

SERVICE LEVEL AGREEMENT

entered by and between

THE GEORGE MUNICIPALITY

herein represented by Mr Cornelius Adriaan du Plessis in his capacity as
Director: Financial Services, being duly authorised thereto

(hereinafter referred to as "**the Municipality**")

and

DEBTMANAGER (PTY) LTD

(Registration number: 2001/011145/07)

herein represented by Ms Elizabeth Hoffmann, in her capacity as Director being
duly authorised thereto

(hereinafter referred to as "**the Service Provider**")

hereinafter collectively referred to as "**the parties**"



PREAMBLE:

- A. WHEREAS the Municipality hereby appoints the service provider following the prescribed Supply Chain Management process in terms of **FIN006/2023** for appointment of the Service Provider for Credit Control and Indigent Management System for George Municipality.
- B. The Service Provider has accepted such appointment and shall render the Services to the Municipality on the terms and conditions as set out in this Agreement, the tender specifications, the special conditions applicable to this tender, the stipulations in the Bid document and the appointment letter dated 29 September 2023, which all form part of this agreement.
- C. The terms and services relating to sections 2.1, 2.15, 2.17 and 2.19 in the pricing schedule on pages 34 and 35 of the tender document, will be negotiated and will only be in effect from 1 November 2024 after expiration of Tender FIN008/2021.

WHEREBY THE PARTIES AGREE AS FOLLOWS:**1. INTERPRETATION**

- 1.1. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have a corresponding meaning, namely:
- 1.1.1. **"Agreement"** shall mean this Service Level Agreement, together with the bid documents, and any other annexures hereto, and **"this Agreement"** shall have a corresponding meaning;
- 1.1.2. **"Municipality"** means the George Municipality;
- 1.1.3. **"Parties"** means the Service Provider and the Municipality; and
- 1.1.4. **"Appointment Date"** means the date on which the final Award Letter was sent to the Service Provider (29 September 2023), see Annexure A attached.
- 1.1.5. **"Service Provider"** means DebtManager (Pty) Ltd., a company with Registration number: 2001/011145/07.

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1.1.6. An expression, which denotes any gender, includes the other genders, a natural person includes a judicial person and vice versa, and the singular includes the plural and vice versa;

1.1.7. The rule of construction that, in the event of ambiguity, this Agreement shall be interpreted against the Party responsible for the drafting thereof, shall not apply in the interpretation of this Agreement.

2. DURATION

Notwithstanding the date of signature, this SLA will commence on the date of the final Award Letter, defined as 29 September 2023 and terminate on 30 June 2026.

3. THE SERVICES

The service shall be rendered as follows:

3.1 Scope

The Service Provider is to provide Credit Control and Indigent Management services and systems in accordance with the George Municipality Credit Control, Debt Collection and Indigent Management policies for the duration of the contract.

3.2 Services

The Services are as per the Specifications set out in the tender documents – attached to this Agreement as Annexure B as the Tender Details. Specific conditions and time frames are elaborated on in clause 5 below.

4. ROLES, RESPONSIBILITIES AND LEVELS OF SERVICE PROVIDED

4.1 Responsibilities of the Municipality, are as follows:

4.1.1 remunerate the Service Provider for the Services in accordance with the terms of this Agreement as per clause 6 below, and in accordance with the approved pricing per the tender document and included as part of Annexure B – Tender Details.

4.1.2 provide all necessary logistical and other support to the Service Provider to enable it to render the Services on the terms as set out in this Agreement;

4.1.3 always co-operate with the Service Provider for the purpose of facilitating the timeous and efficient performance of the Services, including the timeous furnishing of all the information required by the Service Provider to provide the Services; and

4.1.4 timeously review all materials prepared by the Service Provider.

4.2 Responsibilities of the Service Provider, are as follows:

4.2.1 perform and complete the Services in accordance with the terms of this Agreement;

4.2.2 perform the Services diligently and professionally, in a timely manner;

4.2.3 assign a team made up of qualified and suitable resources to perform the Services;

4.2.4 promptly notify the Municipality upon becoming aware of any incident or circumstances that may reasonably be expected to jeopardize the performance or timely performance of any part of the Services; and

4.2.5 follow and implement good industry practice in providing the Services, including such principles as the Parties may agree to in writing in this regard from time to time.

5. CONDITIONS

5.1 The Service Provider must be a registered member of the Council of Debt Collectors.

5.2 The management team of the Service Provider is required to meet:

5.2.1 Weekly with the Municipality's operational manager; and

5.2.2 Monthly with the Municipality's senior management.

5.3 The Service Provider may be required to change, at own cost, existing management report formats at the request of the Municipality.

5.4 The Service Provider must supply its own resources in respect of offices, personnel, vehicles and equipment required.

5.5 Repetition of steps before the case is completed; as per the definition of a successful completion as defined in clause 5.3 of the tender document, do not constitute a new case and cannot be charged additionally.



5.6 The Service Provider must employ as far as possible local personnel for the duration of the contract.

5.7 Technical Requirements are as follows:

5.7.1 Experience and human resources

The Service Provider must manage all processes on an ongoing and permanent basis in an office situated within the George Municipal boundaries.

5.7.2 Geographical capacity and Customer service points

The Service Provider must at least be able to establish and service the following points:

- | | |
|---|------------------|
| • George Municipal Area | Full Time Basis. |
| • George Rural Areas | On request |
| • DMA Area – Uniondale and Haarlem included | On request |
| • Touwsrante, Hoekwil and Wilderness area | On request |
| • Heroldsbay Area | On request |

5.7.3 Indigent management

The Service Provider must deliver the following services:

- 5.7.3.1 Registration of indigent customers;
- 5.7.3.2 An electronic system for indigent management;
- 5.7.3.3 Maintenance of an integrated database of indigent customers;
- 5.7.3.4 Verification and evaluation of indigent applications by visits to the premises;
- 5.7.3.5 Report on any water or other spillage on the site to the Municipality whilst visiting the premises;
- 5.7.3.6 Participation on a selection committee to evaluate applications;
- 5.7.3.7 Bi-annual re-assessments of existing indigent beneficiaries;
- 5.7.3.8 Perform at least bi-annual promotional and community awareness campaigns;
- 5.7.3.9 Monthly update of the register of indigent and poor households;
- 5.7.3.10 Monthly electronic reconciling of indigent and poor households to the financial system of the Municipality;
- 5.7.3.11 Monthly reports on the status of the Indigent Register;
- 5.7.3.12 Sent automated sms/email to customers when they need to re-apply;

- 5.7.3.13 Automated letters to inform client that application is in process and after approval;
- 5.7.3.14 Validate ID and ITC Checks;
- 5.7.3.15 Provide "Load of account debt" of Indigent customers;
- 5.7.3.16 Signing pad and photo camera/finger device;
- 5.7.3.17 Handheld devices for site visits and assisting completion of indigent applications.

5.7.4 Legal services

The Service Provider's debt management system must be able to:

- 5.7.4.1 Manage the pre-legal and legal process;
- 5.7.4.2 Report to the Municipality on problem areas and/or municipal services;
- 5.7.4.3 Advise the Municipality on the recoverability of debt in terms of applicable legislation; and
- 5.7.4.4 Advise the Municipality on possible write-offs;
- 5.7.4.5 Monthly reports on activities on accounts at the attorneys;
- 5.7.4.6 Monthly reports on the top 100 accounts;
- 5.7.4.7 Yearly assist with calculation of the provision of bad debts;
- 5.7.4.8 To do own site visits and inspections;
- 5.7.4.9 Reconciliations of debtor accounts and analysis of debtor accounts on request;
- 5.7.4.10 Assist with any request outside of the process.

5.7.5 Physical disconnection services and repair of minor water leakages at indigent households.

The Service Provider must:

- 5.7.5.1 Perform the physical disconnection and reconnection of electricity and water supplies to individual customers; and
- 5.7.5.2 Physically provide repair and maintenance services of water leakages relating to indigent and poor households, on request of the Municipality.

5.7.6 Automated online debt management system

- 5.7.6.1 The Service Provider must make use of a sophisticated computer system to manage the debt collection process on behalf of the Municipality. The Municipality utilises SAMRAS Financial System and the Service Provider must provide evidence of an appropriate electronic interface to maintain



- the debt collection process and enable online reporting and access to different features.
- 5.7.6.2 The Service Provider must pay for, use and supply access to an automated online debt management system which will manage and control various administrative functions, including the following:
- 5.7.6.2.1 Cut-off and remedial action lists;
 - 5.7.6.2.2 Pre-legal collections;
 - 5.7.6.2.3 Soft and hard tracing;
 - 5.7.6.2.4 Listing and de-listing of debtors;
 - 5.7.6.2.5 Online integration with ITC system;
 - 5.7.6.2.6 Promise to pay arrangements;
 - 5.7.6.2.7 Legal collections including summonses, judgements, letter of execution and instruction to sell;
 - 5.7.6.2.8 Handing over to and monitoring of attorneys;
 - 5.7.6.2.9 Handing over and controlling of debt collecting process;
 - 5.7.6.2.10 Success management and reporting;
 - 5.7.6.2.11 Password control and access management;
 - 5.7.6.2.12 Indigent registration and management;
 - 5.7.6.2.13 History on each handed over account;
 - 5.7.6.2.14 Query and maintenance management; and
 - 5.7.6.2.15 Indigent Register and Proof of electronic indigent balancing;
 - 5.7.6.2.16 SMS and email including bulk SMS and email;
 - 5.7.6.2.17 Automated sending of SMS at various steps;
 - 5.7.6.2.18 Final Demands (and bulk email);
 - 5.7.6.2.19 Block / Unblock of Pre-paid meters;
 - 5.7.6.2.20 Load of account debt and recon; and
 - 5.7.6.2.21 Provide schedules for steercom committee.
- 5.7.6.3 The online debt management system must also facilitate a debt recovery diary and workflow and indigent campaign management.
- 5.7.6.4 The Service Provider must, at own cost, consult with SolveM / SAMRAS to facilitate seamless integration of its computer system with the SAMRAS Financial System.
- 5.7.6.5 The Service Provider must provide, at own cost all hardware and software required to provide the necessary services to the Municipality.

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5.7.6.6 The Service Provider must setup office and system facilities, engage/train personnel and effect the hand over of cases and complete history of data / information from the current service provider's.

5.8 Debt Collection and Administration Services

5.8.1 The Municipality is invoicing all service charges and service fees arising from the tender. All cost in terms of this contract will be recovered, except in the case of indigent households, from the accounts of the defaulting customers.

5.8.2 The Service Provider will provide the agreed charges in a format which must be to the satisfaction of the Municipality and be seamlessly integrated with the financial system.

5.9 Arrear debt

5.9.1 The Service Provider will be permitted to implement debt collection on Customer's arrear debts, i.e. unpaid after due date, as may be approved by the Municipality from time to time in accordance with its rates, credit control and debt collection and tariff policies.

5.9.2 The Services to be provided by the Service Provider must include:

5.9.2.1 Perform indigent audits as prescribed by the Municipality from time to time;

5.9.2.2 Identify and evaluate possible write-offs of outstanding debt; and

5.9.2.3 Log and report meter-related queries to the Municipality and/or designated contractor.

5.9.3 Debt management services must include

5.9.3.1 Debtor identification through an arrears extract or preferably through an interface with the Municipality's systems;

5.9.3.2 Filtering arrears information for import into the Service Providers system;

5.9.3.3 Issuing of reminders to customers of their outstanding debt, by means of telephone, SMS's, e-mail, telegram or fax;

5.9.3.4 Issuing 24-hour notices;

5.9.3.5 Identify and inform the Municipality of meters to be blocked;

5.9.3.6 Daily preparation of disconnection/reconnection orders for water and electricity;

- 5.9.3.7 Handling all logistical matters in terms of the physical disconnection and reconnection of defaulters and in this respect the Service Provider will always employ persons with the relevant qualifications and experience as prescribed by the applicable legislation to undertake this work;
- 5.9.3.8 Maintain record of relevant municipal charges and submit these to the Municipality for upload into its systems in a format to be agreed – preferably a seamless interface;
- 5.9.3.9 Negotiating acceptable payment agreements in accordance with the Municipality policy; such arrangements will apply to all debt, both current and in arrears;
- 5.9.3.10 Obtaining and maintaining acknowledgements of debt, emolument attachment orders;
- 5.9.3.11 Follow-up on negotiated agreements;
- 5.9.3.12 Identification of defaults on negotiated agreements;
- 5.9.3.13 Preparation of summonses;
- 5.9.3.14 Obtaining judgments;
- 5.9.3.15 After handing over an account, the Service Provider must carry out in consultation and liaison with the Municipality and it's Legal services, a social assessment on site and face-to-face with the occupants/owners; present a social assessment report to the Municipality with recommendations on how to handle the outstanding debts;
- 5.9.3.16 Ongoing liaison with legal service providers in terms of the execution of judgments;
- 5.9.3.17 Keeping record and follow-up on disconnected customers not reconnected;
- 5.9.3.18 Responsibility for all correspondence with debtors handled by the Service Provider in terms of the policy, up to the stage of handing over for legal proceedings;
- 5.9.3.19 Repair of minor water leakages at indigent households; and
- 5.9.3.20 Identification of water / electricity tamperers.

5.9.4 Preparation of reports according to the time frames set out below: -

- 5.9.4.1 Indigent applications (monthly/quarterly/annually);
- 5.9.4.2 Recommended write-off report (monthly/quarterly/annually);
- 5.9.4.3 Arrangements made for domestic, businesses and indigent (monthly/quarterly/annually);

- 5.9.4.4 Final demands issued (delivered and posted) (monthly/quarterly/annually);
- 5.9.4.5 Billing and account queries (monthly/quarterly/annually);
- 5.9.4.6 Correspondence handled with debtors (monthly/quarterly/annually);
- 5.9.4.7 Electricity cut/reconnections (monthly/quarterly/annually);
- 5.9.4.8 Water restrictions/reconnections (monthly/quarterly/annually);
- 5.9.4.9 Electricity and water revisits (monthly/quarterly/annually);
- 5.9.4.10 Electronic copy of municipal charges (weekly);
- 5.9.4.11 Matters handed over and handed-over statistics (monthly/quarterly/annually);
- 5.9.4.12 Payment level statistics (monthly/quarterly/annually);
- 5.9.4.13 Arrears extract statistics (monthly/quarterly/annually); and
- 5.9.4.14 Workflow statistics for all actions.
- 5.9.4.15 Arrears statistics (monthly/quarterly/annually)
 - 5.9.4.15.1 growth in indigent accounts;
 - 5.9.4.15.2 cash flow improvements;
 - 5.9.4.15.3 net effect on arrears;
 - 5.9.4.15.4 collection on arrangements;
 - 5.9.4.15.5 attorneys brought forward balances; and
 - 5.9.4.15.6 impact of arrangements of brought forward balances.
- 5.9.4.16 Quarterly reports, within 5 (five) working days of the end of the quarter, of:
 - 5.9.4.16.1 the Service Provider's performance during that financial quarter;
 - 5.9.4.16.2 a comparison with targets of and with performance in the previous financial quarter;
 - 5.9.4.16.3 the development of performance targets set by the Service Provider for the following quarter;
 - 5.9.4.16.4 measures that were or are to be taken into account to improve performance; and
 - 5.9.4.16.5 prior to the effective date and quarterly thereafter in conjunction with the Chief Financial Officer, or his/her nominee, to perform a Quarterly Assessment of the current situation by:
 - (i) identifying possible constraints and developing plans to overcome the constraints;



- (ii) an analysis of the Municipality's outstanding debtors' book;
 - (iii) proposals for improved assistance to indigent customers;
 - (iv) recommendations in terms of improved customer care; and
 - (v) proposed specific projects, the areas of focus, resources required and proposed outcomes.
 - 5.9.4.17 Annual reports, within 5 (five) working days after the end of the financial year, of:
 - 5.9.4.17.1 the Service Provider's performance during that financial year, in comparison with targets of and with performance in the previous financial year;
 - 5.9.4.17.2 the development of performance targets set by the Service Provider for the following year;
 - 5.9.4.18 Monthly electronic balancing of indigent and poor households;
 - 5.9.4.19 Monthly updated register of indigent and poor households;
 - 5.9.4.20 Monthly update of new accounts and all accounts in arrears with contact number and email address; and
 - 5.9.4.21 Monthly electronic report on the contingent liability (specific layout).
- 5.10 Specific System Requirements
- 5.10.1 The Service Provider warrants that the system utilized meets the Municipality's specific system requirements as stated in the tender document and will make daily backups.
- 5.11 Public Liability Insurance
- 5.11.1 The Public Liability Insurance will not be covered by the Municipality's overall Public Liability Insurance. The Service Provider must provide its own Public Liability Insurance. Proof must be provided within 7 (seven) days after appointment.
- 5.12 Operating costs
- 5.12.1 All costs related to the performance of the Service Provider's Debt Collection and Management Services will be for its own account and should be included in its fees stipulated in this agreement.
- 5.13 Final demand process is as follows:



- 5.13.1 Letter is printed;
 - 5.13.2 Letter posted or delivered at the correct address;
 - 5.13.3 Action reported on management report; and
 - 5.13.4 Fee raised on system.
- 5.14 Cut off and letter of notification – Electricity
- 5.14.1 Letter sent to all customers in bulk or with an email address (single email/sms's must be available with drop down menu to pick the relevant document);
 - 5.14.2 Instruction is printed on the cut off list;
 - 5.14.3 Physical cut-off of supply done at correct address;
 - 5.14.4 Letter delivered at correct address;
 - 5.14.5 Keeping record of electricity cut-offs;
 - 5.14.6 Action reported on management report; and
 - 5.14.7 Fee raised on system.
- 5.15 Re-connection of Electricity
- 5.15.1 Physical re-connection of electricity;
 - 5.15.2 Action reported on management report; and
 - 5.15.3 Fee raised on system.
- 5.16 Fourteen-day notification – Water
- 5.16.1 Letter sent to all customers in bulk or with an email address (single email/sms's must be available with drop down menu to pick the relevant document)
 - 5.16.2 Notification is printed;
 - 5.16.3 Notification posted or delivered at the correct address;
 - 5.16.4 Action reported on management report, and
 - 5.16.5 Fee raised on system.
- 5.17 Restriction of water
- 5.17.1 Instruction is printed on the restriction list;
 - 5.17.2 Physical restricting of water supply is done at the correct address;
 - 5.17.3 Keeping record of water restrictions;
 - 5.17.4 Action reported on management report; and
 - 5.17.5 Fee raised on system.
- 5.18 Un-restricting of water
- 5.18.1 Physical removal of the restriction;



- 5.18.2 Action reported on management report; and
- 5.18.3 Fee raised on system.
- 5.19 Promise to pay arrangement
 - 5.19.1 Client responds after action has been taken;
 - 5.19.2 Ensure the prescribed amount has been paid;
 - 5.19.3 Arrangement made and recorded;
 - 5.19.4 Action reported on management report; and
 - 5.19.5 Fee raised on system.
- 5.20 Indigent application support
 - 5.20.1 Receive client request for subsidy;
 - 5.20.2 Assist with completion of subsidy and agreement forms;
 - 5.20.3 All prescribed documentation handed over to municipal officials;
 - 5.20.4 Action reported on management report; and
 - 5.20.5 Fee raised on system.
- 5.21 Summons
 - 5.21.1 No response from client or default on arrangement;
 - 5.21.2 Summons printed and authorised;
 - 5.21.3 Summons issued by court;
 - 5.21.4 All prescribed documentation delivered to sheriff of the court;
 - 5.21.5 Sheriff return recorded;
 - 5.21.6 Summons diary updated;
 - 5.21.7 Action reported on management report; and
 - 5.21.8 Fee raised on system.
- 5.22 Judgement and letter of execution
 - 5.22.1 No response after summons served;
 - 5.22.2 Judgement and letter of execution printed and authorised;
 - 5.22.3 Judgment granted;
 - 5.22.4 Positive court returns recorded;
 - 5.22.5 Judgement diary updated;
 - 5.22.6 Action reported on management report; and
 - 5.22.7 Fee raised on system.
- 5.23 Hand over to attorney
 - 5.23.1 No response from client or default on arrangement;
 - 5.23.2 Management instruction and authorisation to hand over;



- 5.23.3 All prescribed documentation handed over to municipal officials;
- 5.23.4 Action reported on management report; and
- 5.23.5 Fee raised on system.

6. PAYMENT

- 6.1 The Municipality will make payment in respect of services provided only when instructions to perform a specific action are successfully completed. The definition of successful completion in practical situations, as well as conditions for payment is defined in the Tender Specifications, clause 1.3 of the tender document.
- 6.2 Payment to the Service Provider, for actions performed, will be authorised if details of the following can be supplied:
 - 6.2.1 Full payment of account, including fees and increased deposit are paid by client; or
 - 6.2.2 Registration of client as indigent and arrear debt is taken to council for write off; or
 - 6.2.3 Where all necessary actions were taken, the debt was found to be irrecoverable, and the debt is written off; or
 - 6.2.4 Services restricted / blocked; or
 - 6.2.5 Summons issued; or
 - 6.2.6 Case handed over to attorney for collection.
- 6.3 The Municipality shall pay the Service Provider, in accordance with the price schedule of the tender document, within 30 (thirty) days of receipt of the tax invoice and supporting detailed schedule, provided that the services to which the tax invoice relates have been completed to the satisfaction of the Municipality.
- 6.4 The following details must be reflected on the invoice forwarded to the Municipality by the Service Provider:
 - 6.4.1 The total amount payable regarding the services, activities and outputs, as well as details of time spent on such activities;
 - 6.4.2 VAT payable; and
 - 6.4.3 Relevant "UKEY"



- 6.5 The Municipality will verify the correctness of services rendered in each major project or release and notify the Service Provider of any possible discrepancies within ten (10) days of the release. If the invoice is correct, the amount due shall be payable within thirty (30) days from receipt of the invoice.
- 6.6 If the Municipality identifies any material discrepancies the invoice will be referred back to the Service Provider, and the amount due will be payable within thirty (30) days from receiving of a correct invoice, provided that the Services to which the relevant invoice relates has been achieved to the satisfaction of the Municipality.
- 6.7 The approved cost in terms of this agreement is attached hereto, as part of Annexure B.
- 6.8 Reimbursements.
 - 6.8.1 The Service Provider must pay all sheriff fees directly to the relevant sheriffs and indicate it as part of their monthly invoice for reimbursement from the Municipality. A summary together with evidence of these payments should accompany it.
- 6.9 All costs related to the performance of the Contractor's Debt Collection and Management Services will be for its own account.

7. REPORTING & PERFORMANCE

- 7.1 The Service Provider shall perform duties, deliver service and report as set out in the bid document and this agreement.
- 7.2 As per the normal practice for the Municipality Contract Owners are responsible for managing the performance of Service Providers under their authority. At a minimum the Service Provider will be scored on a monthly basis and the achieved levels are to be reported to the Contract Management Unit (CMU). Should the CMU identify areas of concern from these monthly Supplier Evaluations, the perceived issues will be taken up with the Service Provider for comment and possible further intervention and action.

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8. INDEPENDENT CONTRACTOR

- 8.1 The Service Provider is appointed as an independent contractor, and not as an employee, and at all relevant times during the currency of this Agreement no employer/employee relationship shall exist between the Parties.
- 8.2 This Agreement replaces any other previous verbal or written agreement entered between the Parties.

9. ENTIRE AGREEMENT

- 9.1 This Agreement constitutes the entire agreement between the Parties and no amendment, alteration, addition or variation of any right, term or condition of this Agreement will be of any force or effect unless reduced to writing and signed by the Parties to this Agreement.
- 9.2 The Parties agree that there are no conditions, variations or representations, whether oral or written and whether expressed or implied or otherwise, other than those contained in this Agreement.
- 9.3 The annexures to this agreement form an integral part hereof and shall be read as if incorporated herein, and in the event of a conflict between this agreement and the annexures, this agreement shall take preference.

10. WAIVER

- 10.1 No waiver of any of the terms and conditions of this Agreement shall be binding unless expressed in writing and signed by the Party giving the same, and any such waiver shall be affected only in the specific instance and for the purpose given.
- 10.2 No failure or delay on the part of either Party in exercising any right, power or privilege precludes any other or further exercising thereof or the exercising of any other right, power or privilege.
- 10.3 No indulgence, leniency or extension of time which any Party (*“the Grantor”*) may grant or show the other Party, shall in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights in terms of this Agreement.

11. CONFIDENTIAL INFORMATION

11.1 The Service Provider shall not, during the currency of this Agreement, or at any time thereafter, utilize or cause to be utilised, and/or directly or indirectly publish or cause to be published or otherwise disclose or cause to be disclosed to any third party, any of the Confidential Information of the Municipality, government in any other sphere, or any government institution or organ of state.

11.2 For purposes of this clause "Confidential Information" shall mean:

11.2.1 any information disclosed, revealed or exchanged and which pertains to, but is not limited to, all intellectual property rights, all trade secrets, all agreements (whether in writing or not) which exists at the time of revealing the content thereof to the Service Provider, the content of all possible future agreements which may be entered into with any other party, all knowledge obtained by way of research and development, irrespective of whether the aforementioned information that is revealed is applicable to technical, operational or financial aspects of the Municipality, government in any other sphere, or any government institution or organ of state;

11.2.2 any information of whatever nature, which has been or may be obtained by the Service Provider, whether in writing or in electronic form or pursuant to discussions between the parties, or which can be obtained by examination, testing, visual inspection or analysis, including, without limitation, scientific, business or financial data or information, know-how, formulae, processes, designs, sketches, photographs, plans, drawings, specifications, sample reports, models, studies, findings, computer software, inventions or ideas;

11.2.3 analyses, concepts, compilations, studies and other material prepared by or in possession or control of the Service Provider which contain or otherwise reflect or are generated from any such information as is specified in this definition;

11.2.4 all information which a third party has in terms of any agreement made available to the Municipality and which has become known to the Service Provider in the course of rendering the Services; and

11.2.5 any dispute between the Parties resulting from this Agreement.



11.3 The Service Provider shall:

- 11.3.1 use the Confidential Information only for rendering the Services;
- 11.3.2 treat and safeguard the Confidential Information as private and confidential;
and
- 11.3.3 ensure proper and secure storage of all Confidential Information.

11.4 Any documents or records (including written instructions, notes or memoranda) relating to the Services which are to be provided to the Service Provider or which come into the Service Provider's possession during the currency of this Agreement, are deemed to be the property of the Municipality and shall be surrendered to the Municipality on demand, and in the event of the expiry or termination of this Agreement, the Service Provider will not retain any copies thereof or extracts there from without obtaining the prior written permission of the Municipality.

11.5 The Service Provider:

- 11.5.1 acknowledges that he/she has carefully considered the provisions of the clause;
- 11.5.2 agrees that this clause is, after taking all relevant circumstances into account, reasonable and necessary for the proper protection of the interests of the Municipality and the Government of the Republic of South Africa and that if he/she should at any time dispute the reasonableness of this clause, then the onus of proving such unreasonableness shall be on the Service Provider; and
- 11.5.3 acknowledges that he/she has entered into this Agreement freely and voluntarily and that no circumstances exist and/or existed for him/her alleging, either now or at any future time, that he was at a disadvantage in agreeing to the restraints set out in this clause, or was not in an equal bargaining position with the Municipality in agreeing thereto.

11.6 The Municipality acknowledges that it is their responsibility to take into account POPIA regulations pertaining to users and their information being used by the Service Provider and the Service Provider will also adhere to POPIA in terms of its obligations in terms thereof.

12. BREACH

- 12.1 If the Service Provider breaches the terms and conditions of this agreement, the Municipality must notify the Service Provider in writing to remedy the breach within 7 (seven) days after becoming aware of the alleged breach.
- 12.2 If the breach consists of the non-payment of money due, then the period will be not less than 10 (ten) days and if the breach is of other nature, then the period will be not less than 30 (thirty) days.
- 12.3 In the event of the Service Provider failing or being unable to remedy the breach the Municipality may, without prejudice to any other rights it may have in law, exercise all or any of the following rights to:
 - 12.3.1 Cancel this Agreement and/or;
 - 12.3.2 Demand specific performance, together with a claim for any damages and interest
- 12.4 If the Municipality breaches the terms and conditions of this Agreement, the Service Provider must notify the George Municipality in writing to remedy the breach within 7 (seven) days after becoming aware of the alleged breach.
- 12.5 If the breach consists of the non-payment of money due, then the period will be not less than 10 (ten) days and if the breach is of other nature, then the period will be not less than 30 (thirty) days.
- 12.6 In the event of the Municipality failing to or being unable to remedy the breach, the Service Provider without prejudice to any other rights it may have in law, exercise all or any of the following rights:
 - 12.6.1 Cancel the Agreement; or
 - 12.6.2 Demand Specific Performance together with a claim for any damages and interest.
- 12.7 The Service Provider accepts liability for all legal costs, including attorney and own client charges and collection charges, and other expenses of any nature whatsoever, which may be incurred by the Municipality by reason of the Service Provider breach of any term or condition of this Agreement.

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- 12.8 The Service Provider acknowledges and agrees that any negative public statement made by the Service Provider, whether directly or indirectly, about the Municipality, its employees, both political or administratively appointed, whether on radio, television, print media, news media, social media or any other mass media channel, shall be considered a material breach of this contract. In the event of such breach, the Municipality may, at its sole discretion, need to reconsider its ongoing contractual relationship with the Service Provider.

13. NOTICE AND DOMICILIUM

- 13.1 The Parties choose as their respective *domicilium citandi et executandi* for the purposes of legal proceedings and for the purpose of giving or sending any notice provided for or necessary in term of this Agreement, the following addresses:

THE MUNICIPALITY:

THE GEORGE MUNICIPALITY
Office of the Municipal Manager
Third floor, Civic Centre
George Municipality
71 York Street
George,
6530

THE SERVICE PROVIDER:

DEBTMANAGER (PTY) LTD
Cambridge Office Park, Unit 12
5 Bauhinia Street
Highveld Technopark
CENTURION
0157
Email: estelleh@debtpack.com
Tel Nr: (012) 3421053

- 13.2 All notices to be given in terms of this Agreement shall be given in writing and be delivered or sent by prepaid registered post to the Party's chosen *domicilium citandi et executandi*.

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- 13.3 If delivered by hand, a notice shall be presumed to have been received on the date of delivery, or, if sent by prepaid registered post, be presumed to have been received 7 (seven) business days after the date of posting.
- 13.4 Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one of the Parties from the other Party shall be adequate written notice of communication.
- 13.5 The above clause will not be so construed as to oust the service procedures, specifically those of personal service as depicted in any applicable legislation of the Republic of South Africa.

14. DISPUTE RESOLUTION

- 14.1 If any dispute arises between the parties in connection with or arising out of this Agreement, the parties shall make every effort to resolve amicably, such dispute or difference by mutual consultation.
- 14.2 Should a dispute which pertains to this SLA arise between the parties to this Agreement then the parties can agree to refer the dispute in question to arbitration.
- 14.3 Referral to arbitration must be by way of written notice delivered to the *domicilium citandi et executandi* of the other party/ies involved in the dispute.
- 14.4 In the event of arbitration, the parties shall use their best endeavours to ensure that the arbitration is held and concluded, and a decision handed down within 30 (thirty) working days after the delivery of the referral to arbitration.
- 14.5 Arbitration shall be held in Cape Town and/or George, or as may be agreed between the parties informally and otherwise in accordance with the provisions of the Arbitration Act, No.42 of 1965, it being intended that, if possible, it shall be held and concluded within ten business days.
- 14.6 The arbitrator shall be a person agreed between the parties to the dispute alternatively and party to the dispute may request the Chairperson for the time being of the Legal Practice Council (Western Cape Provincial Office) to appoint an arbitrator, which he is authorised to do in his sole discretion, save that the appointed arbitrator must be independent.

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- 14.7 The arbitrator shall have the fullest and freest discretion regarding the procedure applicable to the proceedings; whether he shall require assessors to assist in his decision making; subject to the other terms of this clause 14.
- 14.8 The arbitrator may make an award as to his/her costs.
- 14.9 The provisions of the Arbitrations Act, Act 42 of 1965, shall apply to this arbitration.
- 14.10 A party to this Agreement may institute court proceedings if:
- 14.10.1 Same is necessary for the protection of any rights pending the resolution of an arbitration in terms hereof; or
- 14.10.2 Same is necessary to obtain relief where grounds justifying urgent relief exist;
- 14.10.3 Same is necessary to compel a party to abide by the terms of this arbitration clause.
- 14.11 Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is:
- (a) Primarily a legal matter, a practising Senior Advocate of the Cape Bar;
 - (b) any other matter, an independent and suitably qualified person as may be agreed between the parties and the dispute.
- 14.12 If agreement cannot be reached on whether the question in dispute falls under 14.11 (a) or 14.11 (b) and/or upon a particular Arbitrator within three (3) business days after the Parties have agreed to refer the dispute to arbitration, then the Chairperson for the time being of the Cape Bar Council shall be requested to:
- (a) determine whether the question in dispute falls under 14.11 (a) or 14.11 (b) and/or
 - (b) nominate the Arbitrator within seven days after the Parties have failed to agree.
- 14.13 The Arbitrator shall give his or her decision within five (5) business days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid either by one or the other or by both of the Parties.

14.14 The decision of the Arbitrator shall be final and binding and may be made an order of the Western Cape High Court, Cape Town, upon the application by any party to the arbitration.

14.15 Notwithstanding the provisions contained in clause 27 of the GCC, disputes between the Parties shall be governed exclusively by, and settled in terms of, clauses 14.1 to 14.14 of this Service Level Agreement.

14.16 A party to this Agreement may institute court proceedings if:

14.16.1 Same is necessary for the protection of any rights pending the resolution of an arbitration in terms hereof; or

14.16.2 Same is necessary to obtain relief where grounds justifying urgent relief exist;

14.16.3 Same is necessary to compel a party to abide by the terms of this arbitration clause.

15. VALIDITY PERIOD AND TERMINATION

15.1 This agreement remains valid for the duration of the contract period.

15.2 The term or renewal term can be terminated as per a 30-day cooling off period after the commencement or renewal date of the agreement. Notice of this termination must be made in writing.

15.3 If the Municipality terminates the agreement prematurely to its term, then any unpaid service fees will be invoiced.

15.4 If the agreement is ended by any party, the Service Provider is responsible for providing the Municipality with all data, files, and databases associated with the services provided.

16. ASSIGNMENT, CESSION AND DELEGATION

16.1 The Service Provider shall not assign, cede or transfer any of its rights, interests and obligations (in whole or in part) under this contract.

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17. INJURY OR DAMAGE TO PERSON OR PROPERTY

17.1 The Service Provider shall indemnify and keep indemnified the Municipality against all losses and against all claims for injury or damage to any person or property whatsoever which may arise out of or in consequence of the Service Provider or Service Provider employees providing the services and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever, in respect thereof or in relation thereto.

18. FORCE MAJEURE

18.1 If *force majeure* causes delays in or failure or partial failure of performance by a party of all or any of its obligations hereunder, this agreement, shall be suspended for the period during which the *force majeure* prevails. Written notice of the *force majeure* specifying the nature and date of commencement thereof shall be dispatched by the party seeking to rely thereon to the other party as soon reasonably possible after the commencement thereof. Written notice of the cessation of the force majeure shall be given by the party who relied thereon within seven (7) days of such cessation. No Party shall subsequently be obliged to comply with obligations suspended during such period. For purpose hereof, force majeure includes any laws or regulations having the force of law, civil strife, riots, insurrection, sabotage, acts of war or public enemy, illegal strikes, interruption of transport and interruption in product supply, caused by the supplier, flood, storm, fire (or without limitation *eiusdem generis*) any other circumstances beyond the reasonable control of the party claiming *force majeure*.

19. LIMITATION OF LIABILITY

19.1 The Service Provider, unless reasonably expected in terms of this SLA, shall not be liable for any actual or contingent loss, liability, expense, costs (including legal costs on the scale as between attorney and own client and any additional legal costs), or damage of whatsoever nature (whether direct, indirect, consequential or otherwise) suffered by the Municipality as a result of, or which may be attributable to or caused by -

19.1.1 any mistake, error or omission in third party systems or information (excluding information, which has been processed in any way by the Service Provider) used by the Municipality, provided that the error and/or mistake is not as a

result of the Service Provider's gross negligence or wilful misconduct, excluding where this is a result of integration problems between the respective systems.

19.1.2 any delay or failure by third parties (i.e., other service providers of the Municipality) to avail/render/supply products/services and/or notify the Service Provider of changes and updates.

19.1.3 an event of force majeure as contemplated in clause 18.

20. PENALTIES

20.1 It is recorded and agreed, that in the event of poor performance by the Service Provider, which lead to cost charged by a 3rd party, which is directly linked to poor performance by the Service Provider, such cost will be for the bill of the Service Provider.

20.2 The Municipality's right to impose penalties shall not in any way detract from the Directorate's right to claim damages in lieu of penalties in the event of a breach by the Service Provider of any or all of the terms and conditions of this Agreement.

20.3 Should a penalty schedule be relevant it will be attached to this agreement and needs to be accepted by both parties.

21 IMPLEMENTATION AND GOOD FAITH

21.1 The Parties undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental to give conducive to the giving of effect to the terms, conditions and import of this Agreement.

22. INTELLECTUAL PROPERTY

22.1 Neither Party shall acquire any rights, title or interest of any kind in any Intellectual Property owned by the other Party as it shall remain vested at all times with that Party.

22.2 All Intellectual Property and all modifications made to the Intellectual Property shall at all times remain the sole property of that Party. Unless specifically authorised in this Agreement or in Writing by the one party to the other, then only to the extent so



authorised, neither party shall have the right to use, reproduce or copy the Intellectual property of the other party in any manner whatsoever.

22.3 Both parties (including its representatives ,agents and employees) will not at any time, or in any manner, lower the dignity, standing and reputation of both parties, or in any other way contest the validity of, or prejudice, any of the parties intellectual property rights. Including its corporate identity, emblem or logo.

22.4 The Parties shall inform one another, as soon as reasonably possible, of any infringement of the Intellectual Property of either Party, and shall further provide that Party with all assistance in order to protect the Intellectual Property of that Party.

22.5 Insofar both parties are considered in law to be the original owner of the copyright of any document, drawing, material or record developed or acquired by both parties in the course of its obligations under this agreement hereby grants the right to copy such document, drawing, material or records, for internal and external use or reporting of for any other reasonable purpose.


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23. SIGNATURE

- 23.1 This Agreement is signed by the Parties on the dates and at the places indicated below.
- 23.2 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.
- 23.3 The persons signing this Agreement in a representative capacity warrant their authority to do so.
- 23.4 The Parties record that it is not required for this Agreement to be valid and enforceable that a Party shall initial the pages of this Agreement and/or have its signature of this Agreement verified by a witness.
- 23.5 The parties record that the agreement can be signed electronically and that such electronic signature will be regarded as the original.
- 23.6 The Parties also record, that such electronic signature does not need to be an advanced electronic signature.
- 23.7 The signatories hereof, being duly authorised thereto, by their signatures hereto authorise the execution of the work detailed herein, or confirm their acceptance of the contents hereof and authorise the implementation or adoption thereof, as the case may be, for and on behalf of the parties represented by them.


Signed at ... GEORGE ... on this ... 14th day of ... NOVEMBER 2023

AS WITNESSES: (For the Municipality)

1 
 Signature (Witness 1)
Renaldo Coetsee
 Name & Surname (Witness 1)


Mr Cornelius Adriaan du Plessis
 Director: Financial Services for
 and on behalf of George
 Municipality

2


Signature (Witness 2)

Burdien Gouws
Name & Surname (Witness 2)

AS WITNESSES: (For the Supplier)

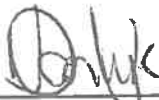
1

M. Coetzee .
Signature (Witness 1)

Lenaé Coetzee .
Name & Surname (Witness 1)


Ms Elizabeth Hoffmann
Director: DebtManager (Pty) Ltd

2


Signature (Witness 2)

Delize Von Wyk
Name & Surname (Witness 2)