SERVICE PROVIDER AGREEMENT

Entered into by:
CAPE AGULHAS MUNICIPALITY
('the Client')

and

SIYANDA BUSINESS SOLUTIONS (PTY) LTD
('the Service Provider')

FINANCIAL SERVICES
Preamble

Whereas:

a) Cape Agulhas Municipality seeks to procure the services of the Siyanda Business Solutions (Pty) Ltd in terms of the proposal pertaining to the formal written quotation Q16/2015/16 to render any of the following services as required by the municipality:

1) General Accounting Support.

2) Technical support relating to GRAP. Review of current accounting policy to ensure compliance with Directive 5.

3) Assistance relating to the annual and adjustments budget. The assistance includes the following:
   - Compliance with National Treasury formats (A and B Schedule) and GRAP
   - Reporting to Management and Council in the prescribed format

3) Assistance with monthly reporting to comply with the requirements of Section 71 of the MFMA

4) Support relating to the requirements of mSCOA.

6) Year-end planning.

7) On-site training on all of the interventions above to ensure successful transferring of skills to the relevant officials within the Municipality.

b) The parties wish to record the terms and conditions of acceptance of the formal written quotation and proposal of the service provider.
It is therefore agreed as follows:

1. Interpretation

The headings of the paragraphs in this Agreement are for the purposes of reference only and shall not be used in the interpretation of this Agreement. In this Agreement, unless a contrary intention clearly appears:

1.1. the singular includes the plural and vice versa;

1.2. the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

1.2.1. 'business day' means any working day, excluding Saturdays, Sundays and public holidays;

1.2.2. 'Client' means Cape Agulhas Municipality;

1.2.3. 'commencement date' means the date on which the parties commenced with the performance of their obligations, namely 22 February 2016;

1.2.4. 'contract price' means the fees that will be charged by the Service Provider as stipulated in the formal written quotation for the performance of the services in terms of this Agreement;

1.2.5. 'key result' means an indicator or yardstick in terms of which the Service Provider's successful performance of its obligations may be gauged;

1.2.6. 'methodology' means the professional expertise and the system of methods required by the Service Provider to perform the obligations set out in terms of this Agreement;

1.2.7. 'prime rate' means the variable interest rate as charged and calculated by the Service Provider's bankers from time to time;

1.2.8. 'project' means the services to be performed by the Service Provider in terms of the Tender and the corresponding obligations to be fulfilled by the Client;

1.2.9. 'project plan' means the strategy prepared by the parties for the successful completion of the Project;

1.2.10. 'Service Provider' means the Siyanda Business Solutions (Pty) Ltd
1.2.11. 'services' refers to the professional work to be performed by the Service Provider in terms of this Agreement;

1.2.12. 'formal written quotation' means quotation Q16/2015/16 of Cape Agulhas Municipality.

1.3. figures are referred to in numerals and in letters and if there is any conflict between the two then the letters shall prevail;

2. Appointment and Duration

2.1. The Client hereby appoints the Service Provider to carry out the services detailed in this Agreement upon the terms and conditions set out herein.

2.2. The Service Provider will commence and complete the performance of the services on the dates as may be agreed by the parties.

2.3. The agreement shall terminate on 30 June 2016. The Client may extend the agreement for a period after 30 June 2016.

3. Extent of terms and conditions

3.1. This Agreement consists of the terms and conditions set out in the documentation listed as follows:

3.1.1. The Service Provider's formal written quotation to Cape Agulhas Municipality.

3.1.2. Letter of appointment and,

3.1.3. This Agreement.

3.2. In the event of conflict between the provisions of any of the aforementioned documentation and this Agreement, the provisions of this Agreement shall prevail.

4. Scope of Services

4.1. The Service Provider shall provide accounting support Cape Agulhas Municipality, as listed in par (a) above.

4.2. Services shall be rendered with regard to the proposals and requirements of Cape Agulhas Municipality.
4.3. Proposal and service levels or requirements as stipulated in this agreement shall govern the Service Provider's performance of its obligations, unless agreed otherwise.

5. **Contract Price**

5.1. The contract price is based on the following rates (Vat Exclusive):
- Hourly tariff of **R650.00**
- Travel rate of **R4.00** per kilometre
- Daily out-of-town subsistence of **R270.00** per day
- Daily subsistence of **R73.50** per return day from site visit

5.2. The total value of the contract shall not exceed **R172 521.00**. The value of the contract is estimated on support for **5 (five) working days per month** for a period of **6 (six) months**.

6. **Obligations of the Service Provider**

6.1. The Service Provider shall render all required services in compliance with the methodology and timeframes set out in this Agreement or as may further be agreed. In this regard:

6.1.1. The Service Provider shall accomplish the key results set out in this agreement, if the Service Provider fails to perform the municipality reserves the right to terminate the contract and,

6.1.2. The Service Provider shall not be bound to the methodology or external professional assistance it elects to employ, provided that whatever external assistance or methodology is selected enables the Service Provider to successfully perform its obligations.

6.2. The aforementioned services shall be rendered diligently and to the standard required by the Client.

7. **Obligations of the Client**

7.1. The Client shall ensure that the Service Provider has reasonable access to and the support of whatever information or personnel, respectively, may be necessary for the Service Provider to fulfill its obligations.
7.2. The Client shall effect remuneration to the Service Provider upon the latter's performance of its obligations within 30 days of receiving a supporting invoice. The Service Provider shall submit a statement of account on a monthly basis to the client in order to reconcile payables with the client's own accounting records, and if, for any reason, is unable to submit such statements, will inform the client in writing of the reasons for such failure. The Client will not unreasonably demand such statements or withhold payment because of such failure to deliver statements of account.

8. Remuneration

8.1. The Client hereby agrees to remunerate the Service Provider strictly in accordance with the provisions of payment method utilised in Cape Agulhas Municipality (within 30 days of receiving the Invoice). Should the Client defaults or falls into arrears with any payment then the Service Provider reserves its right to claim payment of interest at the prime rate, calculated from the day payment has become due to the actual date of payment.

9. Limitation of liability

9.1. The Service Provider hereby protects and secures the Client against all legal liability with regard to any claims that may arise as a result of a breach of contract or negligence on the part of the Service Provider in respect of its obligations in terms of this Agreement.

9.2. The maximum liability of the Service Provider in respect of the aforementioned claims shall be limited to the aggregate of fees that have accrued to the Service Provider for the obligations that form the subject of the breach of contract or negligence as at the time that the cause of action arose.

9.3. The Client warrants that all required supply chain procedures were followed for the appointment of the Service Provider and that the Service Provider can act on this appointment in utmost good faith.

10. Disputes

10.1. In the event that a dispute arises between the Client and the Service Provider it shall be referred to mediation within 5 (five) business days of either party declaring such a dispute. In this regard:

10.1.1. A mediator shall be appointed by the parties, to preside over the mediation; and,
10.1.2. The parties shall seek ways and means to resolve the dispute in the most expedient manner.

10.2. Should the dispute not be resolved within 10 (ten) business days of the commencement of mediation it shall be referred to arbitration. Accordingly:

10.2.1. An arbitrator shall be appointed by the parties, alternatively by the chair of the Arbitration Foundation of South Africa ('AFSA'), to preside over the arbitration; and,

10.2.2. The rules of AFSA shall govern the conduct of the arbitration; and

10.2.3. The responsibility of carrying the cost of arbitration shall be determined by the arbitrator.

10.3. Nothing in this paragraph shall prevent either party from approaching the High Court for suitable judicial relief, but the parties agree that the procedures in paragraphs 9.1 and 9.2 must first be followed before such an approach.

11. Breach

11.1. If either party breaches this Agreement or fails to perform any of its obligations, then the other party shall provide written notice, calling upon the first party to rectify its breach within a period of not less than 10 (ten) business days.

11.2. Should the party in breach have failed to rectify the breach within the aforementioned time period, the other party may cancel this Agreement and claim recovery of damages.

12. Termination

12.1. This Agreement may be terminated upon 20 (twenty) business days' written notice, after the terminating party has consulted the other about its intention in writing.

12.2. The aforementioned termination shall not prejudice either party's rights in respect of the obligations already performed or to be performed as at the date of termination.
13. **Whole agreement**

This Agreement constitutes the whole agreement between the parties unless supplemented by further agreements, which shall be in writing.

14. **Domicilium citandi et executandi**

14.1. The parties choose as their *domicilia citandi et executandi* the addresses set out hereunder:

14.1.1. Client:

Municipal Manager  
Cape Agulhas Municipality  
1 Dirkie Uys Street  
BREDASDORP  
7280

14.1.2. Service Provider:

Siyanda Business Solutions (Pty) Ltd  
10 Graanenzicht  
Graanendal Estate  
DURBANVILLE  
7550

14.2. Either party may change its *domicilium citandi et executandi* by giving written notice to the other, the new address becoming effective at the expiry of 10 (ten) business days from the communication of notification.
Dated at BREDASDORP this 23 day of February 2016

AS WITNESSES:

1. 

2. 

Dated at BREDASDORP this 23 day of February 2016

AS WITNESSES:

1. 

2. 

CLIENT

SERVICE PROVIDER