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DISTRICT MUNICIPALITY

Province of the Eastern Cape

progress through development

**DRAFTING OF THE CACADU DISTRICT
SPATIAL DEVELOPMENT FRAMEWORK
2013/18 CONTRACT NO: 53/2012**

SERVICE LEVEL AGREEMENT

AUGUST 2012

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[Signature]

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DEFINITIONS: In this Contractual Agreement, unless the context indicates otherwise, the following words and expressions shall have the meaning assigned to them below:

"Agreement"	means this Contractual Agreement entitled 'Cacadu District Spatial Development Framework 2013/18 Service Level Agreement'
"The Client"	means the Cacadu District Municipality
"Service Provider",	means Umhlaba Consulting Group (Pty) LTD
"The Project"	means the 'Drafting of the Cacadu District Spatial Development Framework 2013/18'
"Deliverable"	means the specific aim, objectives, outcomes and results by the Service Provider as required in terms of this Agreement
"Project Steering Committee"	means a Committee constituted by the Client for the purpose of monitoring and overseeing the drafting of the Cacadu District Spatial Development Framework 2013/18;
"Implementation Funds"	means the amount of R 660 174.00 (VAT inclusive) to be appropriated by the Client over the duration of the project.
"Project work plan"	means the work plan for the implementation of the project, prepared by the Service Provider, presented to and adopted by the Client.
"Period of Contract Agreement"	means the period commencing on the 27 August 2012 to 30 June 2013.

1. INTRODUCTION

The Client has its head office in Port Elizabeth, and administers the district known as the Cacadu District in the Eastern Cape Province. In terms of the district's business model, it regards its core function as support and capacity building targeted at local municipalities in its area.

In order to ensure that development will take place in an integrated and sustainable manner, the IDPs and SDFs of local and district authorities have to be updated and aligned with the goals and directives provided by various existing and new guiding documents, such as NSDP. Therefore the IDP and SDF need to be reviewed on a continuous basis to ensure synergy between the three spheres of government. The activities that happen at a local level needs to "fit-in" and "contribute" to both provincial and national development goals.

This contract governs the activities of the Service Provider in assisting the client to draft the Cacadu Spatial Development Framework 2013/18.

2. APPOINTMENT OF THE SERVICE PROVIDER

The Client appoints the Service Provider for the purpose of implementing the project and the Service Provider shall act as an independent contractor, and has no authority to enter into agreements binding the client.

The Service Provider accepts the appointment on the terms and conditions as stated herein.

3. SERVICES REQUIRED

The services required by the client are more fully described in the Terms of Reference (attached hereto as Annexure 1) and the Inception Report (attached hereto as Annexure 2).

4. THE PROJECT WORK PLAN

The Service Provider undertakes to fulfil its responsibilities as per the work plan, which is attached as Annexure 2 to the Service Level Agreement.

5. THE IMPLEMENTATION FUNDS

The total cost of the service is R 660 174.00 (VAT inclusive). This is the amount agreed to by the Service Provider.

The payment of fees will be made on submission of a VAT Invoice at the agreed milestones, as per the project work plan.

6. PROJECT TEAM

The Service Provider undertakes that the Project Team will consist of persons qualified, competent and experienced.

7. PROJECT STEERING COMMITTEE & REPORTING

Project implementation will be managed by a project steering committee, to be convened by the Department of Infrastructure Services and Planning.

The Service Provider may be required to attend scheduled meetings of the SDF Steering Committee. Costs and disbursements related to these meetings are included in the project budget.

In addition stakeholder engagement meetings, as outlined in the project work plan, will be convened by the Service Provider.

8. CONDUCT AND PERFORMANCE STANDARDS

By accepting appointment in terms of this agreement, the Service Provider warrants that it has the necessary expertise, experience and administrative infrastructure to perform the duties expected of it and hereby:

- a) undertakes to perform its duties in terms of this agreement with utmost care and diligence and in accordance with the dictates of the profession of the Service Provider

The Service Provider shall exercise all reasonable skill, care and diligence in the performance of the work under the Agreement and shall carry out all of its responsibilities as such.

9. OWNERSHIP OF MATERIAL


The Service Provider hereby acknowledges that all reports in paper, electronic or any other recorded format produced by the him/her in furtherance of this Agreement shall become the property of the Client, which shall be entitled to use same for any purpose whatsoever and without payment to the service provider in addition to/other than the implementation funds of the project.

10. CESSION

It is agreed that neither party is entitled to cede or assign any of the rights, duties or obligations it has in terms of this Agreement.

11. WHOLE AGREEMENT

This Contract Agreement constitutes the whole Agreement between the parties and no representations, either verbal or written, made by either party during the tenure of this Agreement shall be of any force or effect unless agreed to by both parties,

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reduced to writing and annexed hereto as an addendum.

12. VARIATIONS AND CANCELLATION

No agreement varying, adding to, deleting from or cancelling this Agreement shall be effective unless reduced to writing and signed by or on behalf of the Parties.

13. BREACH

Any Party may terminate this Agreement by reason of the material breach of the Agreement by another Party. Such termination shall be without prejudice to any other claim that any Party may have, whether under this Agreement or in law, including any claim for damages.

For the purposes of this clause a breach shall be deemed to be material if it goes to the root of the Agreement, and the Party committing the breach fails to rectify the breach within 30 (thirty) days of receipt of written notice from the Party calling on it to do so, or within such longer period of notice that may reasonably be required to rectify the breach; or

If any Party commits any non-material breach of this Agreement then the other Party may claim specific performance or damages or both, as the case may be, but shall have no right of termination.

14. DISPUTE RESOLUTION


When a formal dispute has been registered, before referring the matter for arbitration, the parties must promptly convene a meeting between themselves or their representatives, to determine the nature of the dispute, including the precise issues that are in dispute in order to identify and agree on an appropriate mechanism or procedure, other than the judicial proceedings, that are available to the parties to assist them in settling the dispute. The parties must make every reasonable effort to settle the dispute in terms of such mechanism or procedure.

15. ARBITRATION

Any dispute between the Parties in regard to:

- (a) the interpretation of;
- (b) the effect of;
- (c) the Parties' respective rights and obligations in terms of;
- (d) a breach of;
- (e) any matter arising out of;

this Agreement or consequent upon the termination thereof shall be referred to and finally resolved by arbitration, by an arbitrator to be appointed by the Arbitration Foundation of South Africa ("AFSA") in accordance with the AFSA rules and

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regulations, which arbitrator's findings shall be subject to an appeal in terms of the AFSA rules, and may be made an order of court.

16. PREVAILING LEGISLATION

The terms and conditions of this Agreement shall be interpreted and governed in accordance with the laws of the Republic of South Africa.

17. TERMINATION OF AGREEMENT

Should the Service Provider conduct itself in a manner that is contrary to the conditions of this Agreement, the Client may terminate this Agreement forthwith without any prejudice to any other rights it may have.

18. DOMICILIUM CITANDI ET EXECUTANDI

The Cacadu District Municipality chooses as its domicilium citandi et executandi for all purposes arising from this Agreement:

**Standard Bank Building
32 Govan Mbeki Avenue
Port Elizabeth
6001**

Umhlaba Consulting Group (Pty) LTD chooses as its domicilium citandi et executandi for all purposes arising from this Agreement:

**4 Pearce Street
Berea
East London
5241**

Either party may change its domicilium citandi et executandi by means of a written notice to the other party, provided that such domicilium shall be a physical address within the Republic of South Africa.


All notices contemplated under this Agreement shall be delivered by hand or sent by pre-paid registered post, in which event such notice shall be deemed to have been received by the addressee 14 (fourteen) business days after the proven date of posting.

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[Signature]

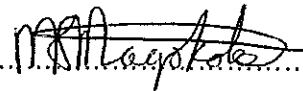
Thus done and signed by the CACADU DISTRICT MUNICIPALITY by B. H. MAKHANA

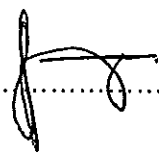
at PORT ELIZABETH this 05 day of SEPTEMBER 2012


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Signed for CACADU DISTRICT MUNICIPALITY

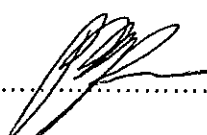
As witnessed:

1. 

2. 


Thus done and signed by UMHLABA CONSULTING GROUP by PETRUS JACOBUS JOUHS

at PORT ELIZABETH this 27th day of AUGUST 2012


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Signed for UMHLABA CONSULTING GROUP

As witnessed:

1. 

2. 