



ENVELOPE A – TECHNICAL PROPOSAL

TENDER NO: OPS/18/CCAЕ/01

REQUEST FOR PROPOSAL (RFP) PACK

FOR THE APPOINTMENT OF CONSULTANTS FOR OPERATIONALISATION OF CUSTOMS CONTROLLED AREA ENTERPRISE (CCAЕ) SUPPORT SERVICE FOR THE EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD

START DATE: 04 May 2018

CLOSING DATE: 25 May 2018

NAME OF TENDERER: _____

DISCIPLINE TENDERED FOR: _____

TENDERER'S ADDRESS:

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Section A: General Guidelines

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Annexure 1: Procurement Handbook

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SECTION A: General Guidelines

FOR THE APPOINTMENT OF CONSULTANTS FOR OPERATIONALISATION OF
CUSTOMS CONTROLLED AREA ENTERPRISE (CCAЕ) SUPPORT SERVICE FOR
THE EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD.

CHECKLIST FOR SUBMISSIONS

ITEM	TICK
Supporting Documentation To Be Submitted	
A minimum of three references (including company name, contact name, phone number, brief details of work done with dates and analysis of performance) which can be verified. Preference will be given to reference Letters obtained from (at least three) Customs Controlled Area Enterprises or recognised/relevant entities in operating in the Prior IDZ/Special Economic Zones (SEZ) Environment	
Project Team Skills Matrix, composition and organogram	
Original Cancelled Cheque / Bank Stamped Letter	
Registration, Membership Certificates or Confirmation or Accreditation Letters of membership or association with relevant bodies such as Chambers of Commerce, World Customs Organisation (WCO), Transport Education Training Authority (TETA) or preferably both TETA and Quality Council on Trades and Occupations (QCTO)	
Methodology/approach and proposed solution as per task 4	
Accredited Valid Original or Certified B-BBEE Certificate	
Proof of local office	
Reference Letter (Annexure 2)	
Proposed skills transfer solution (workshops) for the Operator and the CCAEs. Accreditation certificates by the World Customs Organisation (WCO) and / or Transport Education and Training Authority (TETA).	
Compulsory Documentation To Be Submitted	
Professional insurance with a minimum indemnity value of R2 Million	
Valid Tax Clearance Certificate or Pin	
Company Registration Document accompanied by Share Certificates where applicable	
Completed and Signed ELIDZ Procurement Handbook (Annexure 1)	
JV Participation Documentation (If applicable)	
Registration with CSD, MAAA number	

Please Note: All the above documents must be submitted with Envelope A – Technical Proposal. No submission of an original or certified B-BBEE Certificate will result in zero points for B-BBEE.

1.1. Broad Based Black Economic Empowerment (BBBEE).

The East London Industrial Development Zone (ELIDZ) supports national transformation goals and strives to target its procurement to create opportunities for Historically Disadvantaged suppliers and service providers. In awarding this tender, preference will be given to companies with a better rating in terms of contributions towards Broad Based Black Economic Empowerment (BBBEE).

The “tender” will be evaluated in accordance with the ELIDZ Procurement Policy using the 80/20 rule for tenders up to and including R50 000 000 incl VAT

i.e. 80 of evaluation points will be based on price competitiveness and 20 will be based on BBBEE status.

The following formula is used:

Calculation of the points for Price:

$$P_s = R \times \left[1 - \frac{P_t - P_{min}}{P_{min}} \right]$$

Where:

P_s = Points scored for price of tender under consideration

R = Percentage of the price

P_t = Rand value of tender under consideration

P_{min} = Rand value of lowest acceptable tender

R must be up to a maximum of 80

Score Breakdown:

Price (R) = 80 points

BBBEE = 20 points

Preference points shall be awarded on the basis of a B-BBEE verification certificate issued by an accredited Verification Agency. Tenderers are required to submit a valid original or certified B-BBEE Certificate, and failure to submit a valid B-BBEE certificate will result in zero points being awarded for preference.

The following tables shall be used to convert the contribution level as per B-BBEE certificate into points

Table: B-BBEE Points Conversion 20 points

Level Contribution	B-BBEE Score	Points Conversion 20
Level 1	>100%	20
Level 2	85~100%	18
Level 3	75~85%	14
Level 4	65~75%	12
Level 5	55~65%	8
Level 6	45~55%	6
Level 7	40~45%	4
Level 8	30~40%	2
Level 9	0~30%	0

Companies with annual turnover less than R10million (Exempted Micro Enterprises or EME's) are automatically awarded a level 4 contributor status, unless the EME is Black Owned (more than 50% black ownership), in which case the enterprise will have a level 2 contributor status. EME which is 100% black owned qualifies for a level 1 contributor. In awarding the EME status, the ELIDZ shall accept a letter from an accounting firm or SARS confirming a company's turnover as less than R10m as well as a sworn affidavit confirming annual turnover and level of black ownership. B-BBEE certificates issued by non-accredited verification agencies will not be accepted as valid proof of a company's B-BBEE status.

No points will be awarded for achieving B-BBEE objectives if the total percentage scored for B-BBEE is less than 30%.

The tender will be awarded to the bid with the highest number of points. A tender may be awarded to a bidder that did not score the highest number of points if reasonable and justifiable grounds exist. Any contract offered by the ELIDZ will be based on the correctness of information submitted by the service providers. Any misrepresentation of facts by a service provider may lead to disqualification. Should such misrepresentation be uncovered after the commencement of the contracted work, the ELIDZ reserves the right to terminate the contract and recover all payments made to that service provider and any costs that may have been incurred in the process.

ELIDZ reserves the right to have the tenderer's Black Economic Empowerment Credentials verified by an independent agency. (Procurement Handbook – Annexure: A must be fully completed and supplementary information may be completed by service providers with a turnover of less than R10m and be accompanied by letter from an accounting firm or SARS confirming the company's or sworn affidavit turnover is less than R10m).

2. CONDITIONS OF TENDERING

- General Conditions of Tendering;

PLEASE NOTE THE FOLLOWING CONDITIONS ARE APPLICABLE TO ALL TENDERS.

- A compulsory briefing session will be held on the **10 May 2018 ,10h00 a.m** at the East London IDZ Auditorium, Head Office
- Questions relating to the RFP will be accepted until **12h00 on the 14 May 2018** All questions must be submitted to anathi@elidz.co.za
- The closing date for this tender is at **12h00 on the 25 May 2018**
- E-mailed, faxed, late, or incomplete proposals will not be considered;
- ELIDZ is not obligated to accept the lowest or any proposal;
- Tender documents are to remain securely bound;
- Any expenses incurred by the tenderer in preparing and submitting the proposal will be for the tenderer's account, as the ELIDZ SOC Ltd will not accept any liability in this regard;
- We reserve the right to correct discrepancies and errors as necessary with the consent of the tenderer; however, the value total of the prices shall remain unaltered;
- Proposals which do not comply with the tender conditions or which are incomplete will, as a general rule, not be considered.

3. SIGNATURES ON TENDERS

All tenders submitted must be signed by that individual, or by someone on his behalf duly authorized and proof of that authority must be attached. All tenders submitted by a company must be signed by a person duly authorized thereto by a resolution of the Board of Directors, a copy of which resolution, duly certified by the Chairman of the company can be submitted with the tender.

If the tender is submitted by a joint venture of more than one person and/or companies and/or firms it shall be accompanied by:

A certified copy of the original document under which the joint venture was constituted. This document must clearly define the conditions under which the joint venture will function, as well as the duration and participation of the several constituent persons and/or companies and/or firms.

A certificate signed by or on behalf of each participating person and/or company and/or firm authorizing the person who signed the tender to do so.

In instances of a joint venture, each participating person and/or company and/or firm must complete and submit Annexure A (Procurement Handbook) with the tender together with all profit sharing percentage information.

4. AREA OF SERVICE/POINT OF DELIVERY

The delivery of services will be required at the ELIDZ, Lower Chester Road, Sunnyside, East London.

5. SPECIAL CONDITIONS APPLICABLE TO THIS CONTRACT

Where the SERVICE PROVIDER has incurred any liability to the CLIENT, whether arising from or under this Agreement or otherwise howsoever arising, the CLIENT may, without notice to the SERVICE PROVIDER set-off the amount of such liability against any liability of the CLIENT to the SERVICE PROVIDER arising from or under this Agreement, whether either such liability is liquidated or unliquidated, present or future, accrued or contingent, unless otherwise agreed to in writing by the CLIENT.

6. SERVICE LEVEL AGREEMENT

The successful tenderer will be required to enter into Services Level Agreement with the ELIDZ.

7. CONFIDENTIALITY AGREEMENT

All information relating to the ELIDZ's customers (and potential customers), systems, operating procedures etc. is confidential and to this end, the successful tenderer will be required to enter into a Confidentiality Agreement with the ELIDZ.

8. PRICE BASIS

ELIDZ requires the tender price to remain firm for the validity period of ninety (90) days after the closing date of the tender. The tender price shall be in South African Rand.

Where prices are subject to variation it must be noted that no prices are to be revised or invoiced, without prior mutual agreement and official modification of the contract.

9. SUFFICIENCY OF TENDER

The tenderer shall satisfy itself before tendering, as to the correctness and sufficiency of its tender for the project. The tenderer shall ensure that the rates and prices it has stated in the schedules cover all the obligations included in the tender and sufficient for the proper completion of the project.

10. TENDERER'S CONDITION

All tenderer's shall be deemed to have waived, renounced and abandoned any terms and conditions printed or written upon any stationery used by the tenderer for the purpose of, or in connection with the submission of this tender.

In the event that the successful Bidder has been awarded the contract with value above R 2 000 000.00 for the same goods/services on a consecutive basis, the successful Bidder will be required to submit a Supplier development plan for SMMEs to be agreed with the ELIDZ.

Where there is no designated sector, ELIDZ may decide to include a specific bidding condition that only locally produced goods or services with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific standards determined by the DTI in consultation with the National Treasury.

11. DISQUALIFICATION

Respondents are advised that should there be any contact with ELIDZ staff and the Adjudication Team which could in any way be seen or deemed to constitute a conflict of interest, bribe or otherwise influence the process and the outcome thereof, will result in immediate disqualification.

It must be stressed that any queries relating to this tender must be in writing and within the period of one week from the date of the briefing session, and must be addressed to the Supply Chain Officer responsible only. Respondents are not to communicate in any manner or form whatsoever with members of ELIDZ personnel about the RFP until the winning service provider has been selected and such selection has been formally communicated to the public. Any such communications by Respondents with ELIDZ personnel or with persons other than the Project Manager may prejudice a Respondent, and may lead to disqualification from consideration for selection. The ELIDZ cannot accept responsibility for the accuracy of any information obtained outside the formal communication process as stipulated.

Any misrepresentation, in particular as it relates to the truthfulness of involvement of HDI's at both ownership level, management and operational level will also result in immediate disqualification.

12. ACCEPTANCE OF TENDER IN WHOLE OR IN PART

The ELIDZ reserves the right to accept the complete tender as submitted by the tenderer or alternatively, to accept only specific "areas of work" (or parts of "areas of work") of the tender as it sees fit.

Accordingly tenderer's are advised to ensure that all prices submitted against each "area of work" are sufficient to cover the tenderer's entire obligation as defined in these documents, required to provide each specific "area of work".

13. SUPPORTING DOCUMENTATION TO BE SUBMITTED

- Original Cancelled Cheque / Bank Stamped Letter
- Accredited Valid B-BBEE Original or Certified Certificate
- Membership Certificate of Company with Relevant Associations
- Letters of reference (a minimum of three)
- Proof of Locality of registered Commercial Office – copy of municipal utility bill, lease agreement, title deed
- Methodology/Approach or Proposed solution as per task 4
- Project team composition with detailed responsibility outlined

14. COMPULSORY DOCUMENTATION TO BE SUBMITTED

The following documentation is considered as compulsory documentation and is required to be submitted with your tender. Failing to submit the compulsory documentation will lead to disqualification due to non-compliance.

- Valid Tax Clearance Certificate or SARS Pin
- Company Registration Document accompanied by Share Certificates where applicable
- Completed and Signed Procurement Handbook
- JV Participation Documentation (If applicable)
- Registration with CSD, MAAA number
- Professional Indemnity of minimum R2 Million

15. METHOD OF SUBMISSION

It will be the responsibility of the tenderer to ensure that the tender reaches the ELIDZ.

All tender documents submitted are to be securely bound and Tenderers must submit technical and financial proposals in two separate envelopes clearly marked “Envelope A – Technical Proposal” and “Envelope B – Financial Proposal”. The financial proposal will only be opened should the technical proposal be deemed compliant and the Functionality criteria is met.

The tender should be placed in a sealed envelope and deposited by hand in the tender box before the closing date and time of **12h00, 25 May 2018**.

ELIDZ WILL NOT BE RESPONSIBLE FOR DOCUMENTS PLACED IN AN INCORRECT TENDER BOX.

The tender box will be marked “**OPS/18/CCA/01**” which can be found in the following location:

The ELIDZ, Head Office Reception, Lower Chester Road, Sunnyside, East London, 5201

Tenders must be marked:

CONFIDENTIAL TENDER

“OPS/18/CCA/E/01 - CONSULTANTS FOR OPERATIONALISATION OF CUSTOMS CONTROLLED AREA ENTERPRISE (CCA/E) SUPPORT SERVICE FOR THE EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD”

For the attention of:

ELIDZ SCM

16. ELIDZ RIGHTS

The ELIDZ reserves the right:

- a. To negotiate with the successful tenderer and/or
- b. modify the RFP's goods / service(s) and request Respondents to re-bid on any changes;
- c. reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- d. disqualify Proposals submitted after the stated submission deadline;
- e. disqualify Proposals submitted that do not meet the goods or services specifications;
- f. disqualify Proposals submitted that do not meet the necessary functionality where required;
- g. not necessarily accept the lowest priced Proposal;
- h. reject all Proposals, if it so decides;
- i. place an order in connection with this Proposal at any time after the RFP's closing date;
- j. award only a portion of the proposed goods / service/s which are reflected in the scope of this RFP;
- k. split the award of the order/s between more than one Supplier/Service Provider; or
- l. make no award at all;
- m. ELIDZ reserves the right not to award business to the highest scoring bidder/s where objective criteria justify the award to another bidder.
- n. The ELIDZ does not bind itself to accept your (or any) proposal, nor will it disclose any information regarded as confidential.



SECTION B: Requirements Specification

FOR THE APPOINTMENT OF CONSULTANTS FOR OPERATIONALISATION OF
CUSTOMS CONTROLLED AREA ENTERPRISE (CCAEE) SUPPORT SERVICE FOR
THE EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD

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1. Introduction

The East London Development Zone SOC LTD (ELIDZ) is a “greenfields” development project that is part of a sub-regional economic growth and employment creation initiative driven by the government’s micro-economic reform strategy, as implemented by the South African Department of Trade and Industry.

The ELIDZ is rapidly taking shape on Buffalo City’s West Bank, adjacent to the existing East London port and has some 264ha of land available in its Phase One developments for the accommodation of new industry. The project includes the establishment of a Customs Control Area to allow for a duty-free importation of manufacturing inputs utilized in the production of export products and also provides access to a variety of general sector-specific industrial investment incentives.

The development and operation of the Zone are managed by the East London Industrial Development Zone SOC LTD, under authorization by the State. The company was established to plan and implement the East London IDZ in a phased manner for manufacturing and other industrialists and features world class infrastructure and dedicated utility and other services.

The primary objective of the ELIDZ is to be able to attract local as well as international investors. The ELIDZ should reflect South Africa as a high-calibre and world-class competitive investment destination. It is thus imperative that the ELIDZ operationalisation of the Custom Controlled Area Enterprise (CCAE) incentive benefits existing investors and is attractive to potential investors.

2. Scope

2.1. The Scope of This RFP Includes the Following:

The ELIDZ would like to appoint a specialist service provider that will provide Customs Advisory Services for a period of 2 years (24 months). The main focus of the project is to facilitate the capacitation of ELIDZ internal staff and resources, and current and potential CCAE investors’ internal staff and resources particularly in SARS, DTI, ITAC, legislation and interpretation. The service provider must supply proof of International Project logistics capacity. The service provider would be further required to assist in the development of an in-house efficient Customs Compliance Service and One Stop shop / Compliance platform that will be accessible to key stakeholders such as SARS, CCAE and other SEZ investor clients inclusive of the ELIDZ. The ELIDZ will, on demand of its current and potential CCAEs, request the Service Provider to advise on all ELIDZ CCAE matters, including current CCAE tenants/clients, potential ELIDZ

investors, CCAE stakeholder engagement, as well as any CCAE or SEZ Operator related matter deemed necessary which would be within the scope of capabilities of the Service Provider.

Service Provider will be required to offer Enterprise (CCAЕ) and Operator (ELIDZ) Compliance training Below :

- Provision of ACCREDITED TRAINING (WCO and TETA) for the CCA Enterprises as required by the legislation

2.2. The Scope of This RFP Excludes the Following:

There are no exclusions. In the event that the bidder has exclusions, these should be clearly stated in the bid document.

3. Considerations

3.1. Technical Considerations

The following evaluation criteria should be read and completed in conjunction with Annexure 2 (Reference Letter).

Functional Requirements		Poi nts
1. LOCAL OPERATIONAL OFFICE		10
- Office located in The Republic of South Africa		10
- Office Located outside the Republic of South Africa		0
2. FIRM PROFILE		20
2.1. Number of years providing Customs Advisory Services		
- greater than 10 years (10 points)		
- greater than 5 up to 10 years (6 points)		
- 0 – 5 years (3 points)		
2.2. Project Team		
Project Team composition and details provided		10
Project Team composition only		5
No Details provided		0
3. REFERENCES (SEE ANNEXURE 2)		20
3.1. Experience in performing tasks 1 to 10		
- Service Provider having experience in performing tasks equal to than 10 tasks as completed by the referee (20 points).		
- Service Provider having experience in performing up to 5 tasks as completed by the referee (10 points).		
- Service Provider having experience in performing below 5 tasks as completed by the referee (0 points).		
4. Methodology/Proposed Solution		30

4.1. Respond to potential/existing clients (CCAEs) enquiries (Standard Questionnaire and to additional information request if necessary).	3
4.2. Verification of Potential Investor's Business Plan, anticipated imports of plant, machinery, equipment, raw materials, semi-manufactured components, relevant customs tariff headings and customs duty, VAT applicability.	3
4.3. Verification of shipment values & incoterms.	3
4.4. Conduct applicable pre-inspection and inspection procedures (SARS).	3
4.5. Advise ELIDZ on the impact of legislative changes that will affect the ELIDZ and its CCAEs	3
4.6. Training on Generic/Standard Operating Procedures (CCAEs and Operator).	3
4.7. Training on SARS Customs Monthly Reporting Requirements and Processes for future audits (CCAEs and Operator).	3
4.8. Coordinating responses on behalf of Clients in response to SARS letters of intent and letters of demand and the provision of customs related legal advice and services to an IDZ operator.	3
4.9. Represent the IDZ Operator and or its Clients (CCAEs) to key stakeholders, i.e. SARS, the DTI, and National Treasury as well as other stakeholders relevant.	3
Provision of customs related legal advice and services to an IDZ operator and clients (CCAEs).	3
5. OPERATOR (ELIDZ) COMPLIANCE TRAINING WORKSHOP	20
5.1. Outline the provision of ACCREDITED TRAINING (WCO and TETA) for the IDZ Operator (ELIDZ) as required by the legislation – (20 points).	20
5.2. Outline the provision of ACCREDITED TRAINING (WCO or TETA) for the IDZ Operator (ELIDZ) as required by the legislation – (10 points).	
5.3. Outline the provision of training for the IDZ Operator (ELIDZ) as required by the legislation – without accreditation (5 points).	
TOTAL	100

All tenders with functionality less than 70% of the total functional requirements will not be considered for the next stage of tender evaluation

3.2. Financial Consideration

Payment milestones will be monthly over 2 years (24 months) according to the commencement date agreed upon in the service level agreement and in accordance with payment terms in the SLA.

3.3. Time Constraints

The ELIDZ requires this CCAE contract to be in effect immediately after awarding of the tender.

4. Detailed Requirements

The ELIDZ has identified the need for the procurement of a Service Provider with specific proven subject matter expertise in Customs Controlled Area Enterprise benefits, as currently constituted in the overarching Special Economic Zones (SEZ) policy, legislative and implementation environment. One of the key focus areas in this regard would be the operationalization of the various SEZ related incentives for the SEZ Operator (ELIDZ) and its targeted clients. Currently, the ELIDZ does not have sufficient internal capacity to respond to all customs and CCA/CCAIE related matters. The shortage of this skill exposes the ELIDZ to compliance risks particularly with the South African Revenue Service (SARS).

Therefore in order to facilitate and expedite the skills transfer required by the ELIDZ, a Service Provider is sought to assist the ELIDZ in terms of compliance and to effectively respond to CCAIE related matters, which are critical to the sustainability and survival of current CCAEs and marketing certainty and predictability for potential investors. The detailed requirements for the types of envisaged services are listed in Annexure 2 (Reference Letter) where the service provider will solicit references from clients to state whether they have the capabilities to perform all the tasks listed in this Annexure.

The Service Provider will advise the ELIDZ and its SEZ Enterprises / CCAEs of the impact of various legislation changes inclusive of and not limited to the current Customs and Excise Act, the New Customs Control Acts, the new Customs Duty Act, the new Excise Duty Act, the Tax Administration Act, the Income Tax Act and the VAT Act.

The duration of workshops and trainings to be provided by the Service Provider should not be more than 5 hours per session. The potential service provider will be required to provide the ELIDZ with workshop and training content material no later than 2 weeks prior to any scheduled workshop and training.

In addition to the potential Service Provider's submission, a proposal on CCAIE related skills transfer mechanisms to the ELIDZ and relevant formal training is required and will form part of the evaluation as indicated in the evaluation criteria.

The potential Service Provider will be required to train the ELIDZ to competently perform identified compliance and administrative duties.

4.1. Rate

Rate will be subject to inflation in the second year

Although the tasks to be performed contain a quantity for each item of work, these are included only to ensure realistic pricing and for budget purposes.

The quantities shall not be interpreted as indicating the overall scope of work to be undertaken under the contract, and the Project Manager shall instruct the Service Provider as to the actual number of tasks to be performed, as may be required from time to time.

4.2. Methodology and Proposed Solution

Describe your proposed solution or methodology of services that will be provided in detail in response to the detailed requirements as listed below. This is an essential part of your response and it will form part of the service level agreement.

The ELIDZ requires a specialist service provider that will provide Customs Advisory Services for a with main focus to facilitate the capacitation of ELIDZ internal staff and resources, and current and potential CCAE investors' internal staff and resources particularly in SARS, DTI, ITAC, legislation and interpretation.

- Respond to potential/existing clients (CCAEs) enquiries (Standard Questionnaire and to additional information request if necessary).
- Verification of Potential Investor's Business Plan, anticipated imports of plant, machinery, equipment, raw materials, semi-manufactured components, relevant customs tariff headings and customs duty, VAT applicability.
- Verification of shipment values & incoterms.
- Conduct applicable pre-inspection and inspection procedures (SARS).
- Advise ELIDZ on the impact of legislative changes that will affect the ELIDZ and its CCAEs
- Training on Generic/Standard Operating Procedures (CCAEs and Operator).
- Training on SARS Customs Monthly Reporting Requirements and Processes for future audits (CCAEs and Operator).
- Coordinating responses on behalf of Clients in response to SARS letters of intent and letters of demand and the provision of customs related legal advice and services to an IDZ operator.
- Represent the IDZ Operator and or its Clients (CCAEs) to key stakeholders, i.e. SARS, the DTI, and National Treasury as well as other stakeholders relevant.
- Provision of customs related legal advice and services to an IDZ operator and clients (CCAEs).

5. Mandatory Response Format

5.1 Company Profile

- Provide an overview of your company profile.
- Years of experience in CCAE of company to be included in Profile
- Provide a list of personnel to be assigned to this project, including their Curriculum Vitae clearly indicating their experience in Customs related work. Clearly indicate experience of key personnel in Customs (attach CVs).
- Do you have a local presence, Republic of South Africa based?
- Professional indemnity (attach a copy of Insurance).
- The ELIDZ reserves the right to perform a site inspection at the client's office, before awarding the tender.
- Project team composition

5.2 References (Annexure 2)

- Respondents are required to provide as many references relevant to this tender. The reference letter should be stamped, dated and signed to be valid.
- Where there is more than one (1) reference in performing a particular task, the score for that task will be averaged.
- Provide details of the relevant services offered to these references, establishing a track record as well as provide contactable references at these sites \ clients.

5.3 Skills Transfer

- Outline the proposed skills transfer solution (workshops) for the Operator and the CCAEs.
- Attach VALID ACCREDITATION certificates by the World Customs Organisation (WCO) and / or Transport Education and Training Authority (TETA).

5.4 Methodology

Describe your proposed solution or methodology of services that will be provided in detail in response to the detailed requirements as per Section B, point 4. This is an essential part of your response and it will form part of the service level agreement.

6. Conclusion

This document seeks to provide comprehensive information for the purposes of supporting the proposal of a solution that meets the requirements of the ELIDZ.

Please forward any queries Ms A. Mgwaza at the following contact details:

Tel: (043) 702 8200

Email: anathi@elidz.co.za



CONTRACT ELIDZ: REFERENCE NUMBER

SERVICE LEVEL AGREEMENT

entered into by and between

EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD

Registration No. 2003/012647/30

("The Client")

and

FULL NAME OF SERVICE PROVIDER

Registration No. _____

(The "Service Provider")

(Collectively referred to as "the parties")

for

PROVISION OF CUSTOMS CONTROLLED AREA ENTERPRISES OPERATIONAL SUPPORT SERVICES

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

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32. PROTECTION OF RIGHTS
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34. DOMICILIUM CITANDI ET EXECUTANDI
35. SIGNATURES

1. INTRODUCTION AND PURPOSE

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

- 1.1. The CLIENT requires certain services and the SERVICE PROVIDER is willing to provide such services to the CLIENT.
- 1.2. The purpose of this Agreement is to regulate the relationship between the CLIENT and the SERVICE PROVIDER and to ensure that high quality and performance standards are achieved and maintained by the PARTIES.

2. DEFINITIONS AND INTERPRETATION

- 2.1. The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this Agreement nor any clause hereof.
- 2.2. In this Agreement, unless a contrary intention clearly appears any expression which denotes
- 2.2.1. one gender includes the other gender
- 2.2.2. the singular includes the plural and vice versa, and
- 2.2.3. natural persons includes juristic persons and vice versa.
- 2.3. In this Agreement, unless the context indicates otherwise the following words and expressions will have the meaning assigned to them in this clause:

- 2.3.1. **"Agreement"** refers to this Agreement and all annexures hereto and any amendments recorded in writing and signed by the parties. The annexures to this Agreement consist of the following:

IF THERE IS AN EXCEPTION TO TENDER PROCESS OR REQUISITION REQUIRING SLA

Section	A	-	Request for Quotation / Proposal (not attached),
Section	B	-	Quotation / Proposal (not attached),
Section	C	-	Letter of Award or Purchase Order confirmation and Acceptance (not attached),
Annexure	1	-	Scope of Work,
Annexure	2	-	Payment Schedule.

IF THERE IS AN OPEN TENDER PROCESS

Section	A	–	Response to Tender including, invitation (not attached)
Section	B	–	Letter of Award (not attached),
Section	C	-	Acceptance of award (not attached),
Annexure	1	–	Scope of work,
Annexure	2	–	Payment Schedule,

- 2.3.2. **"CLIENT"** refers to the client, being the EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD, Registration No. 2003/012647/30;
- 2.3.3. **"Contract documentation"** refers to contracts documentation, agreements, minutes, drawings, specifications, designs and models, electronic matter in the nature of computer software, programmes, computer data and other matter and information relating to this Agreement, provided by the SERVICE PROVIDER to the CLIENT in terms of the services rendered in this Agreement;
- 2.3.4. **"key persons"** refers to employees, agents or representatives of the SERVICE PROVIDER whose contribution is, in terms of this Agreement, agreed to be critical to the compliance of the

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER'S obligations in terms of this Agreement;

- 2.3.5. **"prime rate"** refers to the variable interest rate as charged and calculated by the Client's Bankers from time to time to it;
- 2.3.6. **"professional service provider"** refers to service providers whose services are generally considered to be professional in their nature and are overseen by a supervisory Body recognised in terms of the South African Law;
- 2.3.7. **"professional indemnity"** refers to the professional indemnity, detailing the required level of Professional Indemnity Insurance in respect of the obligations of the SERVICE PROVIDER insofar as these are applicable as set out by the standards of the particular consultancy industry;
- 2.3.8. **"quality and performance standards"** refers to service levels and conditions agreed to between the parties in terms of this, legal requirements promulgated from time to time and industry standards as practiced or observed in the various service industries involved;
- 2.3.9. **"services"** refers to the services that the SERVICE PROVIDER has undertaken to provide in terms of this Agreement and in particular the services as listed in **ANNEXURE 1**;
- 2.3.10. **"SERVICE PROVIDER"** refers to **FULL NAME OF SERVICE PROVIDER**, Registration Number: _____, a _____ duly registered and/or incorporated according to the laws of the Republic of South Africa and having its principal place of business in _____;
- 2.3.11. **"SHE"** refers to safety, health and environment,
- 2.3.12. **"signature date"** refers to the date of signature of this Agreement and, if signed on different dates, the later of the two dates.

- 2.4. Any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time.
- 2.5. If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the Agreement.
- 2.6. When any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.7. Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 2.8. Expressions defined in this Agreement shall bear the same meanings in schedules or annexures to this Agreement which do not themselves contain their own definitions.

3. APPOINTMENT

- 3.1. The CLIENT appoints the SERVICE PROVIDER to provide the services and the SERVICE PROVIDER accepts such appointment for the duration and on the terms and conditions of the Agreement.
- 3.2. The basis of the appointment in clause 3.1 is in terms of a tender process, a copy of which forms part of this Agreement but not attached hereto, as set out in:
- 3.2.1. **SECTION A**
- 3.2.2. **SECTION B**
- 3.2.3. **SECTION C**

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____

WITNESS 1: _____

WITNESS 2: _____

4. PROVISION OF SERVICES

The SERVICE PROVIDER hereby undertakes in favour of the CLIENT to perform the services in accordance with the provisions of this Agreement, and in particular the services and time frames as set out in hereto marked **ANNEXURE 1**.

5. UNDERTAKINGS BY THE SERVICE PROVIDER

5.1. The SERVICE PROVIDER undertakes whilst it is providing the services that:

- 5.1.1. the services will be performed by sufficient number of professional service providers who have the skill and experience required to perform the services;
- 5.1.2. the services will be performed in accordance with the quality and performance standards expected of service providers of same stature, or as referenced in clause 2.3.8;
- 5.1.3. the services will be provided in accordance with the needs of the CLIENT;
- 5.1.4. it will plan, coordinate and manage the service provisions in consultation with the CLIENT and deal timeously with the documented results of service reviews in so far as there is sub-standard performance such that the interests of the CLIENT's business is not prejudiced;
- 5.1.5. it will fully comply with all tender / brief specifications and requirements as per entire Agreement herein;
- 5.1.6. it will take out and adhere to its professional indemnity insurance that and as is required by the consultancy industry; and
- 5.1.7. it will consult with the CLIENT with regard to any client competitor tendering of work before such tender is undertaken.

6. DELIVERY

- 6.1. The supply of services shall be in accordance with the general terms of this Agreement and more specifically in terms of **ANNEXURE 1**.
- 6.2. Should the SERVICE PROVIDER fail to complete the services or any part thereof before the date which is stipulated herein, an amount equal to one fourteen percent (1/14%) of the contract value may be deducted per day by the CLIENT for each day falling after stipulated completion date, until the services are complete.
- 6.3. Such penalty shall be in consultation with the Conventional Penalties Act 1962 as amended.

7. TIMING

7.1. Commencement dates

The Parties agree to the commencement date of _____ for the commencement of the services and accordingly the services shall be completed by _____.

7.2. Delays

The SERVICE PROVIDER acknowledges that any delay may impede the business objectives of the CLIENT and will constitute a material breach of its obligations and render the SERVICE PROVIDER liable for damages as well as consequential damages.

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

8. OBSERVANCE OF QUALITY AND STANDARDS

8.1. Quality standards

- 8.1.1. The SERVICE PROVIDER acknowledges that the CLIENT is committed to the highest standards of performance in the conduct of its affairs, including the observance of ISO 14001 requirements in its environmental management and of OHSAS 18001 in the implementation of Occupational Health and Safety standards.
- 8.1.2. The SERVICE PROVIDER undertakes to perform the services of this Agreement in terms of quality and performance standards expected of a SERVICE PROVIDER as set out in clause 2.3.8 and as set out in **SECTION A** herein and the SERVICE PROVIDER furthermore undertakes not to do anything or to omit to do anything that may, in anyway, compromise the commitment of the CLIENT to its standards.

8.2. Disclosure

- 8.2.1. The SERVICE PROVIDER undertakes to make full disclosure of any and all breaches, shortcomings, errors or defects in materials or performance as soon as they come to the notice of the SERVICE PROVIDER who acknowledges that it will in all events hold itself liable for such breaches, shortcomings, errors or defects in materials or performance including any consequential damages that might flow there from including the disclosure of work or potential work to be received for and by or on behalf of the CLIENT'S competitor.
- 8.2.2. The SERVICE PROVIDER acknowledges that the services provided in terms of this Agreement may fall within the business objectives of the CLIENT and is aware of the implications of this and its exposure to consequential damages.

9. REPORT BACK MEETINGS

- 9.1. Where required by the CLIENT and communicated to the SERVICE PROVIDER in the manner provided for in this Agreement, the SERVICE PROVIDER shall, attend all such reasonable meetings as it may be required to and, there, provide such reports and other documentation as may be reasonably required for the purposes contemplated by this Agreement.
- 9.2. Traveling costs in respect of report back meetings as referred to above shall be agreed to prior to such meetings and shall be paid by the SERVICE PROVIDER and shall be regarded as not budgeted for in terms of the **ANNEXURE 2**.

10. BY-LAWS AND REGULATIONS

- 10.1. In the performance of its obligations, as provided for by this Agreement, the SERVICE PROVIDER undertakes:
- 10.1.1. to comply and ensure compliance with all local, statutory, governmental and other laws and regulations in force and of application to the SERVICE PROVIDER, its employees, contractors and other persons or institutions subject to its control for the purposes of this Agreement,
- 10.1.2. to indemnify the CLIENT against any loss, damages or punitive fines that it may suffer or have

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

imposed on it by reason of its failure to comply with the provisions of clause 10.1.1, and
10.1.3. to take out any professional indemnity for all professional service provider and key persons for the purposes of rendering the services provided for in terms of this Agreement.

11. PAYMENT

- 11.1. The CLIENT undertakes to pay the SERVICE PROVIDER the total sum of R _____ (IN WORDS) including VAT, as set out in ANNEXURE 2 for the diligent services rendered
- 11.2. Payment will only be due and payable once the SERVICE PROVIDER has performed the necessary deliverables set out in ANNEXURE 1 and has issued the correct invoice.
- 11.3. The SERVICE PROVIDER shall, in respect of the services provided render an original VAT compliant invoice (where applicable), containing sufficient information to enable the CLIENT to determine whether the charges have been debited in accordance with this Agreement and with the agreed price set out in ANNEXURE 2, on or before the 25th day of the month.
- 11.4. All amounts reflected on invoices shall strictly be as per the agreed terms contained in ANNEXURE 2.
- 11.5. The SERVICE PROVIDER shall not be paid for any additional work unless such work has been agreed to before execution thereof in writing and confirmed by way of an addendum to this Agreement and signed by both parties.
- 11.6. The CLIENT undertakes to make payment of all amounts due within 30 days from receipt of an invoice which complies with the provisions of clause 11.3.
- 11.7. All invoices are to be submitted for the attention of Accounts delivered to the ELIDZ at the EAST LONDON IDZ HEAD OFFICE, LOWER CHESTER ROAD, SUNNYRIDGE, EAST LONDON or PO BOX 5458, GREENFIELDS, EAST LONDON 5208 or by email to accounts@elidz.co.za or facsimile to 043-702-8255.
- 11.8. The CLIENT shall not be in breach of clause 11.6 in the event of it failing to pay any invoice submitted that does not comply with any provisions contained under this clause 11.
- 11.9. In the event that the SERVICE PROVIDER has submitted an invoice in contravention of this clause, the CLIENT shall notify the SERVICE PROVIDER within 5 (five) working days of the non-compliant invoice, together with the reasons, and the SERVICE PROVIDER shall thereafter withdraw the non-compliant invoice and submit a further original VAT compliant invoice.
- 11.10. Where the SERVICE PROVIDER has incurred any liability to the CLIENT, whether arising from or under this Agreement or otherwise howsoever arising, the CLIENT may, without notice to the SERVICE PROVIDER set-off the amount of such liability against any liability of the CLIENT to the SERVICE PROVIDER arising from or under this Agreement, whether either such liability is liquidated or unliquidated, present or future, accrued or contingent, unless otherwise agreed to in writing by the CLIENT.

12. KEY PERSONS

- 12.1. The SERVICE PROVIDER shall, by Agreement with the CLIENT, identify one key person whose contribution is, in the discretion of the CLIENT, critical to the objects contemplated by this Agreement.
- 12.2. Such Key Persons:
- 12.2.1. shall, unless it is agreed otherwise, personally attend to all instructions arising out of this

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____

WITNESS 1: _____

WITNESS 2: _____

- Agreement or shall personally oversee the performance of all instructions and shall accord due priority to the obligations of the SERVICE PROVIDER arising from this Agreement,
- 12.2.2. shall personally attend all meetings contemplated in terms of this Agreement unless, by Agreement, an alternative person is agreed to;
- 12.2.3. shall be responsible for the provision of all reports which the CLIENT may reasonably require from time to time; and
- 12.2.4. shall be responsible for the certification of all works executed in terms of this Agreement.
- 12.3. Should the Key Person discontinue to serve in this role for any cause whatsoever, then and in that event the CLIENT may, without prejudice to its other rights, summarily, and on such terms and notice as it may be deem fit, terminate the agreement.
- 12.4. Key person for the CLIENT is: _____
- 12.5. Key person for the SERVICE PROVIDER is: _____

13. INTELLECTUAL PROPERTY, COPYRIGHT AND OWNERSHIP OF DOCUMENTS

- 13.1. It is agreed that the Contract Documentation shall be and shall remain the property of the CLIENT and shall, upon written request addressed to the SERVICE PROVIDER, be delivered over to the CLIENT.
- 13.2. The SERVICE PROVIDER waives his rights to any claimed hypothec or any other right of retention over the Contract Documentation for any cause whatsoever.
- 13.3. In the event of the SERVICE PROVIDER claiming that it has any further claim, irrespective the nature of such claim, the SERVICE PROVIDER shall upon written request, deliver over the Contract Documentation to the CLIENT and such claim shall then be dealt with in accordance with the dispute procedure provided for in this Agreement.
- 13.4. It is agreed that, upon payment by the CLIENT to the SERVICE PROVIDER of such remuneration as it is entitled to in terms of this Agreement, the copyright and the ownership of the Contract Documentation shall vest in the CLIENT.

14. CONFIDENTIALITY

- 14.1. Subject to the provisions of clause 14.2 hereof, the SERVICE PROVIDER shall keep secret all and any matter disclosed to it in connection with this Agreement and/or contained in the documents relating to the Agreement.
- 14.2. The foregoing paragraph shall not apply to information which:
- 14.2.1. is in the public domain,
- 14.2.2. is received from a third party who did not obtain such information from the CLIENT,
- 14.2.3. may be disclosed with the consent of the CLIENT.
- 14.2.4. is required in terms of law to be disclosed, provided that the SERVICE PROVIDER gives the CLIENT reasonable notice before any disclosure, to enable it to attempt to prevent such disclosure should it so wish.

15. SOLICITING EMPLOYEES

- 15.1. The SERVICE PROVIDER undertakes that it will not induce, encourage or procure any employee/s of the CLIENT to:

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

- 15.2. leave the services of the CLIENT with a view to their being employed or in any other way associated with the SERVICE PROVIDER; or
- 15.3. provide any information or advice held by that employee of the CLIENT in his capacity as such to any party who should not be privy to that information.
- 15.4. Nothing in the foregoing subparagraph will prevent the transfer of employees from the CLIENT to the SERVICE PROVIDER by written agreement between the parties.
- 15.5. Breach of this clause, resulting in the loss of an employee by CLIENT, will without prejudice to its other rights, entitle the CLIENT to claim and recover from the SERVICE PROVIDER damages suffered by the CLIENT.

16. FORCE MAJEURE

The SERVICE PROVIDER shall not be liable for any failure to meet any obligations in terms of this Agreement to the extent to which that failure is caused by the circumstances whatsoever which is beyond the SERVICE PROVIDERS control including, but not limited to labour disputes, strike, war, riot, civil commotion, or any order or regulations of any Government or other lawful authority and or and act which constitutes as an act of God.

17. DISPUTES

- 17.1. Any dispute arising out of or in connection with this Agreement, or related thereto, whether directly or indirectly, or any alleged breach and / or repudiation thereof, its interpretation, application and /or termination, shall be resolved in accordance with the provisions of this clause.
- 17.2. A dispute shall arise once the dispute is communicated by one party to the other in writing, ("the dispute notice").
- 17.3. Within twenty one (21) days of the dispute arising, the parties shall seek an amicable resolution to such dispute by referring such dispute to representatives of each of the parties concerned for their negotiation and resolution of the dispute.
- 17.4. In the event that the parties representatives fail to resolve the dispute by way of negotiation, either party may refer the dispute for resolution by way of arbitration as envisaged in the clauses below.
- 17.5. The Arbitration will be held as an expedited arbitration in accordance with the then current rules for expedited arbitration of the Arbitration Foundation in South Africa (AFSA) by one arbitrator appointed by agreement between the Parties. If the parties cannot agree on the arbitrator within a period of ten (10) days after the referral of the dispute to arbitration, the arbitrator shall be appointed by the secretariat of AFSA;
- 17.6. Nothing contained in this clause shall preclude either Party from seeking interim relief from any competent court having jurisdiction pending the institution of any mediation or arbitration proceedings in terms of this clause.
- 17.7. The provisions of this clause shall survive the termination for whatever reasons of this Agreement.
- 17.8. Unless otherwise agreed, the party appointed to determine the dispute shall act as an expert, rather than an arbitrator, shall conduct proceedings in an informal manner and procedure with a view to resolving its expeditiously as the circumstances permit with due adherence to a fair procedure and to a just solution.
- 17.9. The decision of the expert shall be final and binding and capable of being made an order of court in

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____

WITNESS 1: _____

WITNESS 2: _____

accordance with the provisions of the Arbitration Act

17.10. The person appointed to determine the dispute shall, in his discretion be permitted to

17.10.1. determine the disputes between the parties;

17.10.2. determine whether to permit the parties to be represented by attorneys and / or advocates;

17.10.3. determine the procedure;

17.10.4. determine the amount that should be deposited as security for his expenses prior to the commencement of proceedings; and

17.10.5. make such order as to costs, if any, including the applicable tariff.

17.11. The provisions of this Clause shall constitute and irrevocable consent, on the part of the parties, to the resolution of this dispute in the manner provided for herein.

18. BREACH AND PENALTY

In the event of one or other party breaching this Agreement or failing to perform any of the terms conditions thereof and remaining in default notwithstanding written notice to comply within fourteen (14) days, calculated from the date of delivery of the notice, then and in that event, the party complaining of the breach or non-performance shall be entitled to cancel the Agreement without prejudice to any other rights in terms hereof to recover damages arising from the breach.

19. TERMINATION

19.1. Notwithstanding the other grounds for termination referred to in this Agreement, and without prejudice to any right of the relevant party, this Agreement may immediately be terminated by a party if the other party:

19.2. ceases to carry on business;

19.3. is wound up, is placed under liquidation, is sequestered, placed under business rescue proceedings, placed under an order of judicial management or under any other legal disability, either provisionally or finally; or

19.4. materially breaches the terms of this Agreement.

20. SUMMARY TERMINATION

20.1. The CLIENT shall, without prejudice to any right of the CLIENT claim damages from the SERVICE PROVIDER be entitled to summarily or immediately terminate, without notice, this Agreement in the event that:

20.2. false information is furnished by the SERVICE PROVIDER at any time on any material details that might result in losses to the CLIENT;

20.3. the SERVICE PROVIDER breaches any of the terms of this Agreement;

20.4. the SERVICE PROVIDER perpetrates a fraud of any nature upon the CLIENT or performing an act in the nature of fraud; or

20.5. any of the SERVICE PROVIDER'S employees rendering services to the CLIENT in terms of this Agreement are guilty of conduct justifying a summary dismissal according to common law and the SERVICE PROVIDER fails, neglects and/or refuses to take the necessary action against such employees.

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

21. WARRANTIES

- 21.1. The SERVICE PROVIDER warrants that there is no conflict of interest between the CLIENT and itself and that it shall take steps to avoid any future potential conflict of interest.
- 21.2. The SERVICE PROVIDER warrants that the SERVICE PROVIDER has the capacity to enter into this Agreement and to perform the services as per this Agreement.
- 21.3. The SERVICE PROVIDER shall be deemed that it has satisfied itself before tendering as to the correctness and sufficiency of its tender and of the rates and prices stated in its quotation / tender, as being sufficient to cover the SERVICE PROVIDER'S obligations under this Agreement and everything necessary for the proper completion of this Agreement and maintenance thereof within the required timeframe.

22. INDEMNITY

- 22.1. The SERVICE PROVIDER hereby undertakes to indemnify the CLIENT and hold it harmless against:
- 22.1.1. any loss or damage to the CLIENT'S own property, whether movable or immovable;
 - 22.1.2. liability in respect of any loss of or damage to the property whether movable or immovable of third parties;
 - 22.1.3. liability in respect of death and or injury to any third party; or
- 22.2. any claims or legal costs or expenses incurred in connections with claims or actions arising out of any of the foregoing, whenever loss, damage, injury, death, referred to above is due or arises out of the use of the CLIENT'S property by the SERVICE PROVIDER, provided that such loss, damage or liability is not due to the willful misconduct of the CLIENT or any of its employees whilst performing duties allocated to them by the CLIENT.
- 22.3. The CLIENT shall notify the SERVICE PROVIDER forthwith upon receipt of information of any occurrence of any loss, damage, or the receipt of any claim or demand for or against, which the SERVICE PROVIDER is prima facie liable to indemnify the CLIENT for in terms of the above, and shall in respect of such claim or demand abide by the directions of the CLIENT as to what terms it shall be settled, compromised or contested, it being agreed that whatever action may be taken by the SERVICE PROVIDER pursuant to such directions of the CLIENT, but not in so far as acting in a principle / agent relationship, and shall be at the risk and expense of the SERVICE PROVIDER.
- 22.4. The CLIENT reserves the right to institute civil proceedings to recover any damages occasioned by the negligence of the SERVICE PROVIDER, his employees, sub-contractors or agents.
- 22.5. The SERVICE PROVIDER shall not be liable to the CLIENT for any loss or damage of whatsoever nature suffered by the CLIENT as a result of the performance of the services in accordance with this Agreement, save where such loss or damage is as a direct result of the negligence of the SERVICE PROVIDER, its employees or agents, performing the services.
- 22.6. The SERVICE PROVIDER AND ITS SUBCONTRACTORS further indemnifies the CLIENT against Section 37(2) of the Occupational Health and Safety Act, if applicable:
- 22.6.1. The SERVICE PROVIDER and its subcontractors shall bear full responsibility for ensuring that the provisions of the Occupational Health and Safety Act and its regulations are properly implemented in the areas designated for contractual work in respect of all aspects of the work to be undertaken and that all other laws that pertain to that work will also be complied

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

with and hereby indemnifies the CLIENT from any responsibility legally for injury or claim

- 22.6.2. The SERVICE PROVIDER and its subcontractors shall be responsible for the well-being in relation to the health and safety of all persons coming upon/into such area in accordance with the Occupational Health and Safety Act, subject to any directives issued by the CLIENT.
- 22.6.3. The SERVICE PROVIDER and its subcontractors undertakes to report to the CLIENT any hazard to health, safety or the environment that exists or arises during the contract work in the area concerned.
- 22.6.4. This Agreement is supplementary and additional to any health and safety specifications issued to the SERVICE PROVIDER and its subcontractors.

23. WHOLE AGREEMENT

- 23.1. It is agreed that this document together with its Annexures constitutes the whole Agreement as between the parties unless supplemented by further Agreements, which are reduced to writing and signed by the parties, constitutes the sole record of the Agreement between the parties.
- 23.2. The parties agree that any amendment to this Agreement shall be reduced to writing and signed by the parties, failing which it shall be of no force or effect.

24. SEVERABILITY

The Parties agree that each clause of this Agreement shall be severable, the one from the other, and if any clause is found to be defective or unenforceable for any reason by any competent court, then the remaining clauses shall be and continue to be of full force and effect.

25. VARIATION, SUSPENSION, DELETION, AMENDMENT OR MODIFICATION

No variation, suspension, deletion, extension, amendment or modification of this Agreement shall be of any force or effect, unless recorded in writing and signed by the parties, and shall be effective only in the specific instance and for the purpose and to the extent set out.

26. INDULGENCE OR EXTENSION

No latitude, extension of time or other indulgence which may be given or allowed by either party to the other in respect of the performance of any obligation or the enforcement of any right arising from this Agreement, shall be construed to be an implied consent by the former party or to operate as a waiver or a notation 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 and without notice, strict and punctual compliance with each and every provision hereof.

27. WAIVER

No waiver on the part of either party of any rights arising from a breach of any provision of this Agreement will constitute a waiver of rights in respect of any subsequent breach of any other provision in the same Agreement.

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

28. SUPERSESSION

This Agreement and its Annexures are to be taken as complementary to each other. In the event of any conflict between the contents of this Agreement and any or all of the Annexures, the Agreement shall prevail to the extent of such inconsistency.

29. GOOD FAITH

The Parties undertake to observe good faith in dealing with each other and in implementing the provisions of this Agreement.

30. SUBCONTRACTING AND CESSION

Neither party shall, without the prior written consent of the other, cede or assign any of its rights or obligations in terms of this Agreement to any third party. The party wishing to cede or assign its rights or obligations to any third party shall, if so required by the other party, be obliged to bind itself as surety and co-principal debtor with the third party for all its obligations in terms of this Agreement.

31. INDIRECT AND CONSEQUENTIAL DAMAGES

31.1. Unless expressly otherwise provided for, neither party ("the defaulting party") shall be liable to the other ("the aggrieved party") for any indirect or consequential damages or loss of profits suffered by the aggrieved party except if such damages or loss:

31.2. arises out of the gross negligence, fraud or any other illegal act or illegal omission on the part of the defaulting party (or any person for whom it is vicariously liable); or

31.3. arises from a claim made against the aggrieved party by a third party as a consequence of any act or omission committed by the defaulting party against such third party for which the aggrieved party is entitled to claim a full indemnification in terms of this Agreement

32. PROTECTION OF RIGHTS

If the SERVICE PROVIDER fails to comply with any obligation imposed upon it by this Agreement, CLIENT shall, without prejudice to any other rights it may have, be entitled but not obliged to effect such compliance at the risk and expense of the SERVICE PROVIDER and to recover the fair and reasonable costs and expenses of doing so from the SERVICE PROVIDER.

33. GOVERNING LAW

The provisions of this Agreement shall be governed by South African law and the parties shall at all times be subject to the jurisdiction of the South African Courts irrespective of the place of signature of this Agreement

34. DOMICILIUM CITANDI ET EXECUTANDI

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

- 34.1. The parties choose as their service address (*domicilium citandi et executandi*) for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature, the address set out in hereunder.
- 34.2. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 34.3. A party may, by notice to any other party change the physical address and/or telefax number chosen as its *domicilium citandi et executandi* provided that the physical address is one in the Republic of South Africa. The change shall become effective on the 10th business day from the deemed receipt of the notice.
- 34.4. Unless the contrary is proved, any notice to a party;
- 34.4.1. delivered by hand to a responsible person during ordinary business hours, shall be deemed
- 34.4.2. to have been received on the day of delivery; or
- sent by telefax, shall be deemed to have been received on the date of dispatch.
- 34.5. The domicile of the CLIENT is: EAST LONDON INDUSTRIAL DEVELOPMENT ZONE, EAST LONDON IDZ HEAD OFFICE, LOWER CHESTER ROAD, SUNNYRIDGE, EAST LONDON, FAX: 043 702 8251
- 34.6. The domicile of the SERVICE PROVIDER is: _____ FAX: _____

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____

35. SIGNATURES

The signatories to this Agreement hereby warrant that they have the proper and full authority to sign this Agreement on behalf of the parties hereto, and shall produce the necessary resolution to such effect, if called upon to do so.

THUS DONE AND SIGNED BY **EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD** on the ____ day of _____ 20__ here in the presence of the undersigned witnesses:

For and on behalf of **EAST LONDON INDUSTRIAL DEVELOPMENT ZONE SOC LTD**

NAME OF DELEGATED AUTHORITY TO SIGN: _____

POSITION: _____, who warrants that he is duly authorized hereto

AS WITNESSES:

1. _____ 2. _____

THUS DONE AND SIGNED BY **FULL NAME OF SERVICE PROVIDER** on the ____ day _____ 20__ in the presence of the undersigned witnesses:

For and on behalf of **FULL NAME OF SERVICE PROVIDER**

NAME OF DELEGATED AUTHORITY TO SIGN: _____

POSITION: _____, who warrants that he is duly authorized hereto

AS WITNESSES:

1. _____ 2. _____

CLIENT: _____

WITNESS 1: _____

WITNESS 2: _____

SERVICE PROVIDER: _____ WITNESS 1: _____

WITNESS 2: _____