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City of Joburg Property Company SOC Ltd.

1st Floor
Forum 2
Braam Park
33 Hoofd Street
Braamfontein
2017

PO Box 31565
Braamfontein
2017

Tel +27(0) 10 219 9000
www.joburgproperty.co.za

30 June 2016

Your Ref:
Our Ref: Mughwena/ 42/15

MESSRS MUGHWENA TRADING PROJECTS CC
P O BOX 31146
BRAAMFONTEIN
2017

Attention: Doreen Mtsetwene

Telephone Number: (011) 433 – 1579/083 295 5140
Fax Number: (011) 433 - 1579

BY HAND

Dear Sirs

POP 42 / 2015 : APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE PROVISION OF PHYSICAL SECURITY SERVICES ON BEHALF OF CITY OF JOBURG PROPERTY COMPANY (SOC) LTD FOR A PERIOD OF THREE (3) YEARS

City of Joburg Property Company (SOC) Limited ("JPC"), acting on behalf of the City of Johannesburg ("COJ"), have pleasure in confirming your appointment for inclusion in the panel of professionals for the provision of physical security services and relative services on behalf of the City of Joburg Property Company SOC Limited (JPC) on an as and when required contract basis.

1. GENERAL CONDITIONS OF AWARD

This appointment is made in terms of JPC's standard general conditions, your proposal and is subject to the successful conclusion of a service level agreement between the JPC and your good selves.

All previous correspondence, if any, between the two parties in connection with this project, shall be deemed to be of no force and effect and will be replaced by this letter of award.

The work will be allocated on an as when required basis in line with the JPC Transformation Strategy in terms of a process that is fair, open, transparent and cost effective.

2. SCOPE OF WORK

The scope of works and list of penalties will be confirmed by the User Department.

3. TIME FRAMES

The award is effective for a period of three (03) years commencing from 01 July 2016 to 30 June 2019, subject to certain terms and conditions which will be communicated to you in due course. Notice will be given thirty (30) days before termination of the contract. On termination by effluxion of time or otherwise, the Service Provider must hand over all work in progress to JPC and will have no claim for cost other than stipulated in the Service Level agreement



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You are to advise timeously of any difficulties that you may be experiencing in carrying out any of the deliverables. Any changes to the specified timeframes may only be implemented if authorised in writing by JPC.

4. PAYMENTS TO THE SERVICE PROVIDER

The award is based on the following negotiated pricing structure and total cost rate as detailed below:

TABLE OF PHYSICAL SECURITY PRICING STRUCTURE

DAYSHIFT			
Grade	Sub-total	Add 14% VAT	Total
Grade A	13 760.55	1926.48	15 687.03
Grade B	12 354.85	1729.68	14 084.53
Grade C	10 721.81	1501.05	12 222.86
Grade D	10 321.12	1444.95	11 766.07

NIGHTSHIFT

Grade	Sub-total	Add 14% VAT	Total
Grade A	13 932.82	1950.59	15 883.41
Grade B	12 527.12	1753.80	14 280.92
Grade C	10 894.09	1525.17	12 419.26
Grade D	10 493.39	1469.07	11 962.46

Add R750.00 inclusive of Vat for an armed guard.

Some of our facilities might need armed response this will be charged as per the response for any incidents which might happen during the night shift.



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Pricing will be negotiated according to the budget received from the COJ by JPC for the 2017/2018 and 2018/2019 financial years.

Terms of payment will be in accordance with the provisions of the Municipal Finance Management Act. To expedite payment please forward invoices to specified address on the official order.

5. SUBMISSION OF INVOICES

5.1 Payments shall be effected against the Service Provider within Thirty (30) days after invoice and statements.

5.2 The tax invoice shall contain at least the following information:

- Project Number
- Project Description
- VAT number
- Project address where services took place
- Monthly payments for the amount on the invoice if applicable

5.3 Invoices must be submitted to:

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JPC will not be liable for any additional costs incurred by the Service Provider through whatever cause, unless JPC has specifically instructed the Service Provider to incur such costs due to a substantial and material change to the scope of the project which has been caused by an act of omission on JPC' part.

GENERAL CONDITIONS OF APPOINTMENT

1. **Appointment in Force and Authorized Signatories:** This appointment is considered to have come into force immediately after all the necessary signatures have been appended.
2. **Independent Contractor:** The consultant is appointed as an independent contractor and no contract of agency and/or employment is created. Save as may be expressly authorized by JPC from time to time in writing, the consultant shall not hold itself out to be the agent of JPC and/or commit JPC to any contract or obligation of whatever nature.
3. **Alterations:** Should circumstances arise which call for modifications of the appointment, these may be made by mutual consent given in writing. Proposals in this respect from one party shall be given due consideration by the other party.
4. **Assignment:** The Consultant shall not without the prior written consent of JPC, cede or assign any of the benefits and obligations under this appointment.

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5. **Sub-Contracts:** Any sub-contracts or modifications or termination thereof relating to the performance of the services by the Consultant shall be made only with the prior written consent of JPC.
6. **Compliance with Laws, By-laws and Ordinance:** The consultant shall comply strictly with every applicable law, by-law and ordinance including every regulation, code of conduct or other directive to which the consultant may be subject in its professional capacity. In this regard, the consultant's particular attention is drawn to the requirements of the Occupational Health and Safety Act (OHSA) and its regulations as well as to the Financial Intelligence Centre Act (FICA).
7. **Insurance:** The consultant shall at its own cost and expense maintain professional indemnity insurance and public liability insurance with an insurer approved of by JPC in an amount and for duration as specified in the letter of appointment to which these general conditions of appointment relate.
8. **Postponement and Termination:** JPC may give written notice to the Consultant at any time of its intention to abandon the services, in whole or in part, or to terminate this appointment. The effective termination date of this appointment shall not be less than thirty (30) days after receipt of such notice, or such other shorter or longer periods as may be agreed between the parties. Upon receipt of such notice, the Consultant shall take immediate steps to bring the services to a close and to reduce expenditure to a minimum. Upon termination of the appointment the consultant shall deliver to JPC the originals of all documents in the possession of the consultant relating to and/or in connection with the appointment in both hard copy and (insofar applicable) electronic format.
9. **Force Majeure:** The Consultant shall promptly notify JPC, in writing, of any situation or event arising from circumstances beyond its control and which he could not reasonably foresee, which makes it impossible for the Consultant to carry out in whole or in part, his obligations under this appointment. Upon the occurrence of such a situation or event, the services shall be deemed to be postponed for a period of time equal to the delay caused by the Force Majeure and a reasonable period not exceeding two weeks.
10. **Claims for Default:** Any claims for damages arising out of default and termination, shall be agreed between JPC and the Consultant, or failing agreement, shall be referred to arbitration in accordance with clause 20.
11. **Rights and Liabilities of Parties:** Termination of this appointment for whatever reason shall not prejudice or affect the accrued rights or claims and liabilities of either party to this appointment.
12. **Confidentiality:** The consultant shall maintain all information relating to the appointment in the strictest confidence.
13. **Indemnity:** The consultant indemnifies JPC and holds JPC harmless against any loss or damage that may be suffered by JPC (including and without limiting the generality of the foregoing any claim that may be brought or threatened against JPC by any third party) arising from or by reason of the failure by the consultant to comply with its obligation in terms hereof.
14. **Skill, Care and Diligence:** The Consultant shall exercise all reasonable skill, care and diligence in the performance of the services under the appointment and shall carry out all his responsibilities in accordance with recognised professional standards. If any documentation prepared or submitted by the consultant to JPC is approved by JPC such approval shall not limit the professional liability of the consultant in respect thereof. The consultant shall remain professionally liable in respect of such documentation notwithstanding the approval thereof by JPC.
15. **Faithful Advisor:** The Consultant shall, in all professional matters, act as a faithful advisor to JPC and, in so far as his duties are discretionary, act fairly as between JPC and third parties.



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16. **Indirect Payments:** The remuneration of the Consultant charged to JPC, shall constitute his only remuneration in connection with the appointment and neither he nor his personnel shall accept any trade commission, discount, allowance or indirect payment or other consideration with or in relation to the appointment or to the discharge of his obligations thereunder.
17. **Royalties:** The Consultant shall not have the benefit, whether directly or indirectly, of any royalty on or of any gratuity or commission in respect of any patented article or process used on or for the purposes of the appointment, unless it is agreed to by JPC in writing that he may.
18. **Ownership of Equipment, Materials, Supplies and Facilities:** Equipment, materials, supplies and facilities furnished to the Consultant by JPC or purchased by the Consultant with funds wholly supplied or reimbursed by JPC shall be the property of JPC and shall be so marked. Upon completion or termination of the services under this appointment, the Consultant shall furnish to JPC, inventories of the equipment and materials referred to above as it then remains and dispose of same as directed by JPC
19. **Copyright:** All copyright in and to all documents, plans, designs and other material of whatever nature prepared or produced by the consultant in the course and scope of its appointment shall be and remain vested in JPC for which purpose the consultant cedes to JPC all such copyright.
20. **Settlement of Disputes:**
- a. Any dispute or difference arising out of this appointment, including those considered as such by only one of the parties, shall be finally settled by Arbitration.
 - b. Such arbitration shall be conducted in accordance with the provisions of the Arbitration Act (Act No. 42 of 1965, as amended from time to time), provided that:
 - i. The arbitration proceedings shall take place at Johannesburg.
 - ii. It shall not be compulsory to strictly apply the requirements of the law of procedure or procedure of the usual rules of evidence.
 - iii. The arbitrator shall be a practicing senior advocate as appointed by the chairman of the Johannesburg Bar Council.
 - iv. The arbitrator shall be entitled to call for the evidence of specialists as required by the nature of the dispute.
 - v. The decision of the arbitrator shall be final and binding on both parties and may be made an order of a competent court
 - c. Unless otherwise requested by JPC, the implementation of the project shall, despite the submissions of a dispute to arbitration, in no manner be suspended or in any way delayed by the consultant.

21. EVENTS OF DEFAULT AND CONSEQUENCES

21.1 An event of default on the part of the Service Provider shall occur if:

- 21.1.1 the Service Provider defaults in the performance of any of its obligations of in terms of or arising from this agreement, and fails to remedy such default within 07 (Seven) days of receipt of a written notice from JPC calling upon it to remedy such default;

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- 21.1.2 the Service Provider continuously fails to perform or under performs any obligation/s in terms of or arising from this agreement, including but not limited to the rendering of services at appropriate service levels, which non- performance or under performance shall be consistent with the inference that the Service Provider is unable or unwilling to perform such obligation/s in terms of the provisions of this agreement; and
- 21.1.3 the Service Provider commits an act, which would amount to an act of insolvency as envisaged in the Insolvency Act, 1936, as amended.
- 21.1.4 Upon the occurrence of an event of default as contemplated in 21.1 above, JPC shall be entitled to cancel this agreement forthwith, without prejudice to its rights to claim damages, or any other rights, which JPC may have in law or in terms of this agreement.
- 21.1.5 An event of default on the part of JPC shall occur if JPC defaults in the performance of any material obligations in terms of or arising from this agreement, and fails to remedy such default within 7 (Seven) days of receipt of a written notice of demand from the Service Provider calling upon it to remedy such default.
- 21.1.6 Upon the occurrence of an event of default as contemplated in 22.3 above, the Service Provider shall be entitled to cancel this agreement forthwith, without prejudice to its rights to claim damages, or any other rights, which the Service Provider may have in law or in terms of this agreement.
- 22.5 In the event of the termination of this Agreement for whatsoever reason before the expiry date, JPC shall be responsible for all Fees payable to the Service Provider for services actually rendered and duly certified by the Project Manager;

Please advise in writing by **Thursday, 30 June 2016** if you accept the appointment on the above mentioned terms and, if so, furnish the following information within Fourteen (14) days:

- (i) The name and address to be used for all correspondence and payment purposes. Payment is made directly, electronically into your bank, so please provide us with your banking details;
- (ii) The name of the Partner/Director who will be handling the assignment; and
- (iii) The names of the key personnel together with their designations and functions who will be engaged in the project.
- (iv) Proof of insurances



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Please note that the material developed/generated as a consequence of this appointment remains the sole property of the City of Joburg Property Company SOC Ltd and the City of Johannesburg, and that copyright for such material vests solely with JPC. Permission is therefore to be sought from JPC should any party wish to make use of the information generated as part of the project.

You will be required to sign a service Level agreement with the company for rendering the services stated above. Terms and conditions will be communicated to you in due course. Please contact Martin Mokole on 010 219 9100 / 011 4077460 or mmokole@jhbproperty.co.za to make an appointment at your earliest convenience.

Signed for and on behalf of City Of Joburg Property Company SOC Ltd

Name: Fitzgerald Ramaboea

Title: Senior Manager: Supply Chain:

Signature: 

Date: 30-06-2016

Name: Imraan Bhamjee

Title: CFO

Signature: 

Date: 30-06-2016

Signature on behalf of the Service Provider

Name: MUGHWENA TRADING PROJECTS CC

Title: N/A

Signature: 

Date: 1/07/2016

