

**BUSINESS AGREEMENT FOR THE
THE DELIVERY OF INFORMATION TECHNOLOGY RELATED
SERVICES AND SYSTEMS
(*<<System Name>>*)**

Between:

DRAKENSTEIN MUNICIPALITY

hereinafter referred to as ("Drakenstein") and herein represented by

Name	Designation

And:

<<Service Provider Name>>

hereinafter referred to as ("Service Provider") and herein represented by

Name	Designation

Pre-amble

The Service Provider has presented to Drakenstein, that it has sufficient resources and competencies to provide the Services and Systems as agreed in this Contract and as described in the relevant Annexures that will:

1. Ensure a secure and reliable Information Systems and Services to the Drakenstein municipal Head Office in Hermanus as well as to all regional offices in the Drakenstein.
2. Provide the necessary innovative leadership and consultation when migration strategies are contemplated to improve service delivery to all our communities. Cognisance must also be taken of latest industry trends and regulatory requirements to ensure a best practice approach when new architectures and/or technologies are considered.

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1. Recordal

To ensure synergy and full understanding between the Parties of all the statutory and regulatory requirements by which the Agreement between Service provider and Drakenstein will be managed, the following is recorded:

- 1.1. The Local Government Municipal Finance Management Act 56 of 2003 (MFMA), Section 116 states the following compliance requirements when contracting with external Service Providers:
 - 1.1.1. Contracts must be in writing;
 - 1.1.2. Day-to day contract and service delivery management;
 - 1.1.3. Periodic contracts reviews;
 - 1.1.4. Take reasonable steps to ensure that contract is enforced;
 - 1.1.5. Dispute mechanisms must be in place;
 - 1.1.6. Termination of contract in case of non- or under-performance;
 - 1.1.7. Any other matters as may be required.

- 1.2. The Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), section 15 provides for the following:
 - 1.2.1. When penalties may be raised against a Service Provider for consistent under-performance;
 - 1.2.2. For early termination of the Contract or part of the Services, and
 - 1.2.3. For the possible blacklisting of Service Providers in case of fraudulent or corrupt activities.

- 1.3. The Drakenstein Supply Chain Management Policy (the Policy) specifically references both the MFMA and the PPPFA to give full effect and to ensure compliance in the execution of the procurement processes in the Drakenstein.

- 1.4. The Service Provider acknowledges and agrees, that the requirements as set out in the MFMA; the requirements as set out in the PPPFA; the Requirements set out in the Policy, and measures to enforce such compliance requirements, should form an integral part of the Service Delivery Agreement for all Services to be delivered during the term of this Contract.

- 1.5. To give full effect to the above compliance requirements in terms of the Agreement, both parties will provide the required resources, at their own cost to ensure that applicable communication structures and management forums will be established between Service Provider and Drakenstein to “take reasonable steps to ensure that the contract is enforced”.
- 1.6. Copies of any Acts, Regulations or Policy Frameworks referenced in this Agreement are available on the Drakenstein Web-site for perusal by Service Provider
- 1.7. This agreement does not supersede the original main agreement (if applicable).

2. Definitions and Interpretations

Unless a contrary intention appears, the following expressions shall have the indicated meanings and cognate expressions have corresponding meanings.

Definitions and interpretations included in the General Conditions of Contracting will stand as if also be included in this Agreement:

- 2.1 “Agreement” or “Main Agreement” has the same meaning as “Contract” or “Main Contract” and is used interchangeably for the form and structure of sentences.
- 2.2 "Business Day" means any day other than a Saturday, Sunday or South African Public Holiday.
- 2.3 "Commercially Reasonable Effort" means, with respect to any objective referred to in this Agreement, prompt, accurate, complete, appropriate, responsive and diligent effort, made in a professional and workmanlike manner, using properly qualified individuals and, in any event, a level of effort to achieve such objective equal to or exceeding the level of effort to achieve the same or similar objectives generally used by other professional Information Technology companies providing similar services as the Services referred to in this Agreement and its Annexures.
- 2.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or contract execution.

- 2.5 "CPI" means the CPI average percentage as per the official Statistics South Africa information for the three months prior to the annual review date of the Main Agreement or Service Annexure as the case may be.
- 2.6 "Data" means all Business Records of Drakenstein stored in digital format on magnetic, optical or other media and maintained by the Service Provider.
- 2.7 "Day" means a Calendar day unless specifically specified otherwise in this Agreement.
- 2.8 "Delivery" means delivery in compliance with the conditions of this Agreement and its Service Annexures.
- 2.9 "Effective Date" means <<effective date>>, notwithstanding the date of signature hereof.
- 2.10 "General Conditions of Contracting" (GCC) means the General Conditions of Contracting as prescribed by National Treasury and as applicable to all Suppliers and Service Providers of goods and services to Local Government institutions.
- 2.11 "Intellectual Property" means all patents, trade-marks, service marks, design rights, copyright, know-how, trade or business names and other similar rights or obligations, whether or not registered or application for registration thereof has been made, used in or in connection with the Services.
- 2.12 "Main Premises" means Drakenstein's head office at 20 Magnolia Avenue, Hermanus, Western Cape, South Africa, 7200.
- 2.13 "Nominated Service Representatives" means the persons from both parties appointed for each party in terms of clause 11.1.1 .
- 2.14 "Nominated Service Representative/s" means one or more representatives representing the Service Provider and the relevant Drakenstein Department in respect of each Service Annexure in terms of clause 11.1.2.
- 2.15 "Prime Rate" means the publicly quoted prime rate announced every quarter by the Reserve Bank of the Republic of South Africa, expressed as a nominal annual compounded monthly rate, calculated on a 365 (three hundred and sixty five) day factor.
- 2.16 "Parties" means Drakenstein and the Service Provider, and "Party" means either one of them.
- 2.17 "Public Holiday" means an official public holiday in the Republic of South Africa.
- 2.18 "SCC" means Special Conditions of Contracting for ICT related Services and Systems as specified in this document.

- 2.19 "Service" or "Services" means a Services to be provided by the Service Provider to Drakenstein, being a Service contained in a Service Annexure to be monitored on a monthly basis to ensure on-going performance and compliance by the Service Provider.
- 2.20 "Service Annexure" means an Annexure to this main Agreement which, among other things, provides: detailed descriptions of Services to be provided by the Service Provider; detailed pricing for Services; specific exclusions of certain services, that will not be provided as part of the contracted Services; Key performance areas of Service Provider; service levels for each Service; Objective measures to monitor quality of Services delivered; reporting requirements and all matters directly related to the Services as contracted.
- 2.21 "Service Level" means the qualitative and quantitative standards of performance according to which the Services are to be provided in terms of this Agreement and as specified in each Service Annexure.
- 2.22 "Work Product" means reports, plans, diagrams, schematics, flowcharts, studies, software, software programmes and all other documents or information or products specifically developed and provided by the Service Provider for Drakenstein in connection with the provision of the Services or at the request of Drakenstein and all amendments thereto.

Unless a contrary intention appears –

- 2.23 This Agreement contains the general provisions applicable to the provision of the Services. Specific requirements for the provision of the Services are contained in the applicable Service Annexures and other Annexures attached hereto.
- 2.24 A number of days shall be counted exclusive of the first and inclusive of the last day, provided that in the case of a Business Day, if the last day is not a Business Day then the last day shall be the day immediately following the Business Day.
- 2.25 Except in the case of Business Days, references to days, weeks, months or years shall mean calendar days, months or years commencing on the first day of a month or year and on a Monday in the case of a week.
- 2.26 Words importing any one gender include the other genders, the singular include the plural and vice versa; reference to this Agreement also includes the Schedules and Annexures thereto and the documents referred to therein.

3. Presentations and Undertakings by Service Provider

3.1 Presentations by Service Provider

Service Provider presents and warrants that it has adequate resources and the necessary skills and competencies to be able to provide the Services contemplated in this Agreement on a sustainable basis during the term of this Agreement.

3.2 Undertakings

Continuing throughout the term of the Main Agreement and each Service Annexure term, the Service Provider undertakes that it will at all times:

- 3.2.1 Use proven and current methodologies and technology of the best practice in the ICT industry to provide the Services, to the extent reasonably required by Drakenstein, to take advantage of technology, and other advancements that will enable Drakenstein to provide an efficient and sustainable service to all its stakeholders and residents;
- 3.2.2 Comply with all of the policies, procedures and standards of Drakenstein during the term of this Agreement;
- 3.2.3 Continuously improve, enhance and supplement the Services to make optimum use of technological advancements and developments, relevant to the provision of the Services and in so doing, achieve optimum economies of scale.

4. Service Provider Duties and Obligations

The Drakenstein Municipality appoints the Service Provider to provide the Services in terms of this Agreement and the applicable Service Annexures and any Schedules hereto as it may be amended from time to time. Service Provider must discharge its duties and obligations as listed below with due skill, care and diligence, and according to the standards required by the Drakenstein and any Service Annexure attached hereto.

4.1 User Groups

- 4.1.1 Service Provider agrees that Drakenstein may liaise with other clients using its systems and services.
- 4.1.2 Service Provider agrees that Drakenstein may establish a User Group consisting of Service Provider's client base, using any of its systems and services in government institutions.
- 4.1.3 Service Provider will make known the contact details of its client base at the request of Drakenstein.
- 4.1.4 Service Provider also agrees to participate in such User Group meetings if so requested by Drakenstein.
- 4.1.5 The costs for such User Group meetings (maximum of four a year) will be for the account of the individual parties attending the User Group meetings unless otherwise agreed with Service Provider.

4.2 Minimum Requirements for Service Annexures

To ensure compliance to the MFMA requirements as stated in Section 116, all Services and pricing for such Services must be documented in Service Annexures and in sufficient detail to enable Drakenstein to determine the quantum and scope of Services received and paid for.

4.3 Cost Savings

Service Provider shall use its best endeavors to maximize cost efficiencies and cost savings in the provision of the Services, through all reasonable means, including:

- 4.3.1 Obtaining economies of scale through volume purchases or by allowing Drakenstein to participate in the procurement of equipment, facilities and licensing to ensure that the most cost effective pricing is obtained in respect thereof;
- 4.3.2 Exploiting the benefits of synergies resulting from the provision of the same or similar services to other clients.
- 4.3.3 Cooperation with other Software Vendors
- 4.3.4 At the reasonable request of Drakenstein, the Service Provider undertakes to fully cooperate with Drakenstein or any other contracted party, or other entity or party, nominated by Drakenstein, and also procure the same from

its sub-contractors, to give effect to this Agreement, its Services and its Annexures attached hereto.

- 4.3.5 If Drakenstein contracts with a third party (being any person other than a Party to this Agreement) to provide any service to it, other than the Services, then for as long as the services and activities of the third party do not interfere with the Services, and do not affect the Service Provider financially, then Service Provider shall co-operate with Drakenstein and such third party to the extent reasonably required for the provision of those services by that third party.

4.4 Ownership of Data and Access to Data

- 4.4.1 The Drakenstein will at all times retain ownership of all data maintained in systems, databases or in any media under license or jurisdiction of the Service Provider;
- 4.4.2 At the sole discretion of the Drakenstein, the Service Provider will allow nominated employees or third parties access to all such data to extract, export and transpose data to any other media for whatever reason;
- 4.4.3 As part of the Services, and where such data is in the possession or control of the Service Provider, Service Provider will provide the required assistance and means to enable the nominated employees or third parties to extract any such data, or all the data, as may be required from time to time;
- 4.4.4 At expiry of this Agreement, Service Provider will deliver to Drakenstein a full and complete set of all data maintained by Service Provider during the term of this Agreement, in a readable and auditable format, in an electronic medium, as required by Drakenstein for the transitioning of the data to another systems platform or medium.

4.5 Application Source Code

The source code for the Service Provider's application software will be made available to the Drakenstein municipality under the terms and conditions as provided for under the Escrow conditions at the time it is required and as may be applicable for such software systems and under the following terms and conditions - if the Service Provider is sequestrated or placed in liquidation or under judicial management.

4.6 Minimum Requirements for Management Reports

As part of the Services the parties must agree prior to effective date what management reports will be provided by Service Provider as part of the service described in the annexure.

4.7 Application Systems and Data Backup and Recovery

The processes and responsibilities for all applications systems and data backup and recovery to be provided for in the Service Provider systems environment must be reviewed by both parties at least annually as part of the Technology Roadmap review. The responsibility of this function remains that of Drakenstein.

4.8 Statuary and Regulatory Compliance

4.8.1 As part of the Services under this Agreement, the Service Provider shall ensure at all times full compliance of all its Services and facilities with all applicable legal, statutory and regulatory requirements, and obtaining and maintaining all applicable licenses, authorizations, accreditations and permits as may be required from time to time to provide the Services;

4.8.2 Service Provider shall have financial responsibility for, and shall pay all applicable fees to ensure continued compliance of all its Services and facilities with all applicable legal, statutory and regulatory requirements, except where the software utilised is provided by Drakenstein, or by a third party, or is part of the operating software or equipment provided by Drakenstein;

4.8.3 At the request of the Drakenstein, Service Provider shall provide proof of compliance with these provisions.

4.9 Provide a Complete Service

In providing the Services, the Service Provider shall supply, perform and do all such things necessary to complete the entire function required to provide each Service notwithstanding that each part or component of, or making up a specific Service is not referred to or described in any detail, unless where explicitly excluded from the Services.

4.10 Conflict of Interests

In providing the Services, the Service Provider and Overstand shall use its best endeavours not to do, or omit to do anything, knowingly or negligently, nor permit a situation to arise whereby a conflict may be created between the interests of Drakenstein (or any of its employees) and those of Service Provider, and/or any other contractual party.

4.11 Financial Audits

Drakenstein may from time to time inform the Service Provider of any audit that it requires to be performed in respect of payments made to Service Provider, Services rendered and all other matters relating to the Services pursuant to this Agreement. The Service Provider will subject itself to such an audit of the invoices in question by the persons appointed by Drakenstein.

4.12 Systems Performance Monitoring Tools

As part of the Services throughout the term, the Service Provider agrees to assist Drakenstein with in the provisions of the budget provided in the annexures, as it may be applicable to the Services, to verify and measure the performance of the Services and compare such performance and use to that warranted in terms of this Agreement and required by the Service Annexures and Service fees.

4.13 Benchmarking and Auditing of Services and Systems

4.13.1 From time to time Drakenstein and the Service Provider may agree to engage an independent consultant, to measure and/or benchmark: the quality of the Services; performance of the systems in use and its architectures; or methodologies used by Service Provider; adherence to Service Levels, the costs of the Services and the use of the Services provided by Service Provider;

4.13.2 Such consultant must not be in competition with the Service Provider or its holding company and must be approved by the Service Provider which approval will not be withheld unreasonably;

4.13.3 The Service Provider and Drakenstein shall discuss in good faith any recommendations made by the consultant, to assess the effort and the costs to implement such recommendations;

4.13.4 The costs and time frames to implement any recommendations made by the consultant should be mutually agreed between Drakenstein and Service Provider.

4.14 Key Staff by Service Provider

4.14.1 When a key employee of the Service Provider is reassigned or when the employment of a key employee is terminated or he resigns, the Service Provider shall promptly replace such person with another person at least as well qualified as the person so replaced.

4.14.2 When a key employee of the Service Provider goes on leave, Service Provider shall duly inform the nominated representative of the Drakenstein and agree on arrangements for on-going support during the absence of the key employee.

4.15 Appointment of Sub-contractors

4.15.1 The Service Provider may not utilise a sub-contractor or enter into a sub-contract with any person (other than an employee of the Service Provider or an Affiliate of the Service Provider) for the provision of all or any part of the Services without Drakenstein's prior written consent, which may not be unreasonably withheld or delayed, provided that all the provisions as set out in this Agreement and tender documents are complied with;

4.15.2 The Service Provider shall not be relieved of any of its duties in terms of this Agreement or any Service Annexure by entering into any agreement with a sub-contractor, and the Service Provider shall be liable for any acts performed by, or omissions by a sub-contractor and its employees to the same extent as if the Service Provider employee had so acted, and for purposes of this Agreement such act shall be deemed an act performed by the Service Provider.

5. Term of Agreement and Service Annexures

- 5.1. Regardless of the effective date of this Main Agreement and any of its Annexures, this Main Agreement will terminate not later than 30 June 2019;
- 5.2. Drakenstein or the Service Provider will be bound to give at least 6 months' prior notice to terminate this Main Agreement or any Services to be delivered as provided for in any Service Annexure attached hereto;
- 5.3. The term in respect of each Service Annexure, and/or Service shall be specified in the Service Annexure and;
- 5.4. Notwithstanding any term expressed in a Service Annexure (or as it may be renewed), it shall not extend beyond the termination or cancellation of this Main Agreement.

6. Amendments to Existing Services and Systems

6.1 Need for Additional Services

6.1.1 It is agreed and accepted by both Parties that during the term of this Agreement, business needs might change which might also require amendments to the existing Services, Systems and/or to this Agreement: Additional Services and/or Systems functionalities may be required; certain Services and/or Systems may not be required any longer.

6.1.2 Drakenstein may, at its sole discretion, appoint any third party to provide the envisioned additional service to it, or provide it internally.

6.2 Request for additional Services

When an amendment to/additional Services and/or System functionalities are required from the Service Provider, the approved Supply Chain procedures, as applicable to Local Government, will be followed for all such events. The Service Provider will at the request of Drakenstein, cooperate with Drakenstein in providing proposals for additional Services, not yet included in a Service Annexure. The request for such approval shall be accompanied by:

6.2.1 Detailed specifications of all business/service requirements;

6.2.2 The Service Provider's proposed solution, in sufficient detail of Services to be provided and technical design specifications by the Service Provider, as may be required.

6.2.3 The pricing for such additional service should be in accordance with the transparency principles as set out elsewhere in this Agreement.

6.3 Projects

From time to time Drakenstein and Service Provider may enter into an Agreement in respect of projects to change existing Services or implement new Services. All such projects will be defined in detail in a project charter and the project execution will be deemed to be a Service in terms of this Agreement. All Project deliverables and milestones will each be an activity to be performed and monitored according to the timetable to be agreed in the Project Charter.

7. Day-to-Day Service Delivery Management

To ensure that this Agreement and Services under this Agreement are managed effectively on a day-to-day basis, specific measures need to be established and mutually agreed between the nominated Service Representatives of both parties.

7.1 Central Call Logging System

All Service failures, its root cause, corrective actions and preventative measures to minimize re-occurrences of Service failures, should be logged in the centralised Call Logging System, as mutually agreed between the Parties.

7.2 Severity of Service Failure Impact

7.2.1 The severity of a Service failure should also be reported by Drakenstein to the Service Provider when a Service failure is logged in the Call Logging System. This is to ensure that Service Provider provide the required skills and focus to resolve the Service failure and Services are re-instated in acceptable time-frames as agreed in the relevant Service Annexures;

7.2.2 The service level metrics and corrective actions for Service failures are to be documented in the applicable Service Annexures and must be mutually agreed to between the Nominated Service Representatives for both parties prior to the effective date of the Service Annexure.

7.3 Service Credits for Service Failures

7.3.1 Service Provider agrees that its failure to provide Services as required in terms of this Agreement, and/or to meet Service Levels, may have a material and adverse impact on the business and operations of Drakenstein and that the damage from Service Provider's failure to meet its Service Levels is not susceptible to precise determination;

7.3.2 Accordingly, in the event that Service Provider consistently fails to meet Service Levels, then Drakenstein may elect, but will not be obliged, to recover service credits as a percentage of the total monthly Service fee as set out in the applicable Service Annexure:

- 7.3.3 Should there be no applicable monthly Service fee for the Service, then the appropriate annual fees will be apportioned to a monthly fee for the purpose of calculating the service credits;
- 7.3.4 Nothing in this clause shall be construed as a limitation of any of Drakenstein's other rights and remedies in the event that the Service Provider defaults, including the right to cancel this Agreement;
- 7.3.5 Service Credits must not be construed with penalties as may be applicable for non-delivery or non-compliance during project developments or implementation of additional Services. Penalties for such events will be negotiated separately between Service Provider and Drakenstein on a case-by-case basis;
- 7.3.6 Any dispute which arises concerning the failure to meet Service Levels, or quantum of any Service Credits shall be determined by an expert mutually agreed to by both parties appointed in terms of this Agreement.
- 7.3.7 The expert shall be an impartial person mutually agreed upon between the Service Provider and Drakenstein.

7.4 Service Failure Resolution

When a failure occurs in respect of a Service, duties or obligations under this Agreement and when such failure has been brought to the Service Provider's attention by Drakenstein, the Service Provider shall, at its own cost and without limiting the right of Drakenstein to any other remedies in terms of this Agreement:

- 7.4.1 promptly commence to investigate the root cause(s) of the failure and communicate to Drakenstein such root cause(s) as identified;
- 7.4.2 promptly advise Drakenstein of the status of such corrective efforts;
- 7.4.3 complete correction of any failure within time frames mutually agreed between the parties;
- 7.4.4 The resolution will be reported back to Drakenstein who will Update Call Logging System as to the resolution

7.5 Excused Performance

If any failure to meet a Service Level is directly or solely attributable to a Force Majeure Event, or a third party service provider to Drakenstein not under management control of Service Provider, or a failure of the facilities or equipment provided by Drakenstein or a breach by Drakenstein of this Agreement or a Service

Annexure, then Drakenstein shall not be entitled to a Service Credit, or any other remedy, to the extent, and for the period of such occurrence.

8. Disaster Events

8.1. When an event occurs and is of such a nature that either one of the Parties consider the event to be a disaster, the parties shall communicate, on-site, telephonically or otherwise, in good faith within 4 hours to:

8.1.1 Assess the scope and impact on the delivery of the Services;

8.1.2 Agree on alternative work methods and processes to mitigate the impact of such an event;

8.1.3 Agree on an overall strategy to re-instate Services using commercially reasonable efforts by both parties.

8.2. Payment for services rendered by the Service Provider pursuant to a disaster event and which does not form part of the Services, the Service Provider will be remunerated for all direct expenses and costs at rates for ad hoc services as specified in the Service Annexure.

9. Service Reporting

9.1 Monthly Reporting

To assist Drakenstein to effectively monitor, assess and measure the performance of Services on a monthly basis, the Service Provider shall submit to Drakenstein, in a manner and format reasonably required by Drakenstein, and not less frequently than monthly, alternatively with every invoice submitted for payment, a report setting out full details of:

9.1.1 Services delivered and performance and compliance of the Service Provider in respect of the provision of all the Services in terms of each Service Annexure in the preceding period;

9.1.2 Current status of all new service requests submitted to the Service Provider;

9.1.3 Current status and progress on time-lines and deliverables with projects managed by the Service Provider, or projects in which the Service Provider participates;

- 9.1.4 Any foreseeable risks, specific constraints and scope changes identified with compliance with the provisions of this Agreement, its Services, new service requests and projects. Propose alternative solutions to eliminate constraints and minimise risks for all Services to be delivered.

9.2 Forward Planning and Reporting

- 9.2.1 Each financial year, during the second quarter of the municipal financial year, being October to December each year, or as reasonably may be required by Drakenstein, the Parties shall meet and jointly review:
 - 9.2.1.1 The scope of Services and all matters specified in the Service Annexures, the processes of how the Services are to be rendered and the technical specifications and the ICT infrastructure requirements applicable to the rendering of Services;
 - 9.2.1.2 The costs for the provision of the Services with a view to adjusting such costs as may be required in terms of this Agreement;
- 9.2.2 To ensure continued alignment with industry trends, Drakenstein future strategies and forthcoming budget plans of the Drakenstein, the Service Provider shall compile and submit to Drakenstein in a manner and format reasonably required by Drakenstein during November of each year:
 - 9.2.2.1 A technology roadmap in respect of current and anticipated ICT industry developments relating to the Services and their availability in respect of present and emerging technologies;
 - 9.2.2.2 A development/migration plan in the form of a proposal , including costs, in respect of current and anticipated changes to, and developments in the Services provided;
 - 9.2.2.3 An updated Disaster Recovery Plan to enable continuity of services should a disaster event occur;
 - 9.2.2.4 An Exit Plan and associated costs to assess the impact of a possible termination either during the term of this Agreement or at the end of the Agreement period. The Exit Plan should also include any additional costs, such as licensing costs and any assets at book value, which might be impacted by such a termination.

9.3 Ad hoc Reports

The Service Provider shall, in terms of this Agreement, and the Service Annexures, develop any additional reports as may reasonably be requested by Drakenstein, and can be developed during the agreed support days and within time frames as mutually agreed, from time to time.

10. Facilities and Equipment

10.1. Except for the facilities and equipment provided by Drakenstein as expressly provided for in this Agreement, or in a Service Annexure, or as otherwise agreed in writing from time to time, the Service Provider shall provide, at its own expense, all of the facilities, personnel, software, services and any other resources necessary to provide the Services;

10.2. When this Agreement or a part thereof terminates, the Service Provider must return any facilities and equipment to Drakenstein in the same condition as received, with reasonable fair wear and tear accepted.

11. Contract Governance and Services Management

11.1 Representatives for Agreements and Services

11.1.1 Service Provider and Drakenstein shall each designate a representative known as its Nominated Service Representative whose purpose, in addition to what is set out elsewhere in this Agreement shall be to serve as a channel for communication and escalation to ensure that, at all times, matters of mutual interest relating to this Agreement or disputes, are promptly brought to the attention of the appropriate persons;

11.1.2 The Nominated Service Representatives shall have the authority to act on behalf of the Parties with respect to all matters relating to the day-to-day delivery of Services included in the Service Annexure and related Annexures for which they are appointed.

11.2 Service Provider Key Performance Areas

- 11.2.1 In compliance to Section 116 of the MFMA, requirements to do “Monthly performance reviews”(not required if contract is shorter than 3 years) of the Services provided, the Parties shall agree on a set of pre-defined Key Performance Indicators (KPI’s) to be implemented to serve as an objective measure to monitor the on-going quality of the Services to be delivered by Service Provider;
- 11.2.2 The KPI’s must be documented in the relevant Service Annexures as applicable for each Service separately, prior to the effective date of this Agreement.
- 11.2.3 For any additional Services agreed after the effective date of the Main Agreement, the KPI’s for such additional Services must be documented in the relevant Service Annexures as applicable for each Service separately, prior to the effective date of such additional Services.

11.3 Monthly Service and Performance Review Meetings

- 11.3.1 As part of the Services and for the duration of this Agreement, the Nominated Service Representatives shall maintain a monthly Service and Performance Review meeting to monitor and assess, on an ongoing basis, the overall quality of Services and performance of Service Provider, as well as the progress and status of new service requests and projects;
- 11.3.2 If a monthly meeting is not held as scheduled, the Nominated Service Representatives of both Parties shall meet and agree in writing:
 - 11.3.2.1 on the reasons why the meeting was not held as scheduled;
 - 11.3.2.2 on an alternative date for the meeting, which will not be later than the invoice date for Services provided for the month after the scheduled meeting not held.
- 11.3.3 Agendas, attendance registers, minutes of meetings and all relevant documentation must be kept by Drakenstein for all Service and Performance Management Meetings.

12 Invoices and Payment for Services

12.1 Minimum Requirements for Payments

12.1.1 Service Provider must submit all invoices to the applicable Nominated Service Representative of Drakenstein, accompanied by a detailed statement of work done, or Services delivered, for the payment period;

12.1.2 All payments to Service Provider will only be processed when in compliance with the applicable Drakenstein policies for such payments to be made.

12.2 Payment for Contracted Services

Each contracted Service must be invoiced separately and Drakenstein shall pay Service Provider separately for all of the Contracted Services provided by Service Provider under this Agreement and any Service Annexure, the amounts set forth in each Service Annexure.

12.3 Payments for On-site Consultation and Support Services

Regardless of what is agreed elsewhere in this Agreement, its Annexures or any other attachments to this Agreement:

12.3.1 Payments will only be made for actual time spent on delivering the Services as agreed, with the proviso that the actual time spent may not exceed the time as agreed in the Service Annexure;

12.3.2 Amendments to the agreed times may be made from time to time, with the proviso that the agreed time may not be increased without a proper motivation and approval by Drakenstein.

12.4 Payment for Additional Services and Expenses

No invoice with respect to additional services or out of pocket expenses will be paid unless such services or expenses were authorized in advance in writing by the Drakenstein Nominated Service Representative of the Service for which the additional charges or expenses are claimed.

12.5 Payments for Projects

Payment in respect of projects agreed to in terms of clause 6.3 shall become due at the times and on the basis separately agreed for such projects.

12.6 Service Credits and Penalties

12.6.1 To the extent Drakenstein elects a Service Credit or is entitled to any other credit or penalty pursuant to this Agreement or any Service Annexure, Service Provider shall issue a separate credit note in favour of Drakenstein, should any penalties be applicable, and will not be reflected on the same invoice as fees due for Services delivered.

12.6.2 Service Provider should be informed at all times of the severity of the Service failure event at the time of logging the failure event, i.e. Severity 1 or 2 as per Annexure 2 to this Agreement.

12.7 Payments in Dispute

If Drakenstein disputes in good faith any portion of an invoice, Drakenstein shall pay the undisputed amount of such invoice when due to Service Provider and transfer the disputed portion into an internal account under the control of the Drakenstein Director; Finance pending resolution of the dispute. Upon resolution of the dispute in favour of Service Provider, Drakenstein shall pay to Service Provider such portion, if any, of the disputed amount determined to be owing to Service Provider.

12.8 Annual Increases in Service Fees

12.8.1 Should Service Provider consider an increase in its service fees, such increases shall be reviewed and mutually agreed and signed by both parties at least one month prior to the next anniversary date of the Agreement;

12.8.2 Annual increases in Service fees will be limited to CPI or 10%, whichever is the lowest during the month of the review;

12.8.3 Annual increase documentation should be viewed as an addendum to the Main Agreement and must be mutually agreed by both parties;

12.8.4 Increases in Value Added Tax or any other taxes or regulatory fees, will become applicable as and when introduced by Government.

13 Work Products

The Parties agree that:

13.1 The Service Provider may use any Work Product specifically developed for Drakenstein to deliver or provide any service, to any of its clients or customers at any time without Drakenstein's prior consent;

14 Information Security and Confidentiality

14.1 The Drakenstein Municipality and Service Provider will at all times comply with each other's Information Security Policy and Non-Disclosure Agreement which are annexed to this Agreement by reference;

14.2 Amendments thereto from time to time will be supplied by both parties for review, consideration and mutual acceptance.

14.3 Any Service Annexure may contain additional specific requirements concerning information technology security and confidentiality as may be applicable for certain Services.

15 Risk of Loss and Insurance

Both parties agree that the nature of this Agreement does not require any insurance to cover any risks under this Agreement.

16 No Assignment

Neither Party may cede or assign its rights and/or duties in terms of this Agreement without the prior written consent of the other Party, which may be withheld or provided on such conditions as the other Party in its discretion deems appropriate.

17 Indemnification and Limitation of Liabilities

Except in cases of criminal intent or wilful misconduct;

17.1 Both parties hereby agree that neither party shall hold the other party liable, whether under this Agreement or otherwise, for any indirect or consequential loss or damages, loss of production or loss of profits or interest costs, provided that this exclusion does not apply to any obligation under this Agreement to pay penalties or damages to the other party for Services not provided in terms of this Agreement;

17.2 Subject only to the limitations set forth in this clause, a Party who breaches any of its duties under this Agreement or any Service Annexure shall be liable to the other party for direct damages actually incurred by the other party as a result of such breach provided that for any claim or number of claims, each Party's aggregate liability shall be limited to the annual contract value of the Services provided under this Agreement. Direct damages shall include the following and neither party shall assert that they are consequential, indirect or special damages to the extent they result from a Party's failure to fulfill its duties in accordance with this Agreement:

17.2.1 costs to recreate or reload any of Drakenstein's lost or damaged information utilising the latest available back-up data;

17.2.2 costs to implement a workaround in respect of a failure to provide the Services, including salaries of employees for overtime worked;

17.2.3 costs to replace lost or damaged equipment, hardware, software or other materials;

17.2.4 costs and expenses incurred to correct errors in hardware or software maintenance and enhancements or modifications, if any, provided as part of the Services;

17.2.5 costs and expenses incurred to procure the Services from an alternate source.

17.3 The Service Provider hereby indemnifies and shall hold harmless Drakenstein:

17.3.1 Against all third party claims of infringement of trademarks, industrial design, use of confidential information, or intellectual copy or patent rights, arising out, or in connection with the Services or any misappropriation by the Service Provider or any of its sub-contractors;

17.3.2 Unless otherwise expressly stated herein, the Service Provider shall be solely responsible for, and shall indemnify Drakenstein against all sub-contractor claims for costs, losses and expenses of the Service Provider necessary to meet the Service Provider's duties arising under this Agreement and the Service Annexures;

17.4 Each Party shall have a duty to mitigate damages for which the other Party is liable.

18 Termination for Default

18.1 Service Provider Event of Default

Drakenstein, without prejudice to any other remedy for breach of this Agreement, by written notice of an event default sent to the Service Provider, may terminate this Agreement in whole or in part, If the Service Provider:

18.1.1 Committed an act of insolvency within the meaning of section 8 of the Insolvency Act, 24 of 1936 or section 344 of the Companies Act, 2008. In this event, the terms as stated in the GCC, Clause 26, and as applicable to all Service Providers and Suppliers, will come into effect;

18.1.2 Consistently breaches this Agreement or any Service Annexure in a manner which reflects failure, whether through unwillingness, inability or otherwise, including, without limitation, a consistent failure to achieve the required Service Levels;

18.1.3 Has engaged in corrupt or fraudulent practices in competing for, or in executing this Agreement or any of the Services under this Agreement.

18.2 Consequences in an Event of Default

In terms of the MFMA, Section 15, and pursuant to the GCC, Clause 23, as required by National Treasury, the terms and conditions as specified in the GCC shall apply when a Service Provider event of default occurs.

19 Force Majeure

19.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the Service Provider shall not be liable for forfeiture of its performance security, damages, or termination for

default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

- 19.2 If a force majeure situation arises, the Service Provider shall promptly notify Drakenstein Municipality in writing of such condition and the cause thereof. Unless otherwise directed by Drakenstein Municipality in writing, the Service Provider shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
- 19.3 Neither Party shall be liable for any failure or delay in the performance of its duties under this Agreement or any Service Annexure to the extent such failure or delay is caused, directly or indirectly, without fault by such Party, by force majeure or any other similar cause beyond the reasonable control of such Party which could not have been prevented by reasonable precautions and could not reasonably be circumvented by the non-performing Party, such event being a “Force Majeure Event”;
- 19.4 If a Force Majeure Event causes a failure or delay in the provision of any Services for more than two (2) consecutive days, Drakenstein may, at its sole discretion, and in addition to any rights Drakenstein may have pursuant to this Agreement, procure such Services from an alternate Service Provider until the Service Provider is again able to provide such Services;
- 19.5 Notwithstanding any other provision of this clause, a Force Majeure Event shall not relieve the Service Provider of its duty to implement successfully all of the Services relating to the Services that are included in any Service Annexure within the time period described in such Service Annexure;
- 19.6 Drakenstein or the service provider shall have the option, but not the duty, to cancel this Agreement, or one or more affected Service Annexures, or parts thereof, or categories of Services, to the extent that the Service Provider fails to provide any Services in any material respect because of the occurrence of a Force Majeure Event.

20 Non-Solicitation

The Parties agree that for the duration of this Agreement and in the twelve months after expiration or cancellation thereof a Party may not, without the prior written consent of the other Party, offer employment to, or employ persons employed by the other Party, save where such offer to employ is made or such employment is pursuant to a general recruitment advertisement and not on the basis of or initiated through a personal approach.

21 Dispute Resolution

21.1 If any dispute arises as to whether or not a Service Level has been met, or as to whether or not the standard of performance required by any provision of this Agreement or any Service Annexure has been met by the Service Provider and it cannot be resolved between the two parties, same shall be determined by an expert appointed in terms of this clause;

21.2 The expert shall be an impartial person mutually agreed upon between the Service Provider and Drakenstein.

21.3 Any dispute arising from or in connection with this Agreement shall be finally resolved in Hermanus, Western Cape, South Africa in accordance with the rules of the Arbitration Foundation of Southern Africa by an arbitrator or arbitrators appointed by the Foundation. This clause shall however not prevent a Party from approaching a competent court in the Republic of South Africa (or other jurisdiction where the Services may be rendered if relief is required in such jurisdiction) for urgent or interlocutory relief.

22 Conflicts in Documents

For the avoidance of any doubt, in the event of a conflict between this Main Agreement , the General Conditions of Contracting and the Service Level Agreement submitted by Service Provider, the order of preference is as indicated below:

22.1 The Main Agreement and then its Annexures will in all matters take preference;

- 22.2 Secondly, the General Conditions of Contracting will take preference;
- 22.3 Thirdly, the Service Level Agreement and any other additional Annexures submitted by the Service Provider and attached to this Main Agreement.

23 Arbitration and Applicable Law

This Agreement shall be interpreted in accordance with South African law . The Parties submit and agree to the jurisdiction of the Cape of Good Hope Provincial Division of the High Court of South Africa.

24 Domicilium Citandi Et Executandi

- 24.1 A written notice to a Party in terms of this Agreement or any Service Annexure will be valid only if it is also given to the representatives listed in clause 11.1 designated by that party in terms of this Agreement;
- 24.2 Any Party may, by giving notice to the other Party change the physical address chosen as its domicilium citandi et executandi to another physical address where postal delivery occurs in the Republic of South Africa, or its postal address or its telefax number;
- 24.3 The Parties choose as their domicilia citandi et executandi for all purposes under this Agreement, whether in respect of court process, disputes, notices or other documents or communications of whatsoever nature, the following addresses:

Drakenstein Municipality	
Attention	<<name>> Director
Physical Address	
Postal Address	

Telefax	
E-mail	

Service Provider	
Attention	<<name>>
Physical Address	
Postal Address	
Telefax	
E-mail	

24.4 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing;

24.5 Any notice to a Party -

24.5.1 sent by prepaid registered post in a correctly addressed envelope to an address chosen as its domicilium citandi et executandi to which post is delivered shall be deemed to have been received on the 10th Business Day after posting;

24.5.2 delivered by hand to a Designated Representative during ordinary business hours at the physical address chosen as its domicilium citandi et executandi shall be deemed to have been received on the day of delivery; or

24.5.3 sent by telefax or e-mail to its chosen telefax number or e-mail address, shall be deemed to have been received on the first Business Day following the date of despatch (unless the contrary is proved).

25 General

- 25.1 The Drakenstein municipality acknowledges that this Software has not been prepared to specifically meet Drakenstein's individual requirements and that the Software is a standard product. Accordingly, it is the responsibility of Drakenstein to rely on its own skills and judgment, in consultation with Service Provider, to ensure that the facilities and functions of the Software meet its requirements.
- 25.2 This Main Agreement and any Annexures thereto contains the entire Agreement between the Parties in relation to the subject matter hereof;
- 25.3 No failure by a Party to enforce any provision of this Agreement shall constitute a waiver of such provision or affect in any way a Party's right to require the performance of such provision at any time in the future, nor shall a waiver of a subsequent breach nullify the effectiveness of the provision itself;
- 25.4 No agreement to vary, add to or cancel this Agreement shall be of any force and effect unless reduced to writing and signed on behalf of the Parties to this Agreement by their Nominated Contract Representatives;
- 25.5 No party may cede any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party;
- 25.6 If any provision of this Agreement, which is not material to its effectiveness as a whole, is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby;
- 25.7 Each Party will be responsible for its own costs which arise directly or indirectly out of or in connection with the negotiation, preparation and implementation of this Agreement.

26 Acceptance and Sign-off

SIGNED by the Parties duly authorised on the following dates and at the following places respectively:

Drakenstein Municipality: Signatory	
Thus done and signed at _____ this _____ day of _____ 2016 in the presence of the undersigned witnesses.	
Name of signatory	
Capacity of signatory	
 _____ Signature for and on behalf Drakenstein Municipality	
Drakenstein Municipality: Signatory	
Thus done and signed at _____ this _____ day of _____ 2016 in the presence of the undersigned witnesses.	
Name of signatory	
Capacity of signatory	
 _____ Signature for and on behalf Drakenstein Municipality	

Drakenstein Municipality: Signatory

Thus done and signed at _____ this _____ day
of _____ 2016 in the presence of the undersigned witnesses.

Name of signatory	
-------------------	--

Capacity of signatory	
-----------------------	--

Signature for and on behalf Drakenstein Municipality

Drakenstein Municipality: Signatory

Thus done and signed at _____ this _____ day
of _____ 2016 in the presence of the undersigned witnesses.

Name of signatory	
-------------------	--

Capacity of signatory	
-----------------------	--

Signature for and on behalf Drakenstein Municipality

Drakenstein Municipality: Witness	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016.</p>	
Name of witness	
<p>_____</p> <p>Signature of witness for and on behalf Drakenstein Municipality</p>	
Drakenstein Municipality: Witness	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016.</p>	
Name of witness	
<p>_____</p> <p>Signature of witness for and on behalf Drakenstein Municipality</p>	

Service Provider: Signatory	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016 in the presence of the undersigned witnesses.</p>	
Name of signatory	
Capacity of signatory	
<p>_____</p> <p>Signature for and on behalf Drakenstein Municipality</p>	
Service Provider: Signatory	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016 in the presence of the undersigned witnesses.</p>	
Name of signatory	
Capacity of signatory	
<p>_____</p> <p>Signature for and on behalf Drakenstein Municipality</p>	

Service Provider: Signatory

Thus done and signed at _____ this _____ day
of _____ 2016 in the presence of the undersigned witnesses.

Name of signatory	
-------------------	--

Capacity of signatory	
-----------------------	--

Signature for and on behalf Drakenstein Municipality

Service Provider: Signatory

Thus done and signed at _____ this _____ day
of _____ 2016 in the presence of the undersigned witnesses.

Name of signatory	
-------------------	--

Capacity of signatory	
-----------------------	--

Signature for and on behalf Drakenstein Municipality

Service Provider: Witness	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016.</p>	
Name of witness	
<p>_____</p> <p>Signature of witness for and on behalf Drakenstein Municipality</p>	
Service Provider: Witness	
<p>Thus done and signed at _____ this _____ day</p> <p>of _____ 2016.</p>	
Name of witness	
<p>_____</p> <p>Signature of witness for and on behalf Drakenstein Municipality</p>	

27 Annexures

27.1 Annexure 1 – Key Performance Areas and Measurement Criteria

(May only be amended by mutual agreement between the Parties)

27.1.1 Service Provider Key Performance Areas

(This schedule serves only as a guideline - must be amended to suite the specific requirements for the Services to be provided by Service Provider)

	KPI Name	KPI Definition	Target/ Measure	Rating (1 to 5)	Additional Comments/ Corrective Measures on Performance Ratings
1	On-Site Support Services	On- site Support services for:	Compliance to time-lines and deliverables as mutually agreed		
2	Remote Support Services	Remote Support services as may be required to ensure ongoing operational efficiency	Support days and hours to be mutually agreed		
3	Licensing support upgrades/New Releases	Details as per the Service Provider License Agreement			
4					

The Monthly Service report must provide details of each of the above Services separately.

27.1.2 Measurement Criteria

Ratings	Objective Measures to Assess Service Provider Performance
5	<p>Quality of Service delivery is exceptional at all times:</p> <ul style="list-style-type: none"> ➤ Continuous innovation and improvements to maximize quality of Services; Cost reduction initiatives by Service Provider results in actual cost savings; Full compliance to all undertakings, duties and obligations as set out in Clause 3 and clause 4 respectively in the Main Agreement; Full compliance to all other requirements in the Main agreement in terms of Governance and management and reporting requirements; Progress with all projects and new service requests are on target; no service failure events has occurred for the last three months.
4	<p>Quality of Service delivery is better than agreed;</p> <ul style="list-style-type: none"> ➤ Full compliance to all undertakings, duties and obligations as set out in Clause 3 and clause 4 respectively in the Main Agreement; Full compliance to all other requirements in the Main Agreement in terms of Governance and management and reporting requirements; ➤ Progress with all projects and new service requests are on target; No service failure events has occurred for the last three months
3	<p>Quality of Service delivery as agreed; Deviations are managed as mutually agreed:</p> <ul style="list-style-type: none"> ➤ Compliance to most undertakings, duties and obligations as set out in Clause 3 and clause 4 respectively in the Main Agreement; Compliance to most other requirements in the Main Agreement in terms of Governance and management and reporting requirements; ➤ Progress with all projects and new service requests are on target; All Service failure events during month resolved within agreed time frames and preventative measures are proposed by Service Provider and implemented in most cases.
2	<p>Quality of Service delivery not in compliance with Agreement; Requires more management and focus from Service Provider:</p> <ul style="list-style-type: none"> ➤ Non-compliance to most undertakings, duties and obligations as set out in Clause 3 and clause 4 respectively in the Main Agreement; Non-compliance to most other requirements in the Main Agreement in terms of Governance and management and reporting requirements; ➤ Progress with projects and new service requests are on not on target; Most Service failure events are not resolved in agreed time frames in during month resolved within agreed time frames and preventative measures for implementation are not proposed by Service Provider.
1	<p>Quality of Service delivery totally unacceptable; Consider termination of Agreement and all Services.</p> <ul style="list-style-type: none"> ➤ Non-compliances, progress with projects and new service requests and service failure events same or worse than for rating 2; ➤ Commitment from Service Provider to resolve outstanding issues is totally lacking; Skills and resources to deliver a quality service are totally inadequate; ➤ Participation in contract governance, service management and effective communication is lacking or inadequate.

27.2 Annexure 2 – Service Failure Events, Service Credits and Termination Events

Severity	Definition of Service Delivery Failure Event and Impact	Service Level Metrics to Resolve Incident (Office Hours)	Service Credit Criteria	Service Credits: % of Monthly Service Fee	Service Termination Events
1	The Service, or certain functions in the Service, are dysfunctional and <i>services to the community and Drakenstein is severely impacted. Services cannot not be delivered.</i>	Next working day after the problem was identified	Service failure occurred two times or more in any calendar month	5%	Service level failure events in 3 consecutive months
2	The Service or certain functions in the Service are dysfunctional and <i>critical services to the community and Drakenstein are impacted</i> but services can still be delivered making use of alternative systems or work processes.	Two working days after the problem was identified	Service failure occurred two times or more in any calendar month	2.5%	Service level failure events in 3 consecutive months

(To be mutually agreed between the Parties)

27.3 Annexure 3 – Service Provider Technology Roadmap – Minimum Requirements

A Service Provider Technology Roadmap must be developed and maintained by Service Provider in the form of a proposal/tender document, and submitted to Drakenstein not later than end September of each year.

Drakenstein has a strategic ICT architecture development approach that is aligned with its business strategies. This approach ensures that all ICT infrastructures, systems and business applications that are implemented in Drakenstein adhere to agreed principles and standards. It will also ensure that all ICT related services in the Drakenstein will assist the various lines of business in the Municipality to deliver sustainable services that is operationally efficient and cost effective to all its stakeholders and communities

It is therefore essential that all ICT infrastructures, systems and business applications implemented by Service Providers must be aligned with the Drakenstein ICT Strategies through a managed architecture process.

The Service Provider Technology Roadmap must include, but not limited to, the following information:

Section A – Proposed New Architecture and Design

1. Current and upcoming industry trends impacting on Service Delivery
2. Risk Assessment and Constraints
 - Within Service Provider current Architecture and Design
 - Within Drakenstein internal systems Architectures,, workflow and business processes
3. Revised Systems and Infrastructure Design Architecture
 - High level Overview of Systems/Infrastructure Architecture and diagrams
 - Brief functional overview of Systems/Infrastructure capabilities.
 - Diagrams and charts to depict workflow and interfaces between sub-systems and/ or modules
4. Minimum Implementation and Systems Processing Requirements, including Costs
 - Infrastructure hardware and systems software required
 - Networking and communication requirements and protocols
 - Service Provider software and systems licensing requirements

- Compliance requirements for licensing to enable Service Provider to deliver the Services as contracted

Section B – Service Provider Architecture and Innovation Strategies

Based on Service Provider’s understanding of latest ICT industry technology trends and requirements for effective service delivery in Local Government, Service Provider may also propose specific service offerings which are not yet part of its service offering to Drakenstein Municipality.

Such proposals must be based on proven track record of such services already successfully implemented in some Local Government institutions which can be referenced by Drakenstein as part of its own internal assessment process.

Section C – Resources Plan and Skills Profile

1. A schedule of employees that will provide the agreed Services
2. The employees’ level of skills and competencies to enable Service delivery

Section D – Service Provider Compliance Requirements for Continued Service Delivery

1. Ongoing compliance to the Supply Chain Management requirements in terms of the MFMA 56 of 2003, Section 43, and as may be amended from time to time;
2. Ongoing compliance to the Preferential Procurement Policy Framework Act 5 of 2000, section 2 and as may be amended from time to time.
3. Compliance to any additional statutory and regulatory requirements as may be applicable.
4. Professional accreditations and affiliations in the ICT Industry

Section E – Service Provider - Proposed Changes for improved Service Delivery

Amendments and/or changes to:

1. Main Agreement, Service Annexures and associated costs
2. Drakenstein ICT Infrastructure facilities, systems software and licensing
3. Drakenstein business processes and workflow as may be applicable
4. Training and/or re-skilling of Drakenstein employees.

27.4 Annexure 4 – Exit Management and Associated Costs

The objectives of the Exit Management Plan are to:

1. Deal with matters incidental to the termination, cancellation or expiry of the Main Agreement or a Service Annexure;
2. Ensure effective planning for the continuation of the Service or Services at the end of the Agreement or a Service for whatever reason;
3. Determine the provisions, roles and responsibilities of both parties, to ensure the ongoing continuity and stability of Services for a period as mutually agreed between the parties;
4. That Drakenstein has a full understanding of the financial and operational implications as well as the potential risks should the Services be terminated for whatever reason.

The format and structure of the Exit Management Plan will be dependent on the scope and type of Services to be delivered by Service Provider. The format and content of the Exit Management Plan will be mutually agreed by the Parties prior to the first anniversary date of the Agreement, at the time when the first Exit management Plan should be developed.

27.5 Annexure 5 – Service Provider License Agreement

Service Provider License Agreement as at: (Date) _____

27.6 Annexure 6 – Service Provider Support Agreement

Service Provider Support Agreement as at: (Date) _____

27.7 Annexure 7 – Service Provider Pricing Schedule

Service Provider Pricing Schedule as at: (Date) _____