and shall not disclose such Confidential Information to any Third Party without the other party's prior written consent. Each party agrees to take reasonable measures to protect the confidentiality of the other party's Confidential Information and to advise its employees of the confidential nature of the Confidential Information and of the confidentiality provisions and use prohibitions herein.
- 3.9.3 Notwithstanding anything to the contrary contained in the Agreement, neither party shall be obligated to treat as confidential any information disclosed by the other party (the "Disclosing Party") which: (i) is rightfully known to the recipient prior to its disclosure by the Disclosing Party; (ii) is released by the Disclosing Party to any other person or entity (including governmental agencies) without restriction; (iii) is independently developed by the recipient without any use of or reliance on Confidential Information; or (iv) is or later becomes publicly available without violation of the Contract or may be lawfully obtained by a party from any non-party.

3.10 Supersession

- 3.10.1 This Agreement cancels and supersedes all prior negotiations and agreements entered into between the Parties relating to the matters set forth herein. In the event of any conflict between this Agreement and any other agreement between the Parties, whether oral or in writing, this Agreement shall take precedence and duly implemented.



3.11 Severability

- 3.11.1 All the provisions of this Agreement shall be severable and no provision shall be affected by the invalidity of any other provisions of this Agreement unless prohibited by law.

3.12 Notices and Domicile

- 3.12.1 The Parties hereto choose *domicilia citandi et executandi* for all purposes of and in connection with this Agreement as follows:

PricewaterhouseCoopers Inc:

No 1 Waterhouse Place, Century City, 7441

For Attention: Pieter Strauss

Telephone: 021-529 2000

Facsimile: 021-529 8678

Email: pieter.strauss@za.pwc.com

Cape Agulhas Municipality

1 Dirkie Uys Street, Bredasdorp, 7280

For Attention: Hannes van Biljon

Telephone: 028-425 5500

Facsimile: 028-425 1019

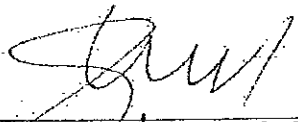
Email: Hannesv@capeagulhas.gov.za

- 3.12.2 Either Party hereto shall be entitled to change its *domicilium* from time to time, provided that any new *domicilium* selected by it shall be an address other than a box number in the Republic of South Africa, and any such change shall only be effective upon receipt of notice in writing by the other of such change.
- 3.12.3 All notices, demands, communications or payments intended for a Party shall be made or given at its *domicilium* for the time being.
- 3.12.4 A notice sent by one Party to the other Party shall be deemed to have been received on the same day if delivered by hand or sent by telefacsimile.
- 3.12.5 Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium*.



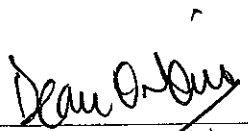
Thus done and signed at Cape Town on this the 8
day of June 2016.

For and on behalf of
PricewaterhouseCoopers Inc


Name: DAL STRAUSS
Capacity: Director
Who warrants his authority hereto

Thus done and signed at Bredasdorp on this the
3 day of June 2016.

For and on behalf of
Cape Agulhas Municipality


Name: DGI O'Neill
Capacity: Municipal Manager
Who warrants his authority hereto

