

## SERVICES LEVEL AGREEMENT FOR CONTRACT 02/2018

142355

TENDER FOR SECURITY GUARDING AS WELL AS RELATED PRODUCTS FOR A PERIOD OF 36 MONTHS

SERVICE LEVEL AGREEMENT FOR SECURITY GUARDING AND RELATED PRODUCTS ENTERED INTO  
BY AND BETWEEN

DR. BEYERS NAUDE LOCAL MUNICIPALITY

(The Municipality), herein represented by its Municipal Manager, Dr. EM Rankwana

AND

GAP MANAGEMENT (PTY) LTD

(The Service Provider), herein represented by its Managing Director, Mr WP Oliphant.

## 1. INTRODUCTION

This document contains relevant information in respect of the operational and physical specification for protection services to be performed on specified offices of the Municipality.

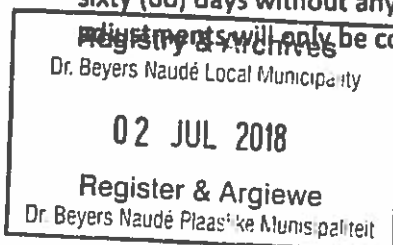
The security service specification relates only to the areas specifically referred to. The responsible person at the Municipality will frequently communicate and negotiate with the Service Provider in order to ensure an acceptable standard of service.

## 2. OBJECTIVE

It is the objective of the Municipality to ensure that security is performed to such an extent that risk to the Municipality will be minimised and to provide for a pleasant working environment. In addition, the security service is to be provided in a cost effective and efficient manner, while being integrated with the daily activities occurring on and around the Municipality's offices. The main objectives of the Municipality are the delivery of municipal services and all aspects regarding the protection services must be focused around these objectives.

## 3. TYPE OF CONTRACT

The Municipality requires a full-risk contract arrangement; i.e. the Service provider is committed to the price quoted which will not exceed the amount of R 570 000.00 (Five Hundred and Seventy Thousand Rand) per month (VAT Included) for the full contract period of 36 months and will only be allowed to submit for a price increase for statutory adjustments. However due to budgetary constraints this amount is to be reviewed after sixty (60) days without any obligation to necessarily increase the tariffs. Statutory adjustments will only be considered if written proof is submitted to the Municipality.

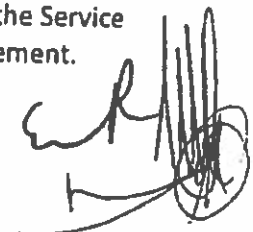


Owing to the nature of the service, the Municipality can request additional security guards at the same rates quoted in the price schedule and request additional security related services at prices agreed between the Contracts Manager and the Service Provider.

#### 4. DEFINITION OF TERMS

In this Agreement, unless it appears otherwise from the context:

- 4.1. All notices for all purposes of this Agreement have to be:
  - 4.1.1. written;
  - 4.1.2. sent by registered post or delivered by hand;
  - 4.1.3. addressed to the party concerned at his domicillium citandi et executandi indicated in Clause 3.9, and subject to the rights of a party related to it as implied in Clause 3.9 hereof;
- 4.2. The headings to the clauses of this agreement are inserted for reference purposes only and shall in no way govern or effect the interpretation hereof.
- 4.3. Where any authorization is required for any action by the Service provider outside of his normal duties, such authorization must be in writing and signed by the Protection Services Manager of the Municipality.
- 4.4. The singular form includes the plural and vice versa.
- 4.5. The masculine includes the feminine and neutral sexes and vice versa.
- 4.6. Words importing persons shall include legal persons and vice versa.
- 4.7. Should any clause of the Agreement not be enforceable for any reason whatsoever, such clause is considered separate and separable.
- 4.8. The site - The building/s or ground/s or any other place/s situated on one or any of the Sites of the Municipality concerned, at which the specified security services are to be rendered, as set out in the price schedule.
- 4.9. When any period of notice is prescribed, such period shall exclude the day on which such notice was delivered.
- 4.10. The Service provider – GAP MANAGEMENT (PTY) LTD.
- 4.11. Municipality – DR. BEYERS NAUDE LOCAL MUNICIPALITY
- 4.12. Commencement date – 1 JULY 2018.
- 4.13. Expiry date – 30 JUNE 2021
- 4.14. Service – security services (including the specified duties) to be rendered by the Service provider to the Municipality at the site/s as set out and specified in this agreement.



- 4.15. Month – Calendar month.
- 4.16. The Protection Services Manager of the Municipality who will be responsible to manage the contract and ensure that the Service Provider delivers the required service.

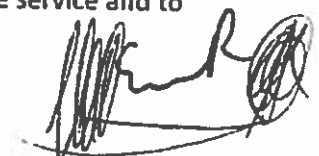
5. PREAMBLE

- 5.1. In as much as the Municipality desires to have security services performed by an external Security Service Provider at the sites as indicated;
- 5.2. And in as much as the Service provider warrants by his signature that he is willing, able and has the necessary experience and expertise to provide the specified Security Service to the Municipality;
- 5.3. And in as much as the Municipality has accepted the offer of the Service provider to effect abovementioned contract.

NOW THEREFORE THE PARTIES AGREE AS FOLLOW:

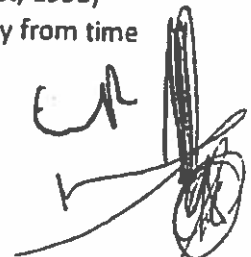
6. AGREEMENT

- 6.1. Legal Nature of Agreement
- 6.1.1. The parties verify that the Service provider tendered and the Municipality accepts on a Service provider basis in terms of this Agreement, the supplying of a security service at the sites, subject to the terms and conditions of this Agreement.
- 6.1.2. The extension of the service in paragraph 3.1.1 as well as the amendment of or addition to specifications and/or conditions regarding said service should be in accordance with the stipulations listed in this Agreement.
- 6.1.3. In the event of any conflict between the terms and conditions of this agreement and the annexure to this contract, the conditions mentioned in any tender document and/or annexure hereto, the terms and conditions of this Service Level Agreement shall prevail.
- 6.2. Commencement and termination  
The parties confirm that this Agreement shall commence on 1 JULY 2018 and shall, subject to provisions providing for earlier termination thereof, continue for a period of 36 months, ending 30 JUNE 2021.
- 6.3. Obligations of Service provider  
The Service provider undertakes to:
- 6.3.1. Render a service of the highest possible standard and quality whilst striving to improve efficiency, reduce costs and meet the standards, service levels and criteria as required by the Municipality and as specified in this Agreement. The Service provider shall to this end allow the Municipality to undertake inspections and also to submit the services rendered to an independent audit if requested to do so by the Municipality.
- 6.3.2. Make available its time and service to the Municipality to ensure the highest degree of skill, expertise, care and diligence is exercised in the performance of the service and to



provide competent, sufficient and suitable staff and supervisors in terms of this Agreement.

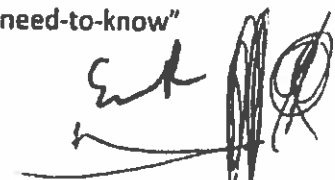
- 6.3.3. The onus probandi shall vest with the Service provider in order to prove that services were rendered according to required standards
- 6.3.4. Provide and maintain in good order, subject to exceptions provided for in this Agreement, all required uniforms, materials, equipment and vehicles to meet and carry out its obligations in terms of this Agreement.
- 6.3.5. Undertakes to at all times keep an inventory list of all materials, equipment and/or furniture that were issued to him by Municipality.
- 6.3.6. Ensure that where his staff makes use of the Municipality's equipment, material or installations, they are fully trained to do so with safety.
- 6.3.7. At all times comply with procedures and requirements regarding complaints and client liaison as stipulated in this Agreement.
- 6.3.8. Comply with the general rules and regulations of any of the premises as applicable to employees, as amended from time to time, during the rendering of his contractual obligations in terms of this Agreement at such premises.
- 6.3.9. The Service provider and any of the Service provider's employees provided, undertake:
  - 6.3.9.1. not to harm the Municipality and/or his products, business, equipment, staff or clients in any way;
  - 6.3.9.2. Not to disclose any information concerning the business of the Municipality to any person or Municipality;
  - 6.3.9.3. Not to violate the copyright on any of the material, information or programs of the Municipality concerned.
  - 6.3.9.4. Not to remove any property of the Municipality concerned, its employees, service providers or customers from the premises of the Municipality without the written consent of the Municipality first being obtained.
  - 6.3.9.5. To abide by the security arrangements which may be any one or a combination of the following:
    - Body search; Presentation of personal or ID cards of the Municipality concerned;
    - Searching of personal bags/handbags/pockets/lockers;
    - Finger printing;
    - Any other measure that may be required by the Municipality concerned;
- 6.3.10. The Service provider shall ensure that the agreed number of and sufficient appropriately trained and PSIRA registered staff is at all times present to ensure that contractual obligations can be met.
- 6.3.11. The Service provider shall ensure that when workers, guards, supervisors or group managers are absent, whether owing to leave, illness or any other reason, they are replaced by equally competent (trained) personnel for the duration of their absence.
- 6.3.12. No guard shall vacate his position unless the replacement has reported for duty.
- 6.3.13. The Service provider shall ensure that all workers are familiar with the Municipality's emergency evacuation program and that the correct emergency procedures will be followed in the event of an emergency situation or when an exercise is held.
- 6.3.14. Ensure that all of its employees and workers at the site are at all times familiar with and comply with the provisions of:
  - all relevant Labour Legislation. (including but not limited to the Occupational Health and Safety Act, 1993 and the compensation for Occupation and Diseases Act, 1993)
  - any and all Safety and Security Regulations promulgated by the Municipality from time to time.
  - the PSIRA Act and all relevant Regulations.

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- Safety and Security Regulations promulgated by the Municipality from time to time.
- 6.3.15. The Municipality maintains the right to appoint other service providers to perform specific services in the area of the Service provider's operations and it is expected from the Service provider to co-operate with the provision of these specific services.
- 6.3.16. The Service provider shall perform the service without causing any interruption or disturbance to everyday customer or municipal activities,
- 6.3.17. The Service provider shall inform the Municipality in writing of every failure or foreseeable failure by the Municipality, which could result in a position where the Service provider is unable to fulfil its obligations in terms of this Agreement.
- 6.3.18. The Service provider acts as independent Service provider, and not as an agent or employee of the Municipality and shall not incur any liability on behalf of the Municipality or in any way pledge or purport the Municipality's credit. The Service provider also has no authority to bind the Municipality contractually and hereby indemnifies the Municipality against any losses and/or damages resulting from such actions or applications.
- 6.3.19. Where keys for access to buildings, offices, class rooms, etc. are given to the service provider, the necessary care and responsibility for their safekeeping must be observed. The Service provider must ensure that keys are not misused or used to allow access to buildings by unauthorised persons.
- 6.3.20. The Service provider shall not sub-contract the Service or any part thereof to any third party without obtaining the written consent of the Municipality, who in the exercise of its discretion shall have regard to the extent to which such consent shall adversely affect the standard of the Service
- 6.3.21. Designate in writing, a Manager in its employ who will liaise with the Municipality's Protection Services Manager, or his nominee, in respect of the service to be rendered by the Service provider. (The Manager so designated, shall, when acting within the scope and ambit of this agreement, have complete authority to represent the Service provider on all issues pertaining to this Agreement).
- 6.3.22. Ensure that all its personnel employed in the rendering of the Service are at all times whilst on duty neatly dressed, presentable and hygienic.
- 6.3.23. Upon being requested to do so by the Municipality, remove from the Site any employee who in the opinion of the Municipality has deliberately or negligently conducted themselves in a manner which was or could be detrimental to the good name of the Municipality, the maintenance of order and discipline at the Municipality or the proper execution of the functions of the Municipality.  
This clause should not be interpreted that the Municipality has the right to demand or expect that the Service provider must discharge from its service any of the said employees. Nor should this clause replace any of the normal staff remedial/disciplinary actions such as counselling or disciplinary hearings that the Service provider would normally follow in the event of any of their employees making themselves guilty of any misdemeanour or conduct contrary to the Service providers normal Code of Conduct for their employees, or other rules and regulations they deem fit to enforce.


#### 6.4. Confidentiality

- 6.4.1. The Service provider undertake to ensure that all data and information (including but not limited to any technical, commercial, scientific information, processes, designs, technical specifications, copyright and data in any form) in connection with or arising from this Agreement shall be kept confidential and agree not to disclose it to third parties and not to make use of such information other than for the performance of its obligations under this Agreement and to release such information to its employees on a "need-to-know"

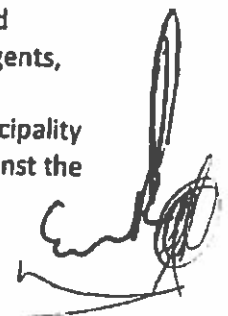


basis only, provided that such employees undertake to be bound by the confidentiality contained herein.

- 6.4.2. The Service provider agree to hold the Confidential Information in strict confidence make use of such information other than in the performance of the obligations this Agreement and to release such information only to those employees who same for the rendering of the Service and then only provided that such undertake to be bound by the confidentiality contained therein.
- 6.4.3. The Service provider agree not to use the name of the Municipality in publicity releases or advertising or for any other promotional purposes, without first obtaining the prior written consent of the Municipality.
- 6.4.4. The Service provider agrees that the provisions of clause 3.4 will be binding on him and his employees after the termination of this Agreement.
- 6.5. **Obligations of the Municipality**
  - 6.5.1. For the purposes of the execution of this Agreement, where applicable and not in all circumstances, the Municipality shall for the duration hereof, provide to the Service provider free of charge and subject to the provisions stipulated in this Agreement, existing facilities allocated to Security Services as deemed adequate by the Municipality.
  - 6.5.2. Make available to the Service provider such information as may reasonably be required by the Service provider for the rendering of the specified Security Service.
  - 6.5.3. The Service provider will not be held liable to fulfil its obligations in terms of this contract if the Municipality is responsible or partly responsible for the Service provider's failure to provide the services in accordance with the standards and provisions as specified. The Service provider shall inform the Municipality in writing of every such failure or foreseeable failure by the Municipality.
- 6.6. **Financial Matters**
  - 6.6.1. The Service provider shall submit to the designated person concerned at the Municipality on a monthly basis, but not later than 7 (SEVEN) days after the end of the month in which services were rendered a detailed invoice for payment.
  - 6.6.2. The Municipality undertakes to pay the Service provider, the agreed amount, VAT inclusive, per month not later than 30 (THIRTY) days on presentation of invoice.
  - 6.6.3. The number of guards and sites will be determined by the Municipal Manager and will be attached as an annexure to the agreement
  - 6.6.4. Pricing agreed by Municipality:
- 6.7. **Indemnity and Exclusions**
  - 6.7.1. The Service provider hereby agrees to indemnify and keep indemnified, the Municipality concerned, in terms of this clause, to meet the obligations of the Service provider towards the Service provider's employees provided to perform the service, regarding:
    - 6.7.1.1. any liability in terms of the Income Tax Act 58 of 1962 (as amended);
    - 6.7.1.2. Payment of any subscriptions in terms of the Remuneration of Occupational Injuries and Illnesses Act 130 of 1993;
    - 6.7.1.3. Payment of any subscriptions concerning the Unemployment Insurance Fund;
    - 6.7.1.4. Subscriptions concerning any relevant Industrial Council that has or might have jurisdiction, as well as any collective Agreement concluded by such Bargaining Council.
    - 6.7.1.5. Compliance with any condition of employment or any other term contained in:
      - 6.7.1.5.1. A collective Agreement concluded in a Bargaining Council that regulates terms and conditions of employment;



- 6.7.1.5.2. A binding arbitration award that regulates terms and conditions of employment;
- 6.7.1.5.3. The Basic Conditions of Employment Act; and/or
- 6.7.1.5.4. A determination in terms of the Wage Act.
- 6.7.2. The parties verify that this Agreement excludes the Labour Relations Act, the Basic Conditions of Employment Act as well as any Wage Determination and that the Municipality will consequently be under no obligation to make any deductions or excess payments herein concerning the contracted price.
- 6.7.3. The Service provider furthermore agrees to indemnify and keep indemnified the Municipality against liability for payment of the levies and/or subscriptions as set out in 3.7.1 of this Agreement, or any other statutory obligations or any costs of whatsoever nature for which the Service provider is liable and declares that all such payments are currently up to date and that they will in future be kept up to date.
- 6.7.4. The Service provider undertakes to make available proof of all subscriptions and payments of these as expounded in 3.7.1 of this Agreement when requested by the Municipality concerned, as well as to meet obligations as per the Municipality's audit for inspection by the Municipality which proof payment of subscriptions have to be provided to the Municipality no later than 48 (FORTY EIGHT) hours after such request by the Municipality concerned.
- 6.7.5. Should the Service provider fail and/or refuse to provide the sub-standing documentation as expounded in 3.7.4 in the period mentioned therein, or to meet the payments of any levies or subscriptions to the Municipality as expounded in 3.7.1, the Municipality will be entitled to withhold such subscriptions from any amount that might be due to the Service provider and to pay such amounts directly to SARS or any other department, as meant in 3.7.1 apart from any other rights the Municipality might have as expounded in 3.14 of this Agreement.
- 6.7.6. The Service provider herewith indemnifies the Municipality from any action of any nature whatsoever that might be brought against the Municipality, directly or indirectly, arising from the provisions of this Agreement; or any alleged or proven service Agreement between the Municipality and the Service provider or arising from its termination or arising from any cession, delegation or take over thereof arising from the contract work performed by the Service provider in this, and the Service provider herewith creates a pactum de non petendo in favour of the Municipality concerned.
- 6.7.7. The Service provider shall not be held liable to fulfil its obligations in terms of this contract if the Municipality is responsible or partly responsible for the Service provider's failure to provide the services in accordance with the standards. The Service provider shall inform the Municipality in writing of every such failure or foreseeable failure by the Municipality.
- 6.7.8. The Service provider agrees that it shall have no claim of whatsoever nature against the Municipality or its employees for any loss or damage that it may sustain while rendering the Service or whilst on site, arising out of whatever cause, save insofar as such claim may arise out of any negligent act or omission of the Municipality or its employees, as the case may be.
- 6.7.9. The Service provider shall be liable for all loss or damage suffered by the Municipality or its employees by reason of its failure to render the service in a proper manner in accordance with the obligations undertaken by it in terms of this Agreement, and furthermore by reason of all loss, theft or damage caused by it, its employees, agents, invited persons or clients, as the case may be.
- 6.7.10. The Service provider hereby agrees to indemnify and keep indemnified the Municipality against any liability which the Municipality may incur as a result of any claim against the



Municipality by any person whatsoever in respect of any personal loss, injury or damage arising directly or indirectly from any of the acts or omissions of the Service provider, its employees or agents, as the case may be, in performing its obligations in terms of this Agreement.

- 6.7.11. The Municipality shall not be liable for any amounts payable by the Service provider to those of its employees who render/have rendered services at the Site/s in terms of this Agreement, pursuant to the dismissal of such employees by the Service provider for whatsoever reason howsoever arising.
- 6.7.12. The Service provider agrees that it shall have no claim of whatsoever nature against the Municipality or its employees for any loss or damage that it may sustain while rendering the Service or whilst on Site, arising out of whatsoever cause, save insofar as such claim may arise out of any negligent act or omission of the Municipality or its employees, as the case may be.

6.8. Public Liability

The Service provider shall, for the duration of this Agreement, in the name of the Service provider and on its own cost take out a public liability policy with an acceptable coverage, which may be adapted from time to time by mutual Agreement should circumstances so demand, and the Service provider shall each year, at date of renewal of such policy, provide proof of the maintenance thereof.

6.9. Domicilium Citandi et Executandi

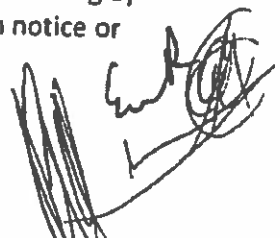
The parties respectively designate the following addresses as their domicilium citandi et executandi for all purposes of this Agreement, namely:

Dr. Beyers Naude Local Municipality  
Church Square/ P O Box 71  
Graaff Reinet  
6280

Gap Management (Pty) Ltd  
96 Third Avenue  
Newton Park  
Port Elizabeth  
6000

(A party may change such address by notifying the other party accordingly, on condition that such changed address will be in the Republic of South Africa and that it may not be a Post Office postal box number or poste restante address.)

- 6.9.1. Any notice given in terms of this Agreement shall be in writing, and if delivered by hand, shall be deemed to have been received by the addressee on the date of delivery, or
- 6.9.2. If sent by means of prepaid registered post, shall be deemed to have been received by the addressee on the 8th (EIGHT) day after the day on which it was posted, except if the contrary is proven.
- 6.9.3. Notwithstanding anything to the contrary contained or implied in the Agreement, any written notice or communication actually received by either of the parties, including by means of facsimile transmission, shall be deemed to be an adequate written notice or communication to such party.





**6.10. Guarantees**

The parties verify that this Agreement renders the whole contract between them and that no preceding presentations, including notices, announcements, guarantees or securities were given in writing or verbally by the Municipality concerned, or someone acting on behalf of the Municipality, that impelled the Service provider to conclude this Agreement, except in so far as included in this Agreement. The parties verify that the stipulations of this Agreement convey their intentions correctly and that neither of the parties will be entitled to apply for rectification of this Agreement.

**6.11. Concessions**

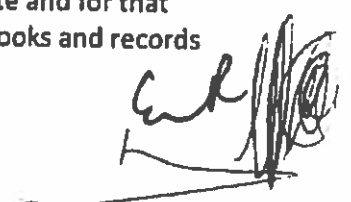
No concession or relaxation which either party may allow to the other in regard to the carrying out of the other's obligations in terms of or pursuant to this Agreement shall prejudice such party's rights under this Agreement in any manner whatsoever, or be regarded as a waiver of such party's rights in terms of this Agreement, or be construed to act as an estoppel against that party.

**6.12. Amendments**

**6.12.1.** No Agreement contrary to or additional to any stipulation of this Agreement or any novation, including a novation or any amendment having a suspense effect on the stipulations of this Agreement, or any Agreement relating to the extension of any date or cancellation of this Agreement, will be binding to any of the parties unless embodied in writing and signed by both parties; except where provision for such Agreement is made elsewhere in this Agreement and unless this Agreement is entered into in compliance with the stipulations of such provisions.

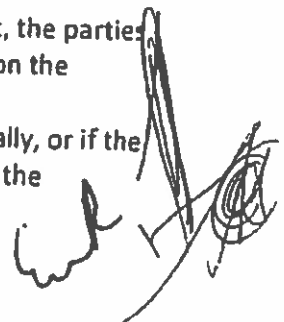
**6.13. Arbitration**

- 6.13.1.** Any difference or dispute between the Parties in connection with the interpretation or application of the provisions of this Agreement or its breach or termination shall be referred to and be determined by informal arbitration in terms of this clause.
- 6.13.2.** Either Party to this Agreement may demand that a dispute be determined in terms of this clause by written notice given to the other Party.
- 6.13.3.** This clause shall not preclude either Party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator.
- 6.13.4.** The arbitrator shall be agreed upon between the Parties. Should the Parties fail to agree on an arbitrator within 14 (fourteen) days after the giving of a notice in terms of clause 6.13.2, the arbitrator will be appointed at the written request of either Party to the dispute, by the chairman of the Society of Advocates.
- 6.13.5.** The arbitration shall be held: in GRAAFF REINET at a date, time and venue to be determined by the arbitrator. Arbitration can be:
- 6.13.5.1.** in an informal manner without any pleadings and without it being necessary to observe the strict rules of evidence
- 6.13.5.2.** as soon as possible with a view to it being completed within 1 (one) month from the date on which the dispute is referred for arbitration.
- 6.13.5.3.** in accordance with such procedures as the arbitrator may determine in his discretion, provided that such procedures shall be fair to both Parties.
- 6.13.6.** The arbitrator shall be entitled to investigate or cause to be investigated any matter which he considers necessary or desirable in connection with the dispute and for that purpose shall have the widest powers of investigating all the relevant books and records



of the Parties to the dispute, including the right to make copies and to have such records and books produced and delivered at any reasonable place required by him for the aforesaid purpose.

- 6.13.7. The arbitrator shall decide the dispute in accordance with South African Law.
  - 6.13.8. The arbitrator shall be entitled to make such award in respect of costs, as he may deem fit provided that the arbitrator shall be required to furnish written reasons.
  - 6.13.9. The decision of the arbitrator shall be final and binding on both Parties save in the event of it being established that:
    - 6.13.9.1. The arbitrator failed to apply his mind properly to the matter.
    - 6.13.9.2. The arbitrator acted in bad faith. In which event the decision of the arbitrator shall be subject to review.
  - 6.13.10. The decision of the arbitrator may be made an order of the court by either of the Parties, at the cost of such Party.
  - 6.13.11. The provisions of this clause are severable from the rest of this Agreement and will remain in effect notwithstanding the cancellation, termination or invalidity for any reason of this Agreement.
- 6.14. Cancellation
- 6.14.1. Should any employee of the Service provider, in the Municipality's opinion, act in an indecent or unseemly manner or in a manner that leads to or may reasonably be expected to lead to prejudicing or endangering the maintenance of order and discipline at the Municipality or bringing the good name of the Municipality into disrepute, the Municipality will be entitled to demand that said employee be removed from its premises: Provided that failure of the Service provider to comply with said notice within 7 (SEVEN) days thereof, shall entitle the Municipality to cancel this Agreement with immediate effect.
  - 6.14.2. Should the rendered service, the standard of which shall be enforced as provided for in this Agreement, be unsatisfactory and not be rectified in accordance with the provisions in this regard, the Municipality may cancel this Agreement after having given written notice of 1 (ONE) month to the Service provider.
  - 6.14.3. Should the scope of work change due to factors beyond the control of the Municipality, the contract or part thereof may be cancelled with written notification. Refer to item 6 of this document.
  - 6.14.4. Should either party (the "guilty" party) fail to meet any of his obligations in terms of this Agreement punctually and concerning each obligation of his according to this; the parties agree that each stipulation is an essential factor and that violation thereof affects the core of the Agreement, the other party (the "innocent" party) will be entitled, in addition to his rights in terms of this or in terms of common-law legal precepts and subject to the provisions in 3.15:
    - 6.14.4.1. to cancel the Agreement immediately and to claim damages: or
    - 6.14.4.2. to demand compliance of this Agreement and to claim damages.
  - 6.14.5. The parties verify that, should either party be compelled to incur legal expenses in order to protect his rights according to this Agreement, the other party will be liable for such costs on attorney-client scale.
  - 6.14.6. Should either party violate any of his obligations in terms of this Agreement, the parties verify that these remedies are additional and that they do not encroach upon the common-law remedies of the other party.
  - 6.14.7. If the Service provider's estate is sequestrated, whether provisionally or finally, or if the Service provider shall publish a notice of surrender or present a petition for the



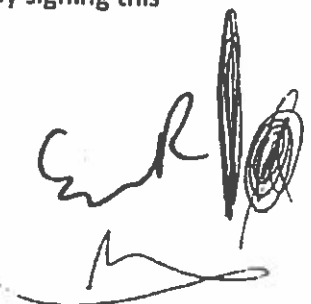
- acceptance of the surrender of his estate as insolvent or shall make an arrangement with or assignment in favour of his creditors or shall agree to carry out the Contract under a committee of inspection of his creditors or (being a company) shall go into liquidation, whether provisionally or finally, (other than a voluntary liquidation for the purpose of amalgamation or reconstruction) or if the Service provider shall have an execution levied on his goods then the Municipality will have the right to summarily cancel the Agreement.
- 6.14.8. Neither party shall withhold services or payment subject to resolution of a dispute. Upon a decision by either party to terminate the contract both parties shall cooperate fully in effecting an orderly transition.

## 7. BREACH OF CONTRACT

- 7.1. Should the Service provider in any way whatsoever fail to render the services at the standards as specified in this agreement, or fail to render the services within the timeframe as specified in this agreement and after the Service provider has been requested to correct such breach of contract within 7 (Seven) days from date of receipt of a written notice to make such correction, the Municipality shall be entitled, without prejudice to any alternative or additional rights, action or remedy at its disposal, (with specific inclusion of the right to claim for damages), to cancel this agreement with immediate effect, for which purpose a final statement for services rendered to date of cancellation will be prepared by the Municipality.
- 7.2. Should this agreement be cancelled as a result of the Service provider's breach of contract, the Municipality will be entitled to appoint a third party to perform the services as specified in terms of this agreement and to collect any costs from the Service provider and/or to deduct such costs directly from any amount(s) that may be due to the Service provider.
- 7.3. The terms of clause 3.15.1 and 3.15.2 do not exclude the right of the Municipality to claim specific performance and damages from the Service provider, and following the expiry of the said notice period of 7 (Seven) days as specified in clause 3.15.1, to perform such services, or have it performed by any third party, as the Service provider failed to perform or failed to perform in terms of the determined standards. The Municipality may deduct any costs thus incurred from any amount(s) that may be due to the Service provider.

## 8. CESSION AND RIGHTS/OBLIGATIONS

Unless written permission is obtained from the Municipality concerned, the Service provider will not be entitled to pledge, cede, assign or transfer his rights or obligations in terms of this Agreement. The parties agree that where permission is granted for a transfer of rights and/or obligations, the Service provider, with effect from the date on which such permission is granted, automatically becomes guarantor and co-principal debtor for the obligations of such transferee in terms of this Agreement by signing this Agreement.

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No relaxation or concession by one party towards the other party to comply with any of its obligations in terms of this agreement will disadvantage or constitute a waiver or novation of any of the parties' rights in terms of this agreement.

9. **FORCE MAJEURE**

Neither party shall be held liable to fulfil its obligations in terms of this contract if such failure is caused by circumstances beyond its reasonable control, including, but not limited to, fire, flood, etc.

10. **STATUS OF SERVICE PROVIDER**

It is hereby agreed that, despite any contradicting terms of this agreement, that the status of the Service provider will be that of an independent Service provider and that the Service provider, or any of its employees or agents, will under no circumstances be viewed as an employee of the Municipality.

11. **CONTINUATION AND EXECUTION OF SERVICES**

The Service provider shall not have the right to withhold or delay services in terms of this agreement due to:

- 11.1. direct or indirect breach of contract by the Municipality in respect of any of its obligation in terms of this agreement.
- 11.2. any position, state of restitution at any point of time during the contract period in respect of materials, equipment and/or resources required by the Service provider in order to provide the service.
- 11.3. any strikes, labour dispute or disputes of any nature between the Service provider and its employees.

12. **DISCIPLINE**

- 12.1. The Service provider shall be responsible to ensure that workers comply with the Company's disciplinary procedures, to apply the necessary steps and take action when it is required. In the instance where the Municipality is accusing an employee of stealing or mismanagement of goods and/or money, such an employee must be suspended immediately and replacement labour provided, subject to a disciplinary hearing.
- 12.2. If the employee refuses to be searched by the Municipality, such employee may not return to the municipal offices and must be replaced with immediate effect. Refer to clause 3.3.6.6 of this document


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**13. REPLACEMENT OF LABOUR**

- 13.1. In the event of an employee not reporting for services the Contracts Manager shall arrange for replacement labour to take over duties within 1 hours.
- 13.2. The Service provider shall provide suitable replacement labour in the event of an employee being on leave, sick leave, strike, meal brake or unable to perform his duties. The relief staff will be of a similar level, PSIRA registered and trained to deliver the required service, as the one being replaced.
- 13.3. The Municipality reserves the right to ask, within reason, for the replacement of any personnel of the Service provider.
- 13.4. The Service provider will ensure adequate and suitable trained labour at all times to deliver the required service.
- 13.5. No guard shall vacate his position unless another person or replacement arrives on site at the position.

**14. MONITORING OF STANDARDS**

- 14.1. The Municipality requires that all aspects of the Service provided is regularly monitored against this Agreement, the specification therein, applicable legislation and accepted industry standards of good practice. To that end the Service provider shall be responsible for establishing and conducting quality-monitoring systems and procedures as agreed with the Municipality to ensure this.
- 14.2. Monitoring systems and procedures operated by the Service provider shall include, but not be limited, to the following:
- 14.3. Regular inspections carried out by the Service provider's management and supervisory staff in conjunction with and as directed by the Municipality's Contract Manager, shall be carried out on daily, weekly, or any other bases as required in accordance with good management practice.
- 14.4. All breakages, defects, acts of vandalism or other any other damages, noticed by the Service provider's staff must immediately be reported to the relevant Site Control Room for recording in the Occurrence Book and reporting to the Manager Protection Services.
- 14.5. Notwithstanding clauses 14.1 and 14.2 of this Agreement, the Municipality reserves the right to institute any of its own methods of monitoring, at any time, without first informing the Service provider.
- 14.6. The Service provider shall keep an Occurrence Book for the purpose of reporting all actions, incidents and matters related to Protection Service on the sites. Entries in the book shall include, but is not limited to the following:
  - 14.6.1. Report on daily activities.

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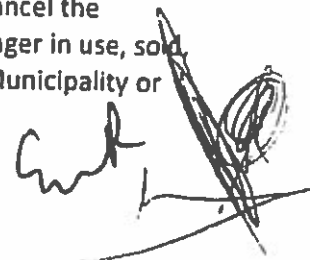
- 14.6.2. Activities and/or actions that require attention in order to prevent future problems or incidents.
- 14.6.3. Actions that require special attention.
- 14.6.4. Areas or incidents where the service was not performed to standard, reasons therefore and recommendations how similar problems will be avoided.

15. RISK AND RESPONSIBILITY

- 15.1. The Service provider accepts full responsibility for its staff's actions and will ensure that such actions at no time place the staff or property of the Municipality in danger.
- 15.2. The Service provider undertakes to at all times vehemently discourage his staff from becoming involved in any way with any industrial action on the Municipality's premises, whether these are initiated by the Municipality's staff, community or any other person/s or by any other outside body.
- 15.3. In the event of the Service provider's staff participating in any strikes, marches, riots or any other industrial actions, for whatsoever reason, the Service provider is responsible to control his staff and immediately restore order. If he is unable to restore order then he must ensure that such staff that are participating in industrial action are removed from the Municipality's premises forthwith. Any action/s to be taken to remove staff from the premises or restore order, as the case may be, must first be approved by the Municipality's Protection Services Manager before being instituted.
- 15.4. In the case of the Service provider's staff becoming involved in any strike, stay-away or other action, where no, or only partial service is rendered, and where the Service provider is as a result not responsible for remuneration (no work, no pay) of such personnel, the Contract price for the period concerned shall be adjusted accordingly and it is the responsibility of the Service provider to present revised invoices for payment at the end of the month in which the partial or no service, as the case may be, was rendered.
- 15.5. The Service provider accepts responsibility for any losses, which occur during the process of rendering service when it can be established that the security guards were responsible. The Municipality shall request their staff to ensure that items of value, cash, documents and personal items are securely locked away during service periods.

16. CHANGE OF SPECIFICATIONS AND/OR CONDITIONS

- 16.1. The Municipality reserves the right, in consultation with the Service provider, to amend or add to these specifications and/or conditions as and when necessary depending on changing conditions and requirements.
- 16.2. The Municipality may request to increase or reduce the work force, or cancel the Agreement in the event where buildings, areas or part thereof are no longer in use, sold, reach end of lease, return to owner or landlord, taken over by another Municipality or Institution (merge), etc.

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16.3. Changes to the conditions will not be binding unless mutually agreed upon, recorded in writing and duly signed by both parties. In the event of any dispute where a mutual agreement cannot be reached, both parties agree to arbitration as provided for in this Agreement.

17. EMPLOYEES OF THE SERVICE PROVIDER

17.1. Identification: It is responsibility of the Service provider to ensure that all of his staff whilst on duty on the site are properly recognised by their uniforms and be fully visible. The Municipality reserves the right to require the Service provider to remove from site any staff failing to wear uniforms.

17.2. Medical fitness: The Service provider ensures that all his staff are certified fit for duty. Should the Municipality require such certification, the Service provider is obliged to submit such certification on request.

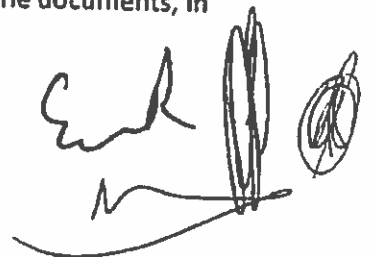
17.3. Training: The Municipality recognizes the need for and in fact encourages any training, both induction and during the course of employment, and expects to derive both benefit and value-for-money from all training undertaken by employees of the Service provider engaged in relation to this contract. However, the Service provider shall ensure that the absence from operational duty of staff attending a training course does not affect the satisfactory provision of the specified services.

17.4. Relief Staff: It is the responsibility of the Service provider to provide all relief-staff required in the event of any labour unrest, seasonal workload peaks or to replace staff on training, leave or sick leave or absent from duty for any reason whatsoever. At all times that relief staff are to be deployed the Municipality's Protection Service Manager must be given reasonable notice of this. The Service provider will bear all costs related to the provision of relief staff and ensure adequate and suitable trained staff of a similar level as the one/s being replaced, if not, the Municipality reserves the right to appoint relief-staff from another service provider at the cost of the Service provider.

18. OPERATING RULES

18.1. The Service provider shall at all times comply strictly with the Municipality's rules, regulations, policies and procedures, applicable to the rendering of the Service, as set out in the Site Procedures Manual, Standing Operating Procedure, and other written instructions provided from time to time, all of which will be made available at a central Control Room on each site and must be regarded by the Service provider collectively as the "Operating Rules".

18.2. Where the documents listed in the above clause or this Agreement do not deal with a specific matter that should have been dealt with, the Parties shall negotiate in good faith with each other with a view to amending either the Agreement or the documents, in writing, so as to regulate that specific matter.



19. COMPLAINTS REGISTER

A complaint register, in which complaints in respect of the service have been recorded, will be made available at an agreed point or points. The supervisor must check the entries in the book(s) on a daily basis to ascertain what complaints have been made and to ensure that these receive attention within 24 hours at the most.

20. WORKING HOURS

The Municipality requires that Service provider provides a service of 24 (twenty-four) hours per day and seven (7) days per week.

21. SUPPORTING STRUCTURE AND MANAGEMENT MEETINGS

The Parties agree that frequent and regular liaison through formal and informal communication structures are essential for maintaining customer focus and clear and open lines of communication. It is also accepted that there should be communication between the Service provider, Protection Service and stakeholders from other departments.

The Service provider will be expected to be pro-active in approaching these immediate stakeholders but must always do so through the Protection Service Manager.

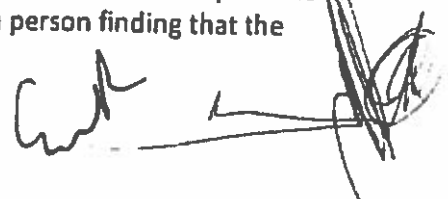
22. LIAISON

22.1. Liaison will take place as required by the Protection Services Manager or Service provider in order to deal with daily management and operational matters. Either may initiate these meetings.

22.2. It is however inevitable that during the course of normal operations the Service provider's personnel (Supervisors and Workers) will come into contact with the Municipality's staff. In these contact situations the Service provider's personnel must not execute any orders from anybody other than from the Municipality's Protection Service Manager. If any such order is directed to the Service provider's personnel they must, in a spirit of good collaboration, hear what the person/s needs are and then immediately bring the order / request to the attention of the Municipality's Protection Service Manager for attention and finalisation.

23. INDEPENDENT AUDIT

The Municipality may, at its cost, at any time during the currency of this Agreement, be entitled to appoint an independent person, acknowledged as an expert in the Security Industry, to undertake a review of the manner in which the Service provider has complied with its obligations in terms of this Agreement and the provision of the Security Service in terms of acceptable industry norms, and in the event of such person finding that the





Service provider has not adequately complied with such obligations, then to make recommendations as to how the Service provider should comply with such obligations.

In the event of such person having conducted his review and having made the Recommendations, then the Municipality shall be entitled to make the recommendations known to the Service provider at a meeting convened, and the Service provider shall then be obliged to comply with such recommendations and any other recommendations that the Municipality may submit.

24. ASSISTANCE BY THE SERVICE PROVIDER

Upon termination of this Agreement for whatsoever reasons, howsoever arising, the Service provider shall be obliged to provide all reasonable assistance to the Municipality in order to enable the Municipality to effect a smooth, non-disruptive transition to another Service Provider who provides services similar to the Service, or to re-establish the Municipality's in-house security service, as the case may be. To this end the Service provider shall:

- 24.1. Provide advice and guidance to the new Security Service Provider or to the Municipality, as the case may be.
- 24.2. Make available its employees to render assistance to the new Security Service Provider or the Municipality, as the case may be.
- 24.3. Provide on an ad hoc basis, the Service that it was providing in terms of this Agreement, until such time, as the case may be, that the new Security Service Provider or the Municipality is capable of performing the new Service.
- 24.4. The Service provider shall be entitled to be remunerated for the assistance provided by it by submitting an invoice for the work performed.

25. FORMALITY

This agreement shall only take effect and become binding upon the Parties when signed by all of the Parties, failing which neither Party may claim the existence of an agreement whether from negotiations having been conducted or concluded in regard thereto or by reason of this Agreement having been drafted or signed by any one of the Parties.

26. ENTIRE AGREEMENT

This Agreement embodies the entire agreement between the Parties and supersedes any prior agreement, commitment, negotiation or correspondence between the Parties regarding the subject matter hereof. No representations, undertakings, warranties, guarantees, terms or conditions that are not recorded herein or in any variation to this Agreement, shall have legal validity.



The terms of this Agreement may not be varied or amended except in writing and no relaxation or indulgence by either Party to the other shall be construed as a waiver of any such Party's rights hereunder unless such relaxation, waiver or indulgence is reduced to writing and signed by the Party granting such relaxation, waiver or indulgence.

27. CODE OF CONDUCT

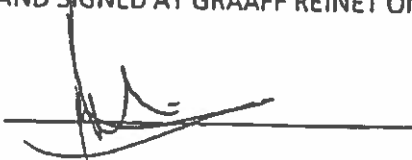
- 27.1. The Service provider and his employees agree not to give any gifts, gift vouchers, loans or any advantages to Municipality employees either directly or indirectly. Contravention of this clause may result in the immediate cancellation of the contract.
- 27.2. The Service provider is not allowed to hold any social functions on Municipality premises.
- 27.3. Social interaction between the Service provider and Municipality's employees during working hours is prohibited.
- 27.4. Any unlawful or illegal practice, or attempt thereto, by Municipality's employees must immediately be reported to the Municipal Manager.
- 27.5. No labour union meetings, either in house or with union officials, on Municipality premises will be permitted.

28. AUTHORITY

The signatures for each party hereby confirm on behalf of the Municipality or Directors of each party that he/she is authorised to sign this contract.

THUS DONE AND SIGNED AT GRAAFF REINET ON THIS 07<sup>th</sup> DAY OF JUNE 2018.

AS WITNESS:

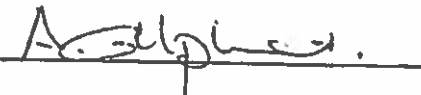


H. HENDRICKS



SIGNATURE: DR. BEYERS NAUDE MUNICIPAL MANAGER

AS WITNESS:



SIGNATURE: GAP MANAGEMENT (PTY) LTD/MANAGING DIRECTOR