



SERVICE LEVEL AGREEMENT

SETSOTO LOCAL MUNICIPALITY

And

GOLDCHIP MOTORS CC



SERVICE LEVEL AGREEMENT

ENTERED INTO BY AND BETWEEN

SETSOTO LOCAL MUNICIPALITY

(Income Tax Reference Number: 4000846511)

A Local municipality incorporated in terms of the Laws of the Republic of South Africa, duly represented by **Mr Simon Tshepiso Rankgotho Ramakarane** in his capacity as the Municipal Manager and Accounting Officer.

(Hereinafter referred to as the "Municipality")

and

GOLDCHIP MOTORS CC

A close corporation incorporated in terms of the Laws of the Republic of South Africa with registration number **1991/034387/23** duly represented by **Shuaib Rawat** in his capacity as the Managing Member of the said Close Corporation.

(Hereinafter referred to as the "Service Provider")

WHEREAS the Municipality needs fuel for its vehicles and machinery to be able to render service to the community efficiently, effectively and timeously.

AND WHEREAS the Municipality has applied to the service provider to open an account for the provision of fuel in terms of the letter dated 28th January 2014.

AND WHEREAS the Service provider has duly approved / accepted the request or application made by the Municipality.

NOW THEREFORE the Municipality hereby appoints the Service Provider to render the service subject to the terms of this agreement, and the Service Provider hereby accepts the appointment.

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1. PURPOSE AND OBJECTIVE

The purpose of this agreement is to give effect to the above preamble in particular the provision of fuel.

2. DEFINITIONS

In this agreement, the South African law of interpretation of statutes and contracts will apply in interpreting or assigning any meaning to a word, clause or paragraph.

3. APPOINTMENT

The Municipality appoints Goldchip Motors for the provision of fuel to the Municipality's vehicles and machinery in Marquard.

4. DURATION

The service provider is appointed for a period of three years commencing on **01st February 2014** notwithstanding date of signature hereof.

5. SERVICES

- 5.1 The Service provider shall render the services in a professional manner and to the advantage of the Municipality.
- 5.2 The Service provider will provide the Municipality with timeous delivery of the service.
- 5.3 The Service provider will only pour fuel to the Municipality vehicle with a petrol request form duly signed by the designated person in Marquard unit and as per signature specimen or only with authorised by the Fleet Management with regard to vehicles not attached to the Marquard Unit.
- 5.4 The Municipality shall provide the Service provider with a list of all vehicles attached to Marquard Unit, registration numbers, tank capacity and grades of fuel per vehicle.
- 5.5 The Service provider shall comply with all the terms and conditions as set out in the fuel requisition forms.
- 5.6 The Service provider shall keep a record of all service rendered for the duration of this agreement.
- 5.7 The Service provider shall only render service as per Municipality fuel requisition form.

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5.8 The Municipality shall place request orders timeously to allow the service provider to provide the required service.

6. PAYMENTS

- 6.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 6.2 The service provider shall furnish the Municipality with an invoice accompanied by receipts and copies of the requisition forms.
- 6.3 Payments shall be made promptly by the municipality, but in no case later than thirty (30) days after submission of an invoice of claim by the service provider.

7. INDEMNITY

- 7.1 The service provider hereby indemnifies the Municipality from any act, negligent or otherwise caused by the service provider, its agent or employee resulting from activities related to the rendering of the service.

8. TERMINATION AND BREACH

- 8.1 This service level agreement will terminate on the **31st January 2017** or such later date as the parties may agree.
- 8.2 In the event of breach by either party, the innocent party may terminate the agreement provided that the other party is notified of the breach and called upon to rectify the breach immediately.
- 8.3 Any party aggrieved by the other to such an extent that the conduct amount to material breach, may seek appropriate relief in court or refer the matter to arbitration.

9. INABILITY TO PERFORM

- 9.1 Neither party will be liable for any failure to meet any of its obligations in terms of this agreement or any delay in meeting them, to the extent to which the failure or delay is caused by any circumstances whatsoever which is beyond its reasonable control, including but not limited to any labour disputes, strike or lockout excluding labour dispute, strikes and lockouts confined mainly to employees of either party, war, riot or civil commotion, any order or regulation of any government or other lawful authority meeting the above requirements or any other cause beyond the reasonable control of that party.
- 9.2 The affected party must give notice in writing to the other party immediately upon the occurrence of an event of vis major.

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10. DOMICILIA AND NOTICES

10.1 The parties choose as their domicilia citandi et executandi for all purpose arising from or pursuant to this agreement, their addresses as follows:

a. The Setsoto Local Municipality

27 Voortrekker street,

Ficksburg. 9730

Tel: 051 933 9300.

b. Goldchip Motors

4 Farm Breevoorde

Marquard , 9610

Tel: 051 991 0100

10.2 Any party shall be entitled from time to time, by written notice to the other, to vary its domicilium address to any other address within the Republic of South Africa which is not a post office box or poste restante.

10.3 All notices given in terms of this agreement shall be in writing and any notice given by any party to another which is delivered by hand or transmitted by facsimile shall be deemed to have been received by the addressee on the first business day after the date of delivery or transmission, as the case may be:-

10.3.1 If posted prepaid registered post from an address within the Republic to the addressee at his domicilium address for the time being shall be deemed to have been received by the addressee on 14th (fourteenth) day after the date of such posting.

10.3.2 Notwithstanding anything to the contrary contained or implied in this agreement, a written notice or communication actually received by one of the parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11 VARIATION

No addition to or variation, cancellation or novation of this agreement and no waiver of any right arising from this agreement or its breach or termination shall

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be of any force or effect unless reduced to writing and signed by all the parties or their duly authorised representative.

12 RELAXATION

No latitude, extension of time or other indulgence which may be given or allowed by any other party in respect of the performance of any obligation hereunder or enforcement of any rights arising from this agreement and single or special exercise of any right by any party shall under any circumstance be construed to be an implied consent of such party or operate as a waiver or novation of, or otherwise affect any of that party's rights in terms of or arising from this agreement or stop such party from enforcing, at any time without notice, strict and punctual compliance with each and every provision hereof.

General Conditions of Contract (Service Level Agreement)

1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 "Contract" means the written agreement entered into between the Municipality and the Service provider, as recorded in the contract, signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.2 "Contract price" means the price payable to the Service provider under the contract for the full and proper performance of his contractual obligations.
- 1.3 "Day" means calendar day.
- 1.4 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.5 "Vis major" means an event beyond the control of the Service provider and not involving the Service provider's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts or the Service Provider in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.6 "Goods" means all the fuel, oil, and other form of service useful to the motion of a vehicle or machinery that the Service provider is required to supply to the Municipality under the contract.

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Dated at Ficksburg on this 10th day of JUNE 2014.

[Signature]
STR RAMAKARANE

MUNICIPAL MANAGER: SETSOTO LOCAL MUNICIPALITY

As WITNESSES:-

1. [Signature] LEBONA MOTLOUNG

2. [Signature]
NIKOAI SOLOMON KOBECI

Dated at GOLDCHIP MOTORS on this 4th day of JUNE 2014.

[Signature]

SHUAIB RAWAT

MANAGING MEMBER: GOLDCHIP MOTORS

As WITNESSES:-

1. [Signature]

2. [Signature]