

Reference number: RCS/C.6

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## TREASURY CIRCULAR NO. 44 OF 2018

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

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THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)

THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER B SCHÄFER)

THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER B SCHÄFER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)

THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER B SCHÄFER)

THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A WINDE)

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THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)

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THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

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 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)  
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)  
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 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

## **FRAMEWORK AGREEMENT FOR THE PROVISION OF TRANSVERSAL SECURITY SERVICES FOR THE WESTERN CAPE GOVERNMENT (WCG) FOR A PERIOD OF 3 YEARS WITH AN OPTION TO EXTEND FOR A FURTHER ONE YEAR**

### **1. PURPOSE**

- 1.1 The purpose of this Circular is to inform Departments of the implementation of the framework agreement for the provision of transversal security services for the Western Cape Government (WCG) for a period of 3 years.

## **2. BACKGROUND**

- 2.1 The Provincial Treasury (PT) has introduced the methodology of Strategic Sourcing and Spend/Data Analysis within the Province in line with its mandate to provide Western Cape Government (WCG) departments with capacity building support for more efficient, effective and transparent financial management.
- 2.2 To give effect to the strategy the PT and the Department of Community Safety is driving a change procurement process by establishing a framework agreement with pre-approved service providers to streamline the procurement of security services from the open market in order to fulfil WCG's strategic objectives, while maintaining transparency, fairness and equitability in the procurement process.
- 2.3 The objective of the envisaged framework agreement is to enable the WCG to appoint one or more service provider(s) to execute a service over the term of the Framework Agreement on an "instructed basis", within its defined scope.
- 2.4 This framework agreement is in keeping with the Cabinet approved Safety & Security Strategy and Security Services Procurement Strategy (Annexure A).

## **3. PROCURING FROM THE FRAMEWORK AGREEMENT**

- 3.1 Framework agreements are agreements with service providers which set out the terms and conditions under which specified services may be procured during the period of the agreement. Such framework agreements do not constitute a contract or guarantee of work but rather sets out the terms and conditions for specific purchases which are known as call-offs. A contract is only concluded once a call-off has been awarded. Departments will issue call-offs for the execution of work during the set term of the Framework Agreement. The Framework Agreement constitutes the appointment of more than one service provider per security service type per region of the Western Cape.
- 3.2 A call-off is the award of a single service to be performed at an institution within a specific region, service type and risk rating profile. A call-off can also be issued for multiple sites provided their risk ratings are the same.
- 3.3 The framework agreement also makes provision for a multi-regional, multi-service type framework agreement where the services to be rendered under this agreement will be located in different regions (district municipalities) of the Western Cape Province.
- 3.4 It is foreseen that there may be instances where it would not be practical to select multiple service providers across service types to execute a single call-off. In such cases the WCG reserves the right to select a service provider that is registered across more than one service type within a specified region.
- 3.5 Service providers must be paid for the requested service, an amount in accordance with the accepted average price, as calculated and equal to the lump sum of the total service, inclusive of VAT.
- 3.6 Those items for which a total price cannot be pre-calculated and for which a rate is requested, e.g. rate/km, service providers will be compensated an amount calculated by multiplying the quantity completed by the specific rate.

3.7 For those instances where services or items, which are not transversally required as part of a security service, for example the provision of a guard house, service providers will be compensated the amount as quoted and described as general equipment on the pricing schedule.

3.8 There may also be instances where unique items (e.g. drones, sensors) or services are required which was not provided for by the framework agreement. Such cases must be dealt with on a cases-by-case basis via the PT.

3.9 A description of the security service types sought under this framework agreement is provided hereunder:

(a) Service Type 1 - Normal Physical Guarding

This service type of security is where a normal guarding solution will be required. Training and registration with the Private Security Industry Regulatory Authority (refer to as PSIRA hereafter) is required from level A to level D. Access and egress control of visitors, staff, clients and public is required to which a low to medium level of risk is attached.

(b) Service Type 2 - Special Tactical Guarding (Including Armed Response)

This type of security requires a more specialised solution and would encompass specialised guarding solutions such as venues where VIP's would be entertained, armed response situations, crowd control, unrests, strikes, tactical responses, rapid responses and volatile situations. Training and registration with the PSIRA is required from level A to level D. The level of security risk would normally be medium to high or the risk is of such a nature where a solution is required which is at a higher level than normal physical guarding.

(c) Service Type 3 - Security Analysis/Security Assessment

Security Analysis/Assessment is a high level holistic analysis of the overall physical security of buildings, facilities and locations, which includes the evaluation of access control systems, physical security, CCTV systems, lighting, fencing, etcetera. This type of service is normally provided by a qualified professional and is on an analytical level more advanced than the daily analysis of a site provided during physical guarding and patrols. Training and registration is required by PSIRA.

(d) Service Type 4 - Off-site monitoring and control room

This requires that service providers demonstrate their ability to provide off site control of physical security requirements or their ability to provide armed response, qualified and professional controllers specifically trained to provide dedicated control room services to the WCG. Training and registration with the PSIRA is required from level A to level B.

3.10 A summary of the regions in which the service types have to be rendered are:

- Cape Winelands
- Cape Metro
- Central Karoo
- Eden
- Overberg
- West Coast

- 3.11 The list of preferred service providers on the framework agreement, per area/service type, has been attached as Annexure B.
- 3.12 The Framework Agreement will be available for use by the Provincial Departments of the WCG and other organs of state. In terms of existing supply chain management legislation, it would be permissible for other organs of state to request to utilise the Framework Agreement (in terms of NT Regulation 16A6.6), but only to the extent that the requirement conforms to the scope of the Framework Agreement. In the event of such requests, it would however be subject to the approval of the Provincial Treasury and all of the service providers listed on the Framework Agreement.
- 3.13 The call off process from the framework agreement's preferred list, via the direct selection/award is underpinned by the rotation of service providers from the preferred list. Although the bidders have provisionally been ranked, current commitments of bidders will be taken into consideration during the call-off process. The Provincial Treasury will be responsible for the rotation of service providers to ensure compliance with the framework agreement as well as Section 217 of the Constitution that being fair, equitable, transparent, competitive and cost effective. Departments are required to ensure that the intent of the framework agreement is upheld at all times. The PT has mapped the criteria for the two call-off processes options (Annexure C).
- 3.14 Service type 2 provides special tactical guarding including armed response, this however excludes the supply and installation of alarm systems which was not part of the framework agreement. Departments must procure such systems via its normal procurement processes but must ensure that, should armed response be required, that it is compatible with the technology of the service provider identified in terms of the framework agreement to render the armed response service.
- 3.15 Service type 3 is excluded from the framework agreement as the specification must be reviewed further and will be dealt with separately. The twelve service providers who initially quoted for this service will be requested to submit fresh offers via the multisource bidding process for this service type.
- 3.16 A template has been developed to facilitate and fast-track the submission of the departmental service request to Community Safety (see Annexure D) in terms of the three acquisition processes as depicted in processes maps A1 to A3 (direct selection / award, multi stream / award and the interim process).
- 3.17 In terms of urgent and emergency procurement requests, departments are requested to first consult the PT to identify the service provider to be utilised in terms of the framework agreement. Departments must then utilise the urgent and emergency requirements as specified in their AOS.
- 3.18 The request to the eligible service provider (as per the preferred list and as confirmed by the Department of Community Safety) must be done via the Integrated Procurement Solution (IPS) to confirm capacity and the approved pricing must be done via the Integrated Procurement Solution for a minimum turn-around time of 24 hours. A standardised service request form has been attached and must be utilised when engaging the relevant supplier as indicated above. Departments may amend the service request form in terms of its bespoke needs but must note that the template is deemed the minimum requirements (Annexure E) in terms of the framework agreement.

- 3.19 Departments may determine a longer turnaround time if required. Utilisation of the IPS for the above-mentioned will allow departments as well as the Provincial Treasury the necessary visibility and transparency to ensure compliance with the framework agreement and further provide the data for analytics purposes to manage the framework agreement and report to Cabinet/PTM where required.
- 3.20 A standardised service level agreement has been attached and must be utilised when concluding a contract with the service provider (see Annexure F).
- 3.21 The roles and responsibilities of the key role-players (Provincial Treasury, Department of Community Safety and departments) have been included as Annexure G.
- 3.22 A wage increase for the private security sector was issued via gazette 41974 dated 12 October 2018 effective 1 November 2018 (amendment to sectorial termination 6: private security sector). As the average prices negotiated with service providers must be updated in terms of the wage increase, they are excluded from the this circular but will be issued via a supplementary circular once the rates have been adjusted.

#### 4. INTERIM MEASURES FOR CONTRACTS EXPIRING DURING THE 4<sup>TH</sup> QUARTER 2018/19

- 4.1 A significant number of contracts will be expiring during the 4<sup>th</sup> quarter of 2018/19 across various departments and increase the impact/risk identified in terms of due process being followed and the flawless operation of the framework agreement when applying the rotation mechanism.
- 4.2 It has been proposed to establish a Centralised Bid Adjudication Committee (CBAC), as an interim mechanism, to mitigate the above-mentioned risk. The committee will consist of PT and Community Safety as the core members as well as departmental representatives consisting of two departmental officials, representing their department on the committee as and when their department's bid is being considered. This interim mechanism was tabled and agreed to at the SCM Forum on 31 May 2018 and 10 October 2018, it was further tabled at the CFO Forum on 7 June 2018.
- 4.3 The CBAC will only have recommendatory powers to administer the rotation of service providers and the evaluation process (two engagements), irrespective of the values and call-off methods utilised.
- 4.4 The Department must, once the security assessment report has been, received, request the eligible service provider to confirm capacity in relation to the specification/service need and the approved pricing for the service (in terms of the approved average pricing) via the Integrated Procurement Solution (IPS) in relation to the specification. In addition to obtaining the service provider's confirmation it will inter alia allow for the upload of the information on to the system (electronic domain) thus reducing the manual process.
- 4.5 The accounting officer or delegated authority of the Department, as required by the PFMA, will make the final award to conclude the contract.
- 4.6 In terms of the **interim acquisition process 2018/19**, the attached process map "A3" defines the roles and responsibilities of each role player in respect of the CBAC.
- 4.7 Should an identified service provider not be able to accept a contract (e.g. capacity), the case must be referred back to the CBAC for consideration and further action, as per the process flow.

4.8 On receipt of this Circular Departments must draft and submit their requirements for sites that have contracts expiring to the following officials at the Department of Community Safety as soon as possible. (see process map "A3):

- Mr Fred Watkins ([Fred.Watkins@westerncape.gov.za](mailto:Fred.Watkins@westerncape.gov.za))
- Mr Denzil Samuels ([Denzil.Samuels@westerncape.gov.za](mailto:Denzil.Samuels@westerncape.gov.za))

## 5. PROCUREMENT MEASURES FOR CONTRACTS EXPIRING AFTER 2018/19

5.1 Depending on the Department's security request and taking into account the criteria for the direct selection and multi-source bidding process, a department has to utilise either process map A1 or A2.

5.2 The WCG wish to ensure that the security services provided under the Framework Agreement represent value for money and as such reserve the right to negotiate pricing (multi-source bidding) where multiple sites are clustered under a single call-off provided that the rates are in line with the relevant PSIRA regulated rates. Clustering of sites will be in accordance to the risk rating of the institutions whereby institutions with the same risk rating and service type per region will be grouped accordingly. Multi source bidding can also be done on single sites.

5.3 The PT will be responsible for identifying the relevant service provider, in consultation with the Department of Community Safety and the respective department. As with the interim process, the suitable service provider will be identified once the Department has submitted its institutional specification to the Department of Community Safety whom in turn will send a security assessment report to the PT. This will ensure an equitable process in term of the rotation of service providers on the framework agreement. Also, the return of cases to the PT would remain applicable as per paragraph 4.7 above.

5.4 As with the interim process (par. 4.4.) departments must once the security assessment report has been received, request the eligible service provider to confirm capacity and the approved pricing on the IPS in relation to the specification.

## 6. TRAINING AND CAPACITATION

6.1 The Provincial Treasury has together with Department of Community Safety arranged and conducted training sessions with departmental SCM officials to equip and to familiarise them with the standardised processes with the call-off methods. Training was provided to departments on 28 September 2018 and 01 October 2018. Additional training sessions will be provided to institutions as and when required.

6.2 All service providers included in the framework agreement attended an induction/training session by PT and Community Safety. The first round of service providers, identified during the bidding process underwent the training on 25 September 2018. Service providers to be added during the framework agreement will be provided training as and when required.

## **7. SUPPORTING DOCUMENTATION**

7.1 The circular is supported by the following documents:

- (a) Security Sourcing Strategy (Annexure A);
- (b) List of preferred service providers per service type (Annexure B);
- (c) Process maps (Annexure C);
- (d) Template for submitting security service request (Annexure D);
- (e) Template for Service Request Confirmation/Quotation (Annexure E);
- (f) Standardised service level agreement (Annexure F);
- (g) High level roles and responsibilities (Annexure G)
- (h) Terms of Reference for the framework agreement (Annexure H);

## **8. REQUEST**

8.1 Departments are required to adhere to the content of this Circular.



**MRS NADIA EBRAHIM**

**ACTING CHIEF DIRECTOR: ASSET MANAGEMENT**

**DATE:** 14 December 2018





**Western Cape  
Government**

Provincial Treasury

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# Security Services

## Sourcing Strategy

7 August 2015

## 1. INTRODUCTION and BACKGROUND

The Provincial Treasury has introduced the methodology of Strategic Sourcing and Spend/ Data Analysis within the province in line with its mandate to provide Western Cape Government departments with capacity building support for more efficient, effective and transparent financial management.

The current procurement practices within provincial departments are disaggregated, transactional and limited in value addition. The introduction of Strategic Sourcing is intended to achieve value for money through strategic procurement management; realisation of procurement process improvements to enable service delivery efficiencies; promote better procurement planning; and improve decision making.

The Provincial Treasury has been in the process of identifying strategic commodities per department with the aim of developing commodity and sourcing strategies for the identified commodities. The analysis of the commodity and sourcing strategies for Security Services and related commodities has been identified as one of the immediate priority areas.

## 2. SOURCING STRATEGY TEAM

**Sponsor** : Nadia Ebrahim (Western Cape Government Provincial Treasury)

**Co – Sponsor** : David Coetzee (Western Cape Department of Community Safety)

**Cross Functional Team** :

Denzil Samuels	Community Safety
Eloise Du Plessis	Community Safety
Therese Soetzenberg	Provincial Treasury
Samantha – Lee Mars	Provincial Treasury
Aubrey Nyaguse	Consultant – Strategic Sourcing South Africa
Andile Shabalala	Consultant – EY
Lutfiyya Khan	Consultant – EY

## 3. SECURITY SERVICE COMMODITY

The security commodity in the Western Cape Government consists of surveillance, armed response and physical security. Within these sub commodities, the following are included:

### 3.1. Surveillance

- 3.1.1. CCTV
- 3.1.2. Repairs and Maintenance
- 3.1.3. Equipment

### 3.2. Armed Response

- 3.2.1. Alarms

- 3.2.2. Beams
- 3.2.3. Motion detectors
- 3.2.4. Link to local law enforcement

**3.3. Physical Security**

- 3.3.1. Guards
- 3.3.2. Equipment

**4. SECURITY SERVICE SCOPE**

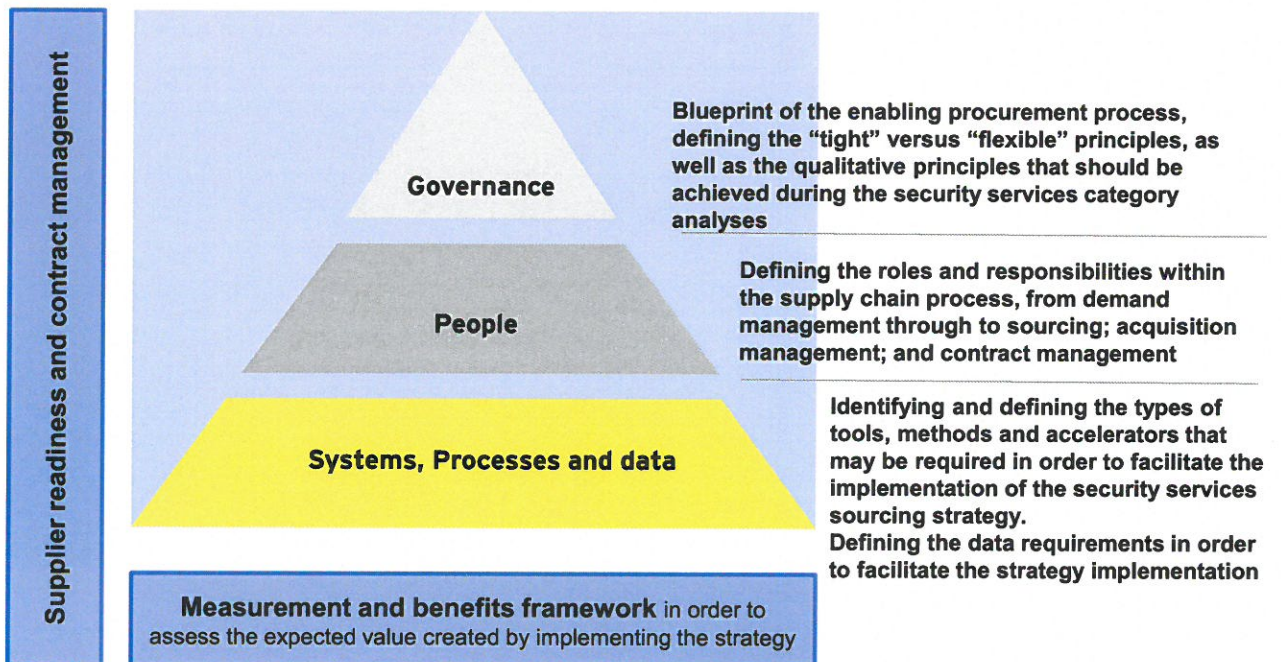
Below is the list of the Western Cape Government departments that have been engaged to develop a Sourcing Strategy for Security Services:

- 4.1. Health
- 4.2. Agriculture
- 4.3. Transport and Public Works
- 4.4. Education
- 4.5. Social Development
- 4.6. Culture and Sports

**5. FRAMEWORK FOR SOURCING STRATEGY**

This framework aims at providing a guideline to ensure that the benefits of its implementation can be tracked and measured over time.

**Fig. 1: Security Services Sourcing Strategy Framework**



## **6. SUMMARY OF SECURITY SERVICE STRATEGY (ARUP REPORT)**

- 6.1.** The objective of the Arup Security Services Strategy document is 'Maximising the Safety Contribution of the Western Cape Government institutions, assets and people'
- 6.2.** The Western Cape Government performs its functions and delivers its services in a wide variety of institutions and circumstances. As such, security services needs to align to this.  
The Security Services Strategy focuses on the technical aspects of security services. The technical aspects are not specific to any department or facility, however it does cover a wide spread generic technical specifications that needs to be included when conducting a risk assessment. The strategy document is an enabler to be used as a guideline when conducting security risk assessments for each user department as and when the security service is required
- 6.3.** International best practice from the United Kingdom and the United States of America have been included as benchmarks when considering best practices in security services for government departments
- 6.4.** The strategy document focuses on an outcomes based solution for security services by embedding performance measurement as a key principle and enabler.

## **7. AS-IS ANALYSIS AND GAP IDENTIFICATION**

### **7.1. Overview**

In order to develop the Security Sourcing Strategy, the current methods by which security services were being procured within the Western Cape Government, were analysed. Techniques used include interviews and an analysis of the processes that govern the procurement of security services.

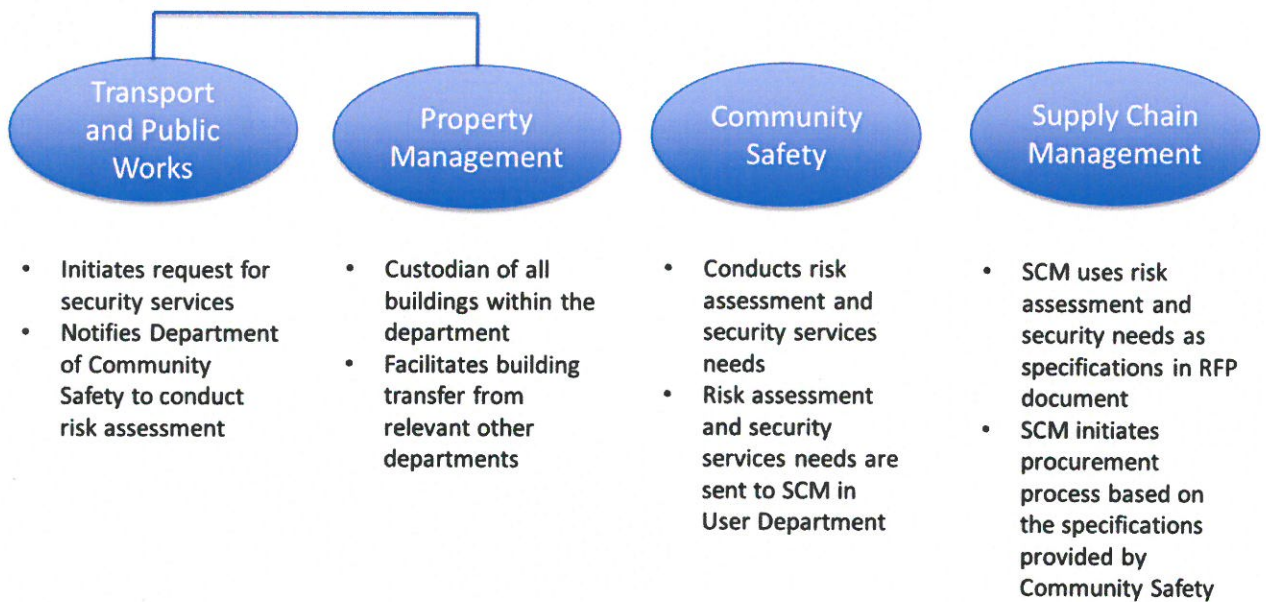
In summary, the majority of the departments follow a similar pattern of procurement processes for sourcing security services. However, following the process does not necessarily result in the procurement of a service that is fit-for-purpose and the required benefits are not necessarily derived from that service.

The Security Sourcing Strategy aims at providing benefits that can be measured and tracked over time.

**Fig. 2: Current high level view of security services procurement excluding Transport and Public Works**



**Fig. 3: Current high level view of security services procurement for Transport and Public Works**



## 7.2. Legislative requirements

The procurement process is governed by legislation and the legislative guidelines cannot be altered at this point.

In this regard the supply chain management regulatory framework is arranged in the following hierarchy;

- The Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999 (PFMA);

- National Treasury Regulations;
- Provincial Treasury Instructions; and
- Accounting Officer's System for Supply Chain Management and Movable Asset Management (AOS).

Specific Security Sector and other applicable legislative requirements include the following;

- Private Security Industry Regulations Act (Act 56 of 2001), Private Security industry Levies Act (23 of 2002), as well as the Code of Conduct for Security Service Providers and Private Security Industry Regulatory Authority Regulations as amended
- Sectoral Determination 6 made in terms of Section 51 (1) of the Basic Conditions of Employment Act, No 75 of 1997, for the Security Services Trade and published in the Government Gazette.
- Occupational Health and Safety Act, 1993 (Act 85 of 1993) and Regulations of the Act
- Compensation for Occupational Injuries and Diseases Act (COIDA)

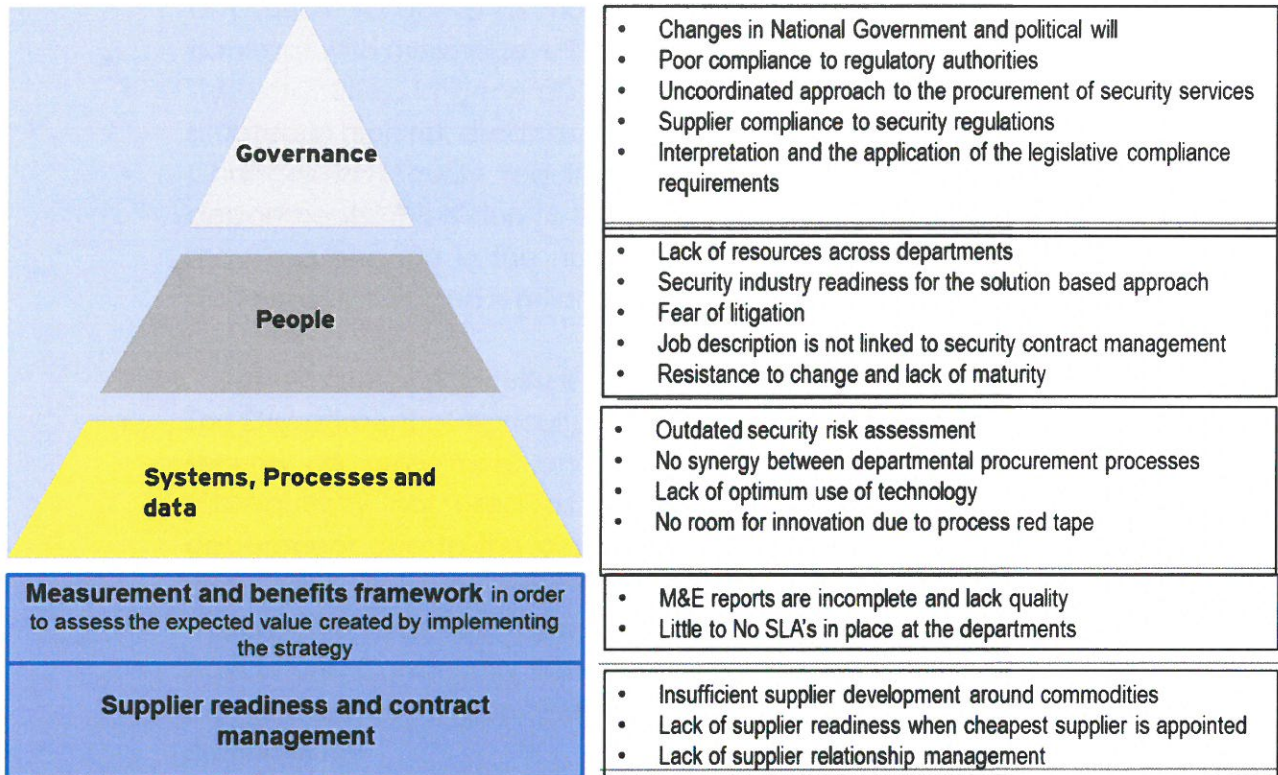
Although the key principle of decentralisation of SCM, as embodied in the PFMA, gives Provincial Government some discretion when formulating SCM policy, the regulatory framework is very complex, confusing and cumbersome. This complexity makes it very difficult to implement a compliant yet fast, efficient and cost-effective supply chain service. All of the above-mentioned legislative requirements create a complex and onerous process to navigate in the procurement of security services.

## **7.3. SECURITY SERVICES – FINDINGS AND CHALLENGES**

### **7.3.1. All Departments**

- Service providers were appointed based on the legislative 90/10 evaluation criteria rules. This process in isolation ensures that the service provider with the lowest price along with the compulsory documentation will most likely be awarded the contract.
- The procurement process itself is adequate and follows the legislative requirements. However, the process does not assess the category of risk for the respective facilities that require security services.
- However, departments have faced litigation from service providers.
- There is a lack of clear procurement processes
- The security risk assessments are used to compile the specifications in the request for proposal document that gets sent out to prospective service providers.
- There is little to no contract management of security services in the departments. This is due to a number of reasons, such as that there is no service level agreements in place for most of the departments. A lack of capacity is the main contributor preventing the Departments from monitoring the contractual obligations on a day to day basis and ensuring the service provider is performing according to the requirements of the contract.
- There is no integrated security solution. That is, security is perceived as a guard orientated service, so there is a lack of optimum use of technology and alignment to an overarching security plan
- Budget constraints do not allow for the required security services to be put in place in certain facilities within the departments.
- There is little understanding throughout departments of the Security Strategy adopted by Cabinet and currently Security Services bids are advertised without the consultation of Security Risk Management.
- There is a lack of a single transversal contract for WCG Security Services – Framework Agreement
- There is a lack of alignment between the objectives around security sourcing between departments and Department of Community Safety
- There is a lack of Supply Chain Management flexibility and understanding of the Security Strategy
- The current methodology does not suit emergency procurement of Security Services

These challenges are summarised in the diagram below:



**Fig. 4: The challenges faced across the departments by the Western Cape Government**

**7.3.2. Department of Health**

- Security contracts are already in place for the greater Cape Town Metro area. There are no long term contracts in place for the remote areas.
- Security risk assessments were conducted for the current security service contracts that are in place. The assessments that were done are guard specific and the overall requirements of the facilities are not taken into consideration.
- Contract management includes a process for the evaluation of service providers and these service providers are being penalised for non-performance where the service level agreements are clear and hold the service providers accountable for non-performance.
- Security services in remote areas are currently operating on a month to month contract basis. There is little to no contract management occurring in these areas. The department is currently preparing to send out request for proposals for these services.

**7.3.3. Department of Social Development**

- Service providers were appointed based on the legislative 90/10 evaluation criteria rules. This process, in isolation, ensures that the service provider with the lowest price along with the compulsory documentation will most likely be awarded the contract.



### **7.3.6. Department of Culture and Sports**

- The buildings that require security are museums that carry material and artefacts that are of national heritage. Budgetary constraints do not allow for an adequate level of security to be able to protect such national assets.

### **7.3.7. Department of Transport and Public Works**

- There are four departments that require interaction when security services are required. These are Supply Chain Management, the User Department, Property Management and Community Safety.
- Property management is the custodian of all buildings within the Transport and Public Works Department. Property Management do not include Community Safety during the process of buildings being handed over to the Department of Transport and Public Works. This lack of interaction does not afford Community Safety sufficient time to conduct a risk assessment and for Supply Chain Management to source adequate Security Services.
- Emergency procurement procedures are consistently used for the security services relating to buildings that have been transferred to the Department of Transport and Public Works. This means that there are no Service Level Agreements in place with the service providers. The emergency procurement process is intended as a temporary solution until Supply Chain Management is able to source a service provider permanently with a contract in place. However, the emergency service provider, in most instances, tends to become a permanent solution with no contract in place.
- The Department of Transport and Public Works is in the process of implementing a Framework Agreement for all its service providers. This is intended to improve contract management overall, particularly where emergency procurement procedures were followed.

## **8. OPPORTUNITY IDENTIFICATION**

During the interviews, a number of opportunities for improvement were identified. These are summarised below.

### **8.1. All Departments**

Across the various departments, there were a number of opportunities that were identified. In general, departments felt that there was a need to:

- 8.1.1. Develop a contract management toolkit to assist "unskilled" government officials to manage security contracts and to monitor supplier performance for the contract term.
- 8.1.2. Structure the RFP documents in line with legislative requirements as well as the security services requirements per department.
- 8.1.3. Categorise all facilities in terms of an overall security risk profile: Low/ Medium/ High.

- 8.1.4. Define and document the communications process that includes all departmental stakeholders. This will enable the timely flow of information and ease changes when necessary.
- 8.1.5. Identify the specific security services specifications in the RFP documents, such as the type of Security Company that is required based on company experience, geographical footprint, company infrastructure, etc.
- 8.1.6. Develop and document a process that will enable and allow the procurement of emergency security services that will not negate the standard of security services required.
- 8.1.7. Improve interdepartmental interaction to allow for joint process improvement in the procuring of security services.

## **8.2. Department of Health**

- 8.2.1. Specifically for the Department of Health, there is a need to reconsider the current security risk assessment for the regions' hospitals and improve the overall security requirements for the department through the implementation of a sound sourcing strategy.

## **8.3. Department of Agriculture**

- 8.3.1. Within the Department of Agriculture, there is a need to workshop the current Agriculture Master Security Plan with relevant stakeholders, such as Community Safety and SCM, with a view of creating an improved understanding of the security requirements for the department.

## **9. DEVELOPING THE FINAL COMMODITY STRATEGY**

### **9.1. The Future State**

It is envisaged that the final security service commodity strategy should enable the Western Cape Government to achieve increased performance improvement and efficiencies in the following:

- Effective communication between Supply Chain Management and Community Safety during the sourcing process
- Holistic integrated security solution that includes a security plan and risk assessment
- Value for Money
- Clear understanding of the roles and responsibilities
- Reduction of losses
- Clear communication between Community Safety and other departments
- Give training to Supply Chain officials to achieve standardised bidding documents
- Give training to service providers to make them aware of what is expected from them
- To be able to hold the service provider responsible and accountable for their actions
- Restored confidence in procurement as an enabler
- Embedded process across Western Cape Government
- Testament to new methods of procurement
- Improved reporting of security incidents
- Database of all properties – effective planning
- Reduction of loss = utilisation of funds where they are needed
- Focused approach to specific risk threat

### **9.2. SECURITY RISK ASSESSMENT**

#### **9.2.1. Organisational Risk Assessment**

It is imperative that cognisance is taken of potential risks, both internal and external throughout the strategic sourcing process of security services.

The overall risk assessment is aimed at providing a high level view of the organisational risks associated with strategic sourcing of security services and the related business changes required to deliver the benefits.

Each building or land should be categorised according to their level of risk categorisation. This will assist in ensuring that the most adequate type of security service is procured. The risk categorisation should be conducted by Community Safety in conjunction with the user department. It is recognised that the user department will have more knowledge for the types of risk that they face on a day-to-day basis the cause of these risks.

Specific risk assessment from a security services point of view, may include the following:

- Assessing the nature and extent of the risks associated with the organisation's operations
- Any potential union implications related to strike action
- Any potential third party impacts
- Deciding on an acceptable level of loss or degree of failure based on the type of facility where the security service is required
- Deciding on how to manage or minimise the risk
- Monitoring, reporting and from time to time, reassessing the level and implications of the risk exposure

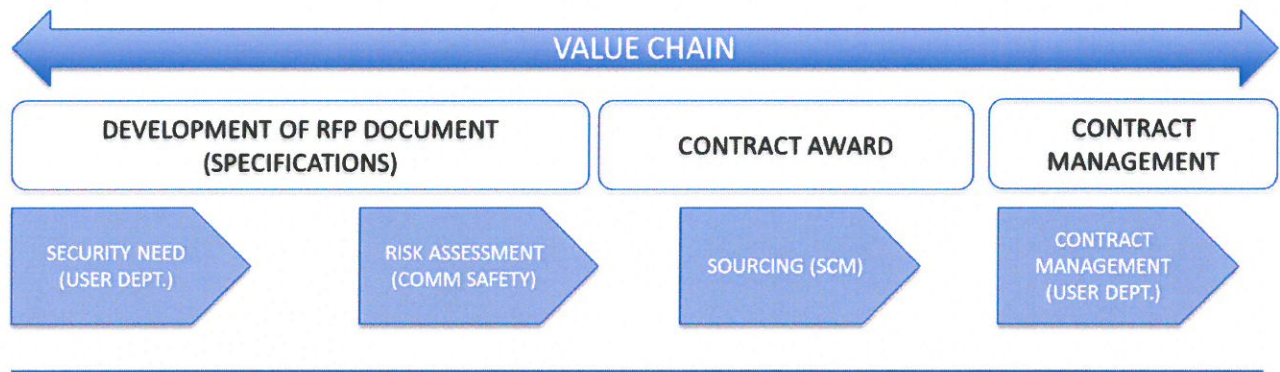
**Fig. 5: Example of Risk Categorisation**

Low Risk	Medium Risk	High Risk
0-5 years experience	5-10 years experience	10+ years experience
Local footprint	Provincial footprint	National footprint

Some of the risks to the security strategy commodity framework success include:

- There is a gap between the terms of reference, bidding documents and final SLA's
- The use of skeleton companies, selecting service providers with no Western Cape presence
- Lack of buy – in from ALL relevant stakeholders to take this forward
- Lack of accountability
- Lack of supplier readiness
- Lack of mapped process for sourcing of security
- Lack of change management strategy to influence integration
- Lack of communication between stakeholder departments
- One dimensional application of Supply Chain processes

### 9.3. Security Services Sourcing Process Steps with Departmental roles and responsibilities.



**Fig. 6: A high level view of the Security Sourcing Process**

Points to consider when examining the Security Sourcing Process include:

- Frequency of risk assessments
- Remote areas (Risk Assessments/ Service providers)
- Resource capacity of Community Safety
- Availability of Community Safety
- Avoidance of crisis sourcing
- Term of current security service provider contract
- Supplier database
- Other departments. e.g. Property Management
- Database of facilities
- PSIRA regulations
- Incident reporting
- Resource capacity for Departments
- Tender for total security solution
- Tender evaluation process
- Terms of reference/ Specifications
- Service level agreements
- Joint process involvement across departments

The communication and interdepartmental interaction is an integral part of ensuring that a service like security is handled in such a way that maximum benefit is derived from the process. The process needs to be structured in such a way that departments do not work independently of each other. When the process is not coordinated across departments, risk is introduced and service value is decreased.

There are legal and legislative constraints that guide the sourcing process. These have been taken into account in the process below.

With these design principles in mind the Western Cape Government have defined a sourcing process that adds value to the commodity. The following three high level activities were addressed:

- Development of RFP Document (Specifications)
- Contract Award
- Contract Management

9.3.8 Development of the RFP Document process steps:

	Responsible departments		
	Community Safety	Dept. (User/SCM)	Provincial Treasury
<b>Agreements:</b>			
1. Invite Security Service Providers to be included on the WCG Security Services database			√
2. Conduct Risk Assessment – Self Assessment by department	√	√ Accountable	
3. Bid Specification Committee to evaluate the criteria and set the threshold based on Community Safety scorecard		√	
4. Advertise RFP (include disclosures to cover the department upfront)		√	
5. Distribute RFP Pack to suppliers with a Western Cape supplier database certificate		√	
6. Invite suppliers to compulsory briefing session		√	
7. During briefing session, suppliers receive evaluation criteria		√	

9.3.9 To complete a successful contract award process steps:

	Responsible departments		
	Community Safety	Dept. (User/SCM)	Provincial Treasury
<b>Agreements:</b>			
1. Receipt of proposals		√	
2. Documents to be sent to Community Safety for Cost Benefit analysis	√ Accountable	√	
3. Bid Evaluation Committee conducts evaluation with Community Safety as advises		√	
4. Bid Evaluation Committee short lists suppliers		√	
5. Community Safety to conduct an operational assessment on the short listed suppliers (High Level assessment)	√ Accountable	√	
6. Bid Evaluation Committee to respond to unsuccessful suppliers		√	
7. Convert security solution into specifications (based on top solutions identified in the short listed suppliers)	√ Accountable	√	
8. Send out the specifications to short listed suppliers to obtain costings from short listed suppliers.	√	√ Accountable	
9. Community Safety together with Supply Chain Management to conduct Functionality test. (Site visits)	√	√ Accountable	
10. Evaluate price based on the 90/10 or 80/20 rule as per legislation	√	√ Accountable	

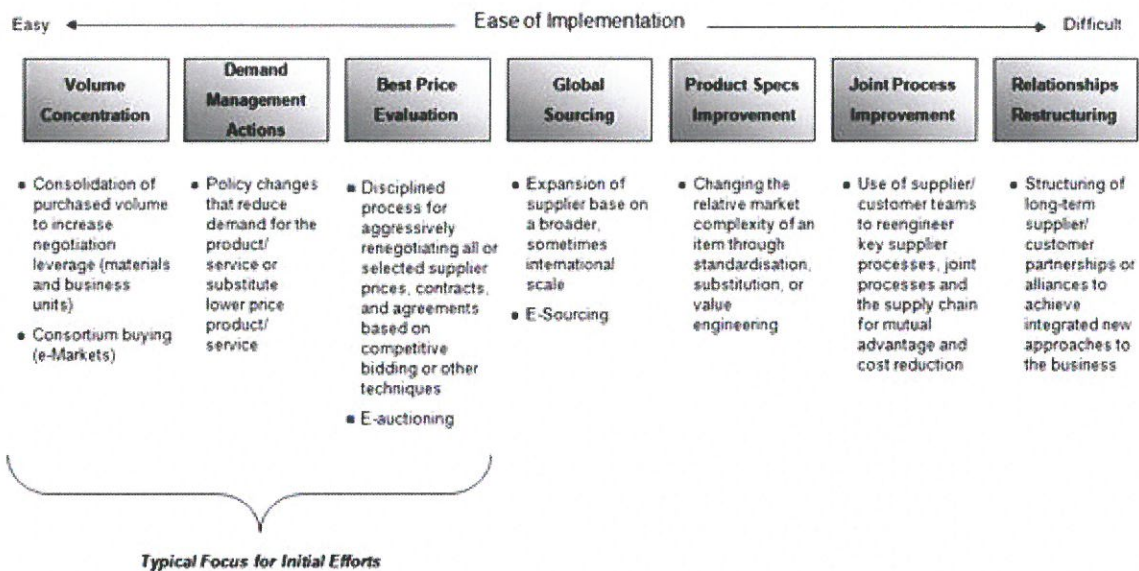
9.3.10 Manage contract award process steps:

	Responsible departments		
	Community Safety	Dept. (User/SCM)	Provincial Treasury
<b>Agreements:</b>			
1. Develop a penalty database that kept by Community Safety. This may decrease the grading of a supplier	√		
2. Develop Service Level Agreements that are performance driven	√	√ Accountable	
3. Facility Manager/ Contract Manager to be trained in respect of the Service Level Agreement	√ Accountable	√	
4. Service providers to go through induction process to understand the operational requirements			
5. Payment: Service must be approved before payment is actioned		√	
6. All penalties imposed on suppliers to be communicated to Community Safety		√	



## 9.4 Sourcing Strategies that can be applied to the Security Commodity in the Sourcing Process

The diagram below depicts the different approaches that can be taken to the sourcing process. These are shown in a continuum from the easiest to execute and implement, to the most difficult to implement. In general, the easier to implement strategies should be attempted before the more complex strategies.



**Fig. 7: Sourcing Strategy for Implementation**

### 9.3.1. Volume Concentration

Consolidate the demand for security services across a number of different sites, requiring similar services in order to standardise the service requirement and reduce the number of service providers that are required to be managed.

### 9.3.2. Demand Management

A risk assessment of conducted by the Department of Community safety may change the services required for individual sites. In general, a holistic approach will reduce the demand for services by understanding what the correct service should be, as well as removing any duplicated services within departments, or for specific sites.

### 9.3.3. Best price Evaluation

90/10 Rule for evaluation as per legislative requirements for transactions over R1 000 000 and 80/20 for transactions up to R1 000 000

At the moment we look at the lowest possible quoted price or lowest costs that are line with PSIRA requirements. This is part of legislation and cannot be

altered, however through risk categorisation, we can reach a stage where the lowest quoted price is chosen from the 'Best of the Best' service providers that are able to provide value for money at the lowest possible rate for the service specified.

#### 9.3.4. Global Sourcing

Global sourcing is not applicable to a labour intensive commodity such as security services as these are generally locally supplied services. The expansion of the supplier base through invitation may improve the calibre of the supplier.

#### 9.3.5. Product Specification Improvement

The risk assessment will provide improved specification that can be sourced from suppliers with known capabilities in the service required. This will improve the quality of the service provided. These specifications can be improved with the security service provider as technology improves and requirements may change.

Product specifications for services can also be attached to contract to enable performance management.

#### 9.3.6. Joint Process Improvement

Implement control measures that are based on legislative compliance to lower risk and increase compliance. These requirements must be known and communicated across the departments that are relevant to the procurement of security services

#### 9.3.7. Relationships Restructuring

In time, contracts can be negotiated that change the nature of the relationship with the supplier. In the security services, this may include long term plans for a centralised control centre, or managed service for security. It may also relate to the redefinition of contractual roles and responsibilities in order to move more risk to the supplier.

### **BASIS OF STRATEGY**

This sourcing strategy and agreed roles and responsibilities, as set out in this document, were based on the following assumptions as understood at the time that the sourcing strategy was developed:

- The ARUP strategy is the de facto security strategy in effect as approved by Cabinet
- The current operating model and organisational design would remain in effect for the implementation of the ARUP strategy

Where there are changes to either of these assumptions, careful consideration should be given to the impact on the sourcing strategy.

In addition, in developing this sourcing strategy, consultations were attempted with a range of stakeholders, representing the departments across the Western Cape Government. However, not all departments were able to attend the meetings and workshops. As the sourcing strategy is rolled out, consideration should be given to the roll out strategy and the need for further engagement with these departments.

## **CONCLUSION**

- This framework is intended to implement a sourcing strategy in the Western Cape Government through the use of a sourcing process that defines roles and responsibilities.
- Guidelines to sourcing Security Services have been agreed by all relevant stakeholders within the Western Cape Government
- This process can be documented in process flow diagrams for daily use. It is applicable to all commodities.
- The Workshop Approach proved to be instrumental in ensuring an agreeable solution was reached

**FRAMEWORK AGREEMENT FOR THE PROVISION OF TRANSVERSAL SECURITY SERVICES FOR THE WESTERN CAPE GOVERNMENT (WCG) FOR A PERIOD OF 3 YEARS WITH AN OPTION TO EXTEND FOR A FURTHER ONE YEAR**

**1. LIST OF PREFERRED SERVICE PROVIDERS PER SERVICE TYPE**

1.1 The lists below contain the preferred service providers per area/ service type on the framework agreement

1.2 It should be noted that as at the implementation date of the framework agreement there are no rural service provider for service types 2 and 4.

**3.10.1 SERVICE TYPE 1: URBAN**

- (a) Nikao Protection Services CC
- (b) Reliance Corporate Security
- (c) Xoliswa M Holdings (t/a Eagle Age Protection Services)
- (d) Monoceros Trading 135 (Pty) Ltd (t/a Metro Security)
- (e) Princeton Protection Services
- (f) Invula Quality Protection (Africa) (Pty)
- (g) Royal Security CC (t/a Royal Security Guard)
- (h) Vhugi Protection Services
- (i) Silver Solutions 2616 (t/a Star Security Services)
- (j) All 4 Security Services CC
- (k) Bokwe Trading (t/a Bokwe's Security Services)
- (l) Distinctive Choice Security 447 CC
- (m) Sechaba Protection Services
- (n) Helios Security & Risk Management
- (o) Securforce Cape (Pty) Ltd
- (p) Ensemble Trading 2366
- (q) Yireves Solutions 81CC (t/a Executive Decisions)
- (r) Grinnel Security Services CC
- (s) Delta Corporate Security Services CC

**3.10.2 SERVICE TYPE 1: RURAL – EDEN**

- (a) Securforce Cape (Pty) Ltd

**3.10.3 SERVICE TYPE 1: RURAL – WEST COAST**

1

- (a) Securforce Cape (Pty) Ltd

**3.10.4 SERVICE TYPE 1: RURAL – CAPE WINELANDS**

- (a) Ensemble Trading 2366

**3.10.5 SERVICE TYPE 2: URBAN**

- (a) Invula Quality Protection (Africa) (Pty) Ltd
- (b) Helios Security & Risk Management
- (c) Princeton Protection Services
- (d) Quemic Africa (Pty) Ltd
- (e) Yireves Solutions 81CC (t/a Executive Decisions)

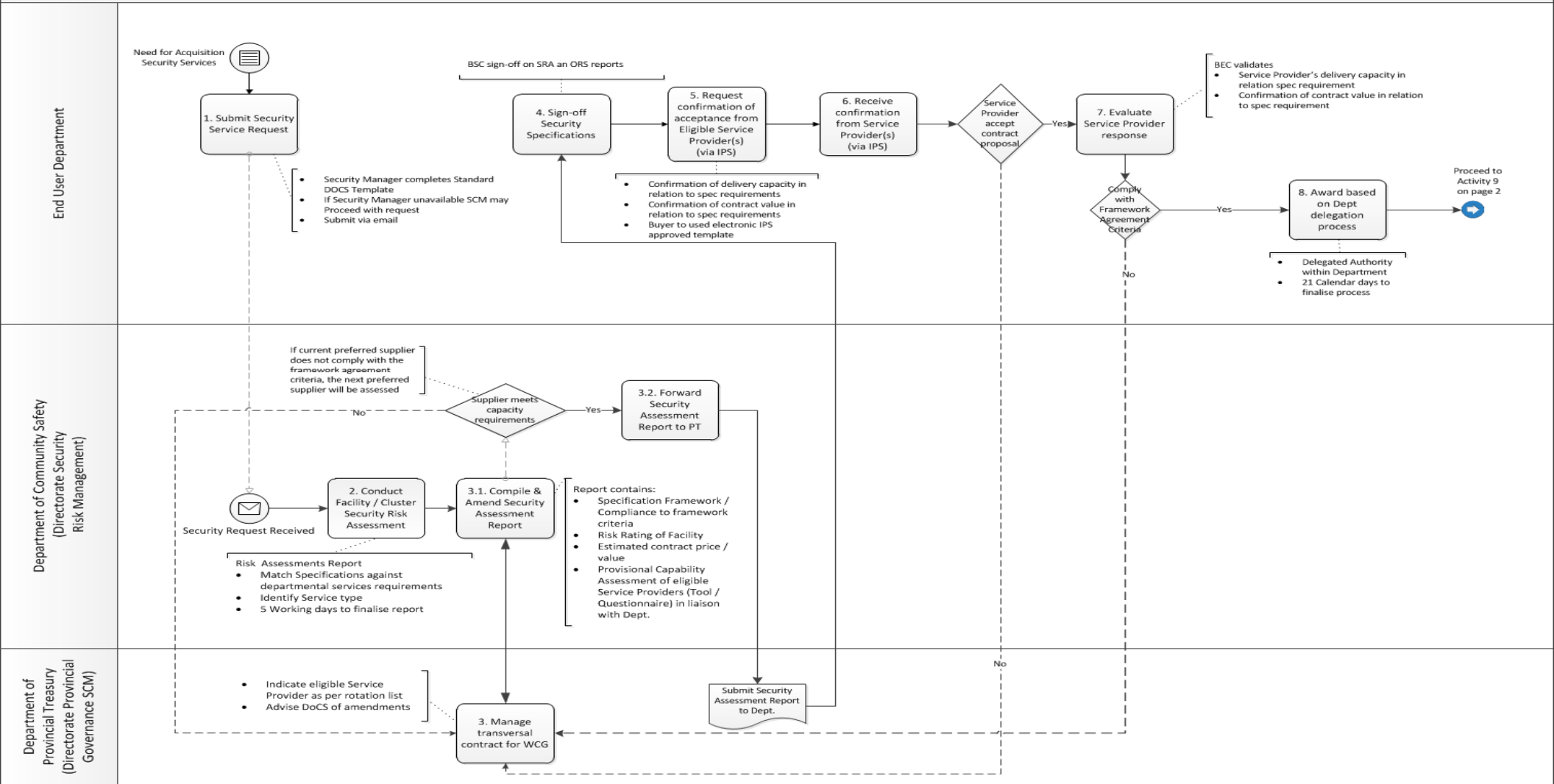
**3.10.6 SERVICE TYPE 4: URBAN**

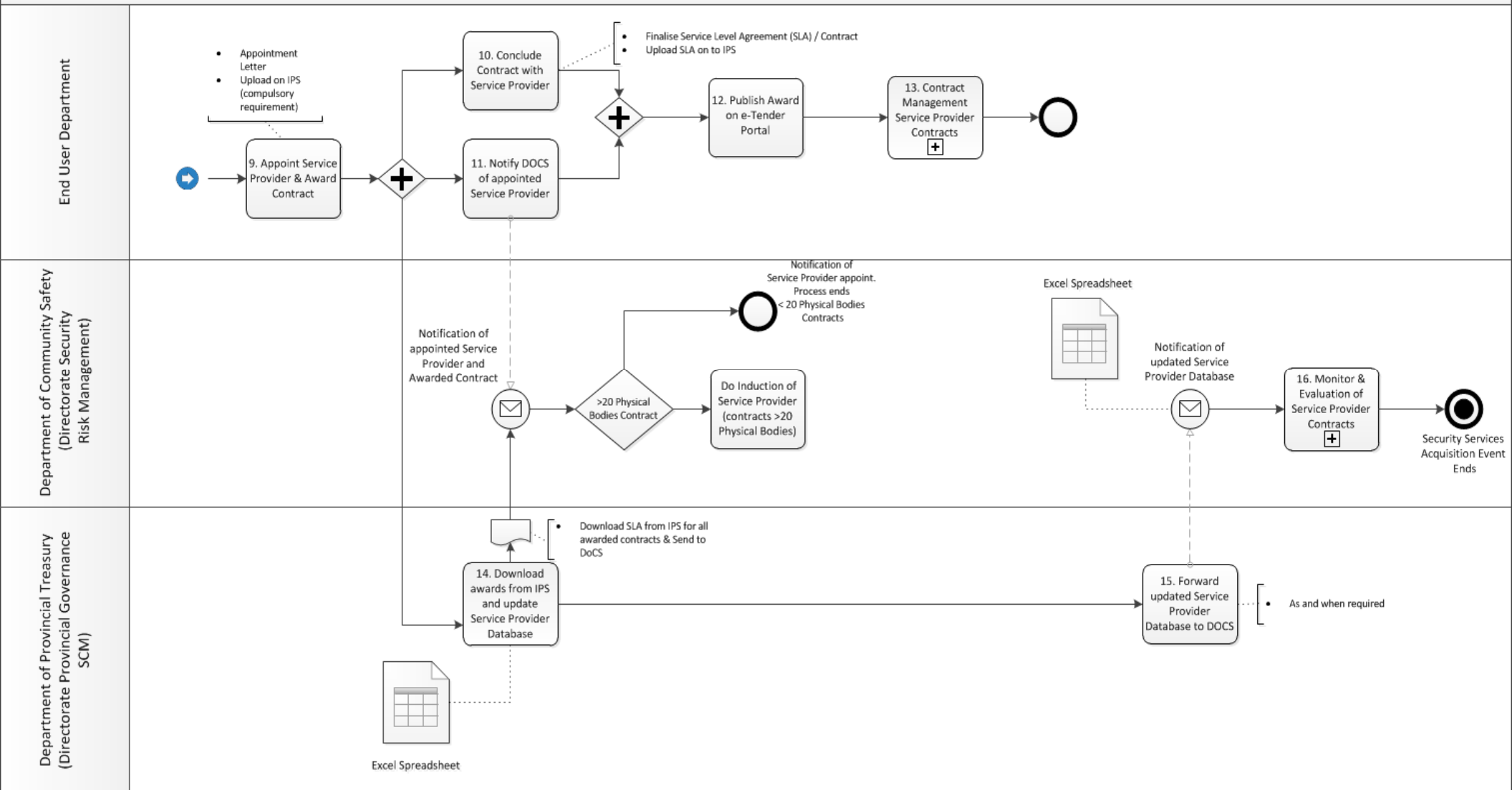
- (a) Invula Quality Protection (Africa) (Pty) Ltd
- (b) Princeton Protection Services
- (c) Yireves Solutions 81CC (t/a Executive Decisions)
- (d) Grinnel Security Services CC
- (e) Helios Security & Risk Management

Manage Security Service Acquisition (Direct Stream / Award) (Page 1 of 2)

A1

Phase





End User Department

- Appointment Letter
- Upload on IPS (compulsory requirement)

10. Conclude Contract with Service Provider

- Finalise Service Level Agreement (SLA) / Contract
- Upload SLA on to IPS

12. Publish Award on e-Tender Portal

13. Contract Management Service Provider Contracts

Department of Community Safety (Directorate Security Risk Management)

Notification of appointed Service Provider and Awarded Contract

>20 Physical Bodies Contract

Do Induction of Service Provider (contracts >20 Physical Bodies)

Notification of Service Provider appoint. Process ends < 20 Physical Bodies Contracts

Excel Spreadsheet

Notification of updated Service Provider Database

16. Monitor & Evaluation of Service Provider Contracts

Security Services Acquisition Event Ends

Department of Provincial Treasury (Directorate Provincial Governance SCM)

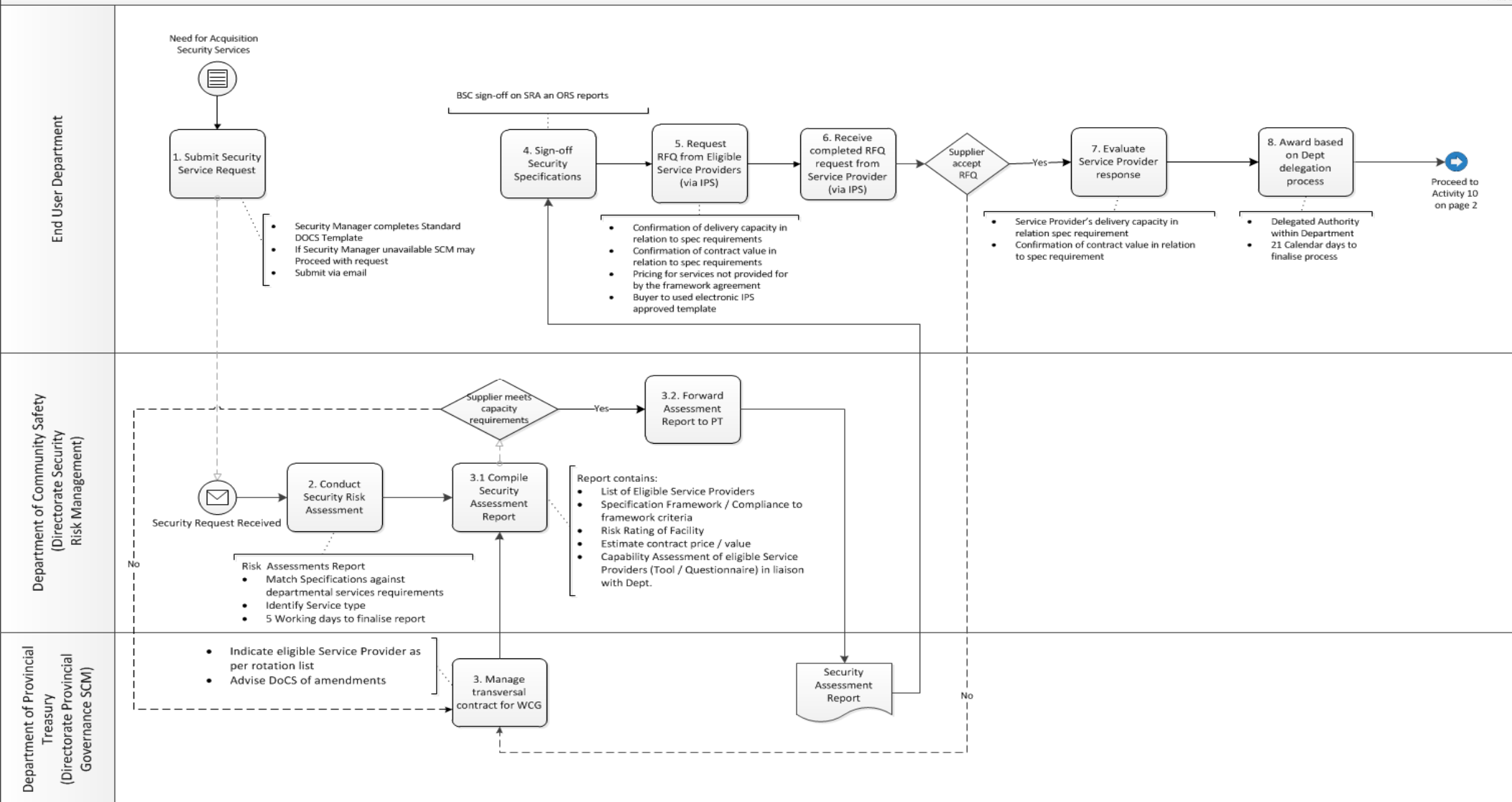
14. Download awards from IPS and update Service Provider Database

- Download SLA from IPS for all awarded contracts & Send to DoCS

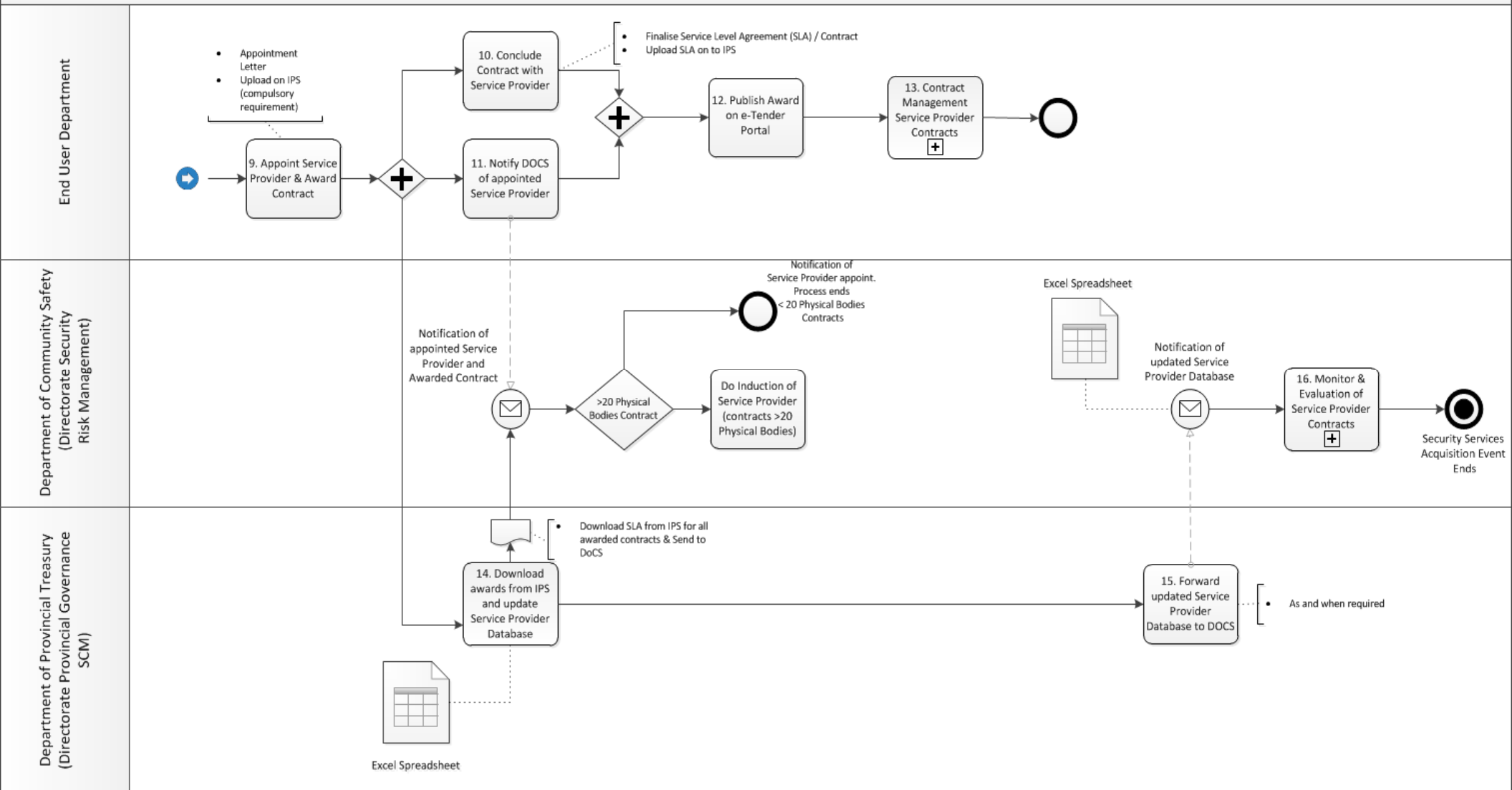
15. Forward updated Service Provider Database to DOCS

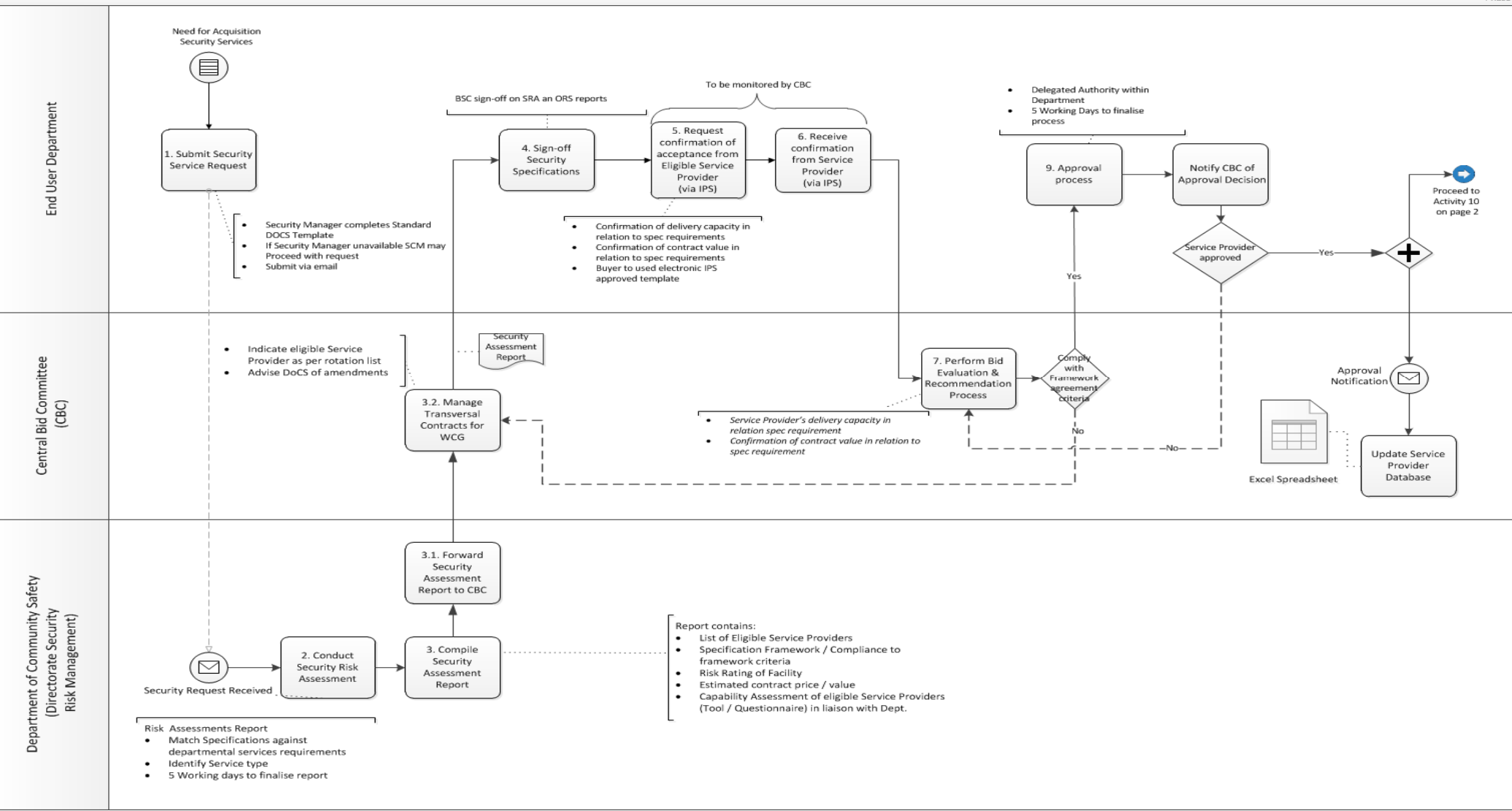
- As and when required

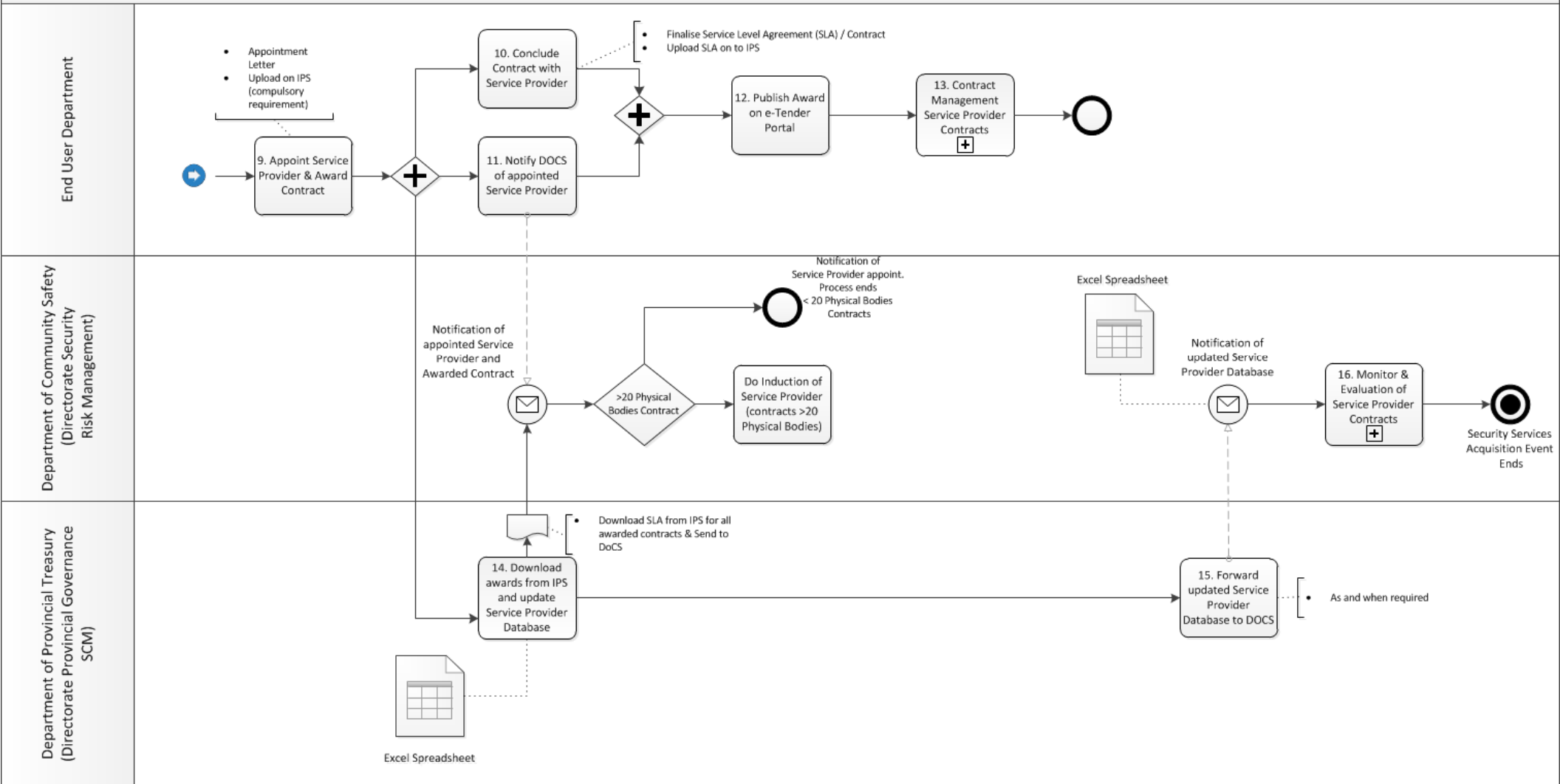
Excel Spreadsheet













# Request for Security at WCG Building

<b>Location</b>	Click here to enter text.		<b>Department</b>	Choose an item.				
<b>Address</b>	Click here to enter text.							
<b>Region</b>	(Please select Region)	Choose an item.		<b>Current Security Service Type</b>	(Please select Service Type)	Choose an item.		
<b>Facility Manager (FM)</b>	Click here to enter text.			<b>Current Security Budget</b>	Click here to enter text.			
<b>FM Email Address</b>	Click here to enter text.			<b>FM Contact nr</b>	Click here to enter text.			
<b>Security Contract Start date</b>	Click here to enter a date.			<b>Security Contract End date</b>	Click here to enter a date.			
Departments may conclude "call-off" contracts with qualifying suppliers either through direct selection or multi-source bidding from the framework agreement contract. Please select your preference by selecting either one or both methods.				<b>Call-Off Method preferred</b> (Select one or both)	Direct Award	<input type="checkbox"/>	Multi Sourcing	<input type="checkbox"/>

A need has been identified for security at the abovementioned building. By typing your name below, you certify that you are the appointed Security Manager of the above-mentioned department or authorized to do so as delegated by the appointed Security Manager.

Click here to enter text.

Click here to enter a date.

**Security Manager or Authorized Delegate**

**Date**

**For Security Risk Management use:**

Date captured

Name of Data Capturer

Database reference number

Click here to enter a date.

Click here to enter text.

Click here to enter text.

## SECURITY SERVICE FRAMEWORK AGREEMENT BID NO WCPT -TR 01/2017/2018

## SERVICE REQUEST CONFIRMATION / QUOTATION

This request is issued in accordance with clause 8.1 of the call off procedure as contained in the Western Cape Provincial Treasury transversal security services framework agreement 2018 -2021

**DEPARTMENTAL OFFICIAL TO COMPLETE**

Request No			
Department requiring service			
Contact Person at Department	Name	Tel No	Email

**SERVICE REQUIRED:**

PLEASE SEE ANNEXURES FOR DETAIL REGARDING THE REQUESTED SERVICES

Service Provider	
------------------	--

**THE FOLLOW SERVICE(S) WOULD BE REQUIRED:****Institution(s) requiring service**

\*See schedules for detail

\*Should dates not differ between institutions one period can be provided for all.

1.	Institution		Total Price per Institution *as per service schedules, excluding equipment	
	Starting date of service		End Date of Service	
2.	Institution		Total Price per Institution *as per service schedules, excluding equipment	
	Starting date of service		End Date of Service	
3.	Institution		Total Price per Institution *as per service schedules, excluding equipment	
	Starting date of service		End Date of Service	

Grand Total Price inclusive of VAT:	
-------------------------------------	--

**Sign-off by relevant supervisor:**

\*that the information sent to the service provider is correct

Print name and surname	Signature
Rank	Date

**SUPPLIER TO COMPLETE**

\*No response may invalidate your response.

I have the authority to sign on behalf of the company. I hereby accept the total contract price. I confirm that I have the capacity to carry out service as stipulated in this document. 

Print name and surname	Signature
Position in firm	Date

**DEPARTMENT TO COMPLETE**

\*Delete shifts / rates not applicable to service

No	Institution/ Facility	Address				
1.						
<b>SERVICE DESCRIPTION: SERVICE TYPE 1 - NORMAL PHYSICAL GUARDING</b>						
<b>Regional Indicator (Urban / Rural)</b>		Urban				
<b>Description of Service Per Officer</b> *Delete shifts / rates not applicable to service.			<b>Rate Per Month Per Guard Type</b>			
No of Guards	Shift	Rate breakdown	A	B	C/D/E	TOTAL
	Day Shift	Monday to Sunday (12 hours)				R
	Night Shift	Monday to Sunday (12 hours)				R
	Day Shift	Monday to Friday (12 hours)				R
	Night Shift	Monday to Friday (12 hours)				R
	Day Shift	Weekends and PHD*Only (12 hours)				R
	Night Shift	Weekends and PHD* Only (12 hours)				R
	Day Shift	Monday to Friday (10 hours)				R
	Night Shift	Monday to Friday (10 hours)				R
<b>TOTAL COST IN TERMS OF GUARDING</b>						R

**SUPPLIER TO COMPLETE****GENERAL EQUIPMENT FOR SERVICE TYPE 1****To Note:**

- (a) The following commercially proposed items are requested as and when required.
- (b) Department to include applicable items only.
- (b) The requested pricing on respective items does not constitute a commitment but merely a determination of pricing should the relevant department which to include the items in its contracts.
- (c) Service Provider to indicate price per month VAT inclusive.

Description of Equipment	Price (incl. VAT) per month
Supervisor visits (Rate per kilometre)	R
Walkthrough Metal Detectors	R
Handheld Metal Detectors	R
Prefab Security Hut	R
Quad bike	R
Taser per guard	R
Pepper Spray per guard	R
Golf Cart	R
Patrol Vehicle	R
Bicycle	R
Guard Dog	R
Segway	R
Reflective Vest	R

**DEPARTMENT AND SUPPLIER TO COMPLETE**

\*Delete shifts / rates not applicable to service

No	Institution/ Facility	Address				
1.						
<b>Service Description: Service Type 2 - Special Tactical Guarding including Armed Response</b>						
<b>Regional Indicator (Urban / Rural)</b> *determines rates to be used		Urban				
<b>Description of Service Per Officer</b> *Delete shifts / rates not applicable to service.				<b>Rate Per Month Per Guard Type (VAT incl.)</b>		
No of Guards	Shift	Rate breakdown	A	B	C/D/E	TOTAL
	Day Shift	Dog Handler				R
	Night Shift	Dog Handler				R
	Day Shift	Operational Supervisor				R
	Night Shift	Operational Supervisor				R
	Day Shift	CCTV Controller				R
	Night Shift	CCTV Controller				R
	Day Shift	Control Room Supervisor				R
	Night Shift	Control Room Supervisor				R
<b>TOTAL</b>						<b>R</b>



**DEPARTMENT AND SUPPLIER TO COMPLETE**

\*Delete shifts / rates not applicable to service

**RFQ – ARMED RESPONSE**

**DESCRIPTION OF SERVICE**

\*Department to indicate which type of armed response would be required as well as if it should be shift based or 24 hours, 7 days a week and if required the period of the contract.

\*Service provider to provide a rate per month based on the Department's requirement.

\* Supplier must provide rate per month.

Day Shift	Armed Response inclusive of vehicle & equipment	<b>R</b>
Night Shift	Armed Response inclusive of vehicle & equipment	<b>R</b>
Day Shift	Armed Response routine site visit inclusive of vehicle & equipment	<b>R</b>
Night Shift	Armed Response routine site visit inclusive of vehicle & equipment	<b>R</b>

**SUPPLIER TO COMPLETE**

**GENERAL EQUIPMENT FOR SERVICE TYPE 2**

<b>To Note:</b>	
(a) The following commercially proposed items are requested as and when required.	
(b) <u>Department</u> to include applicable items only.	
(b) The requested pricing on respective items does not constitute a commitment but merely a determination of pricing should the relevant department which to include the items in its contracts.	
(c) <u>Service Provider</u> to indicate price per month VAT inclusive.	
<b>Description of Equipment</b>	<b>Price (incl. VAT) per month</b>
Guarding response vehicle visits (Rate per kilometer)	R
Bulletproof vest (Tactical officers)	R
Electronic Patrolling System	R
Walkthrough Metal Detectors	R
Handheld Metal Detectors	R
Prefab Security Hut	R
Quad bike	R
Taser per guard	R
Pepper Spray per guard	R
Golf Cart	R
Patrol Vehicle	R
Bicycle	R
Guard Dog	R
Segway	R
Reflective Vest	R

Service Type 4

No	Institution/ Facility	Address				
1.						
<b>Service Description: Service Type 4 - Off-Site Monitoring and Control Room</b>						
<b>Regional Indicator (Urban / Rural)</b>		Urban				
<b>Description of Service Per Officer</b> <small>*Delete shifts / rates not applicable to service.</small>			<b>Rate Per Month Per Guard Type (VAT incl.)</b>			
No of Guards	Shift	Rate breakdown	A	B	C/D/E	TOTAL
	Day Shift	CCTV Controller				R
	Night Shift	CCTV Controller				R
	Day Shift	Control Room Supervisor				R
	Night Shift	Control Room Supervisor				R
<b>TOTAL COST IN TERMS OF GUARDING</b>						<b>R</b>

Bid no. WCPT-TR 01/2017/2018

**STANDARDISE SERVICE LEVEL AGREEMENT TEMPLATE**

**SERVICE LEVEL AGREEMENT**

Entered into by and between

**THE WESTERN CAPE GOVERNMENT VIA ITS DEPARTMENT OF** *(insert department's name)*

*(herein represented by the duly authorised ..... in his capacity as ....., Department of  
.....)*

(Hereinafter referred to as "**the Department**")

and

.....  
*(Hereinafter referred to as "**the Service Provider**")*

(Collectively hereinafter referred to as "**the Parties**")

## INTRODUCTION

- A. The Department requires the provision of *(insert the type of security service)* as set out in the Terms of reference of the Framework Agreement WCPT-TR 01/2017/2018 for *(insert the name of the Western Cape Government Facility)* for a period of *(insert the duration period of the call-off contract)*.
- B. The Department has appointed the Service Provider under Bid Number: *(insert quotation/call -off number used by department)* for the rendering of *(insert the type of security service)* for *(insert the call -off contract period)*
- C. The Service Provider has agreed to accept the appointment on the terms and conditions as contained in this Agreement.

## WHEREBY THE PARTIES AGREE AS FOLLOWS:

### 2. INTERPRETATION

- 1.1 In this Agreement unless the context indicates a contrary intention a word or expression which denotes –
  - 1.1.1 any gender shall include the other genders;
  - 1.1.2 a natural person shall include juristic persons and vice versa; and
  - 1.1.3 the singular shall include the plural and vice versa.
- 1.2 The terms and conditions contained in the General Conditions of Contract (GCC), incorporated herein, and annexed hereto as Annexure "A", form part of the Agreement between the Parties.
- 1.3 In the event of any inconsistency between the provisions of parts of the Agreement, the order in which parts of the Agreement will prevail is as follows –
  - 1.3.1 The Agreement, excluding the annexures, will prevail over the annexures to the Agreement;
  - 1.3.2 The GCC will prevail over the other annexures to the Agreement.
- 1.4 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 this Agreement.

- 1.5 The cancellation or termination of this Agreement shall not affect the provisions of this Agreement which of necessity must continue to have effect after such cancellation or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 1.6 The rule of construction that a contract shall be interpreted against the Party responsible for the drafting or preparation of it shall not apply to this Agreement.
- 1.7 Words and expressions defined in any clause shall, for the purpose of that clause, bear the meaning assigned to such words and expressions in that clause.
- 1.8 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meaning –
- 1.8.1 **"Agreement"** means –
- 1.8.1.1 this Special Condition of Contract;
- 1.8.1.2 the bid proposal of the Service Provider to the extent that it does not conflict with the bid specifications;
- 1.8.1.3 the bid specifications;
- 1.8.1.4 the GCC; and
- 1.8.1.5 any other annexures annexed hereto;
- 1.8.2 **"BBBEE"** means broad-based black economic empowerment as contemplated in the Board-Based Black Economic Empowerment Act 53 of 2003;
- 1.8.3 **"Business Day"** means any day other than a Saturday, Sunday or statutory public holiday in the Republic of South Africa;
- 1.8.4 **"Calendar Day"** means any day of the week and includes weekends and statutory public holidays proclaimed as such in the Republic of South Africa;
- 1.8.5 **"Commencement Date"** means *(insert the starting date of call-off contract)* ;
- 1.8.6 **"Liaison Officer"** means the person designated by the Department to be the contract manager for purposes of this Agreement;
- 1.8.7 **"PSIRA"** means the Private Security Industry Regulatory Authority established in terms of the PSIRA Act;

1.8.8 "PSIRA Act" means the Private Security Industry Regulation Act 56 of 2011 as amended from time to time together with the regulations made in terms thereof;

1.8.9 "Services" means the provision of security guarding services at the Sites in accordance with the conditions as set out in the Terms of reference of the Framework Agreement WCPT-TR 01/2017/2018;

1.8.10 "Site" means the buildings or institutions as determined by means of a call-off at which security guarding services are to take place.

1.9 Any references in the GCC to the terms "Supplier" and "Purchaser" shall be references to the terms "Service Provider" and "Department" respectively in this Agreement.

## 2 APPOINTMENT & COMMENCEMENT

2.1. The Department hereby appoints the Service Provider as the company which will provide the Services.

2.2. The Service Provider accepts such appointment.

2.3. This Agreement shall commence on the Commencement Date, unless otherwise provided for in this Agreement, remain in force for *(insert the contract period)* and terminate on *(insert the contract end date)*.

2.4. The awarding of this bid and the conclusion of this Agreement are based on the information provided by the Service Provider in its bid. The Service Provider shall maintain its status in respect of its BBBEE compliancy and tax matters for the duration of this Agreement. Should any deviation or changes occur, the Service Provider shall advise the Department accordingly. Material deviations may result in the Department having to apply remedial action, suspending or terminating this Agreement. The Service Provider shall for the duration of this Agreement be in possession of a valid tax clearance certificate.

## 3. TERMINATION OF APPOINTMENT

3.1. Notwithstanding any other provision in this Agreement, the Department shall be entitled to terminate this Agreement forthwith by written notice to the Service Provider if the Service Provider

3.1.1. enters into insolvency;

3.1.2. commits a fraudulent or dishonest act;



- 3.1.3. is, through its own actions, prevented from performing its duties for a period exceeding 5 (five) days;
- 3.1.4. is guilty of any conduct which is prejudicial to the Department's interest;
- 3.1.5. has a civil judgment entered against it;
- 3.1.6. renders a standard of service which is below the standards set out in the bid specifications and the annexures thereto and fails to remedy such standard of service within 7 (seven) consecutive days of receiving written notice informing it of such breach;
- 3.1.7. fails to provide a valid tax clearance certificate during the contract period if the Department requests it; and
- 3.1.8. due to a change during the contract period, qualifies for lower BBBEE status points than its status points as at the conclusion of this Agreement.

#### **4. DUTIES OF THE DEPARTMENT**

The Department hereby entrusts all such powers and duties to the Service Provider as required to enable the Service Provider to lawfully perform its duties effectively and competently in terms of this Agreement.

#### **5. DUTIES OF THE SERVICE PROVIDER**

- 5.1. The Service Provider shall perform the Services according to best practices and with the requisite skills, expertise and knowledge.
- 5.2. The Service Provider shall ensure that all Services shall conform to all the bid specifications and its annexures and render the Services strictly in accordance with the service standards as set out in the Framework Agreement WCPT-TR/2017/2018.
- 5.3. It is the responsibility of service providers to ensure uninterrupted security service at all sites; therefore the appointed Service Provider must provide sufficient site relievers for lunch, smoke, tea and toilet breaks at their own cost. Submitted proposals to specify how many relievers will be on site for each shift and a detailed calculation of how the amount was determined should form part of the proposal document. Relievers Officers must be trained to secure the site in the event of the need to relieve staff.
- 5.3. The Service Provider shall make itself available to attend meetings called by the Liaison Officer and provide any feedback or information requested during those meetings.

5.4. The Service Provider shall provide reports to the Department as requested by the Department in writing.

5.5. Compliance with the regulatory framework –

5.5.1. The Service Provider shall comply with the PSIRA Act and its regulations, the requirements of the PSIRA, maintain its registration with PSIRA, the code of conduct for security service providers, all other legislative prescripts relating to the security industry and all legislative prescripts in respect of labour law relevant to security officers employed by the Service Provider including but not limited to any sectoral determinations, minimum wages and the Compensation of Occupational Injuries and Diseases Act 130 of 1993;

5.5.2. Failure to retain registration with the PSIRA shall result in the immediate termination of this Agreement as of the date of suspension or withdrawal of registration; and

5.5.3. Any damages suffered and/or costs incurred by the Department as a result of the suspension or withdrawal of registration and termination of this Agreement shall be borne by the Service Provider.

## **6. INVOICING AND PAYMENTS**

6.1. The Department shall pay the all-inclusive price of *(insert the total rand value of the service (insert the amount in words))* in accordance with the service delivery standards as set out in the Framework Agreement WCPT-TR 01/2017/2018.

6.2. The costs referred to in 6.1 above are all-inclusive of all costs associated with rendering the Services which includes VAT, all costs associated with the provision of security officers, transport costs, operational costs, administrative costs, radios, monitoring systems, posting vehicle and uniform costs.

6.3. The Department shall pay the said amounts within 30 (thirty) Calendar Days of receipt of a detailed tax invoice and written confirmation by the Liaison Officer that the Services were rendered satisfactorily during the invoice period.

6.4. The following details must be reflected on the invoices contemplated in clause 6.3 –

6.4.1. The total amount payable with reference to the specific Services that have been rendered during a particular month;

6.4.2. The invoice number;

6.4.3. Order number received from the Department; and

6.4.4. VAT payable.

- 6.5. The Department will verify the correctness of a tax invoice, and notify the Service Provider of any possible discrepancies within 10 (ten) Business Days of receipt of the tax invoice. If the Department identifies any material discrepancies, the tax invoice will be referred back to the Service Provider, and the amount due will be payable within 30 (thirty) Calendar Days from receipt of a corrected tax invoice, provided that the provisions of clauses 6.4 and 6.5 have been complied with. Undisputed amounts on an invoice shall be paid by the Department in accordance with clause 6.3.
- 6.6. No payment shall be made in respect of Services that have been rendered that do not comply with the requirements in this Agreement and its annexures.
- 6.7. All payments under this Agreement shall be made in South African Rand by way of an electronic banking transfer into the bank account of the Service Provider (located in the Republic of South Africa), details of which will be specified in the relevant invoice, quoting the invoice number against which payment is to be made.

## **7. PENALTIES**

- 7.1. Where the Service Provider fails to render the Services in terms of this Agreement, penalties for the failure will be calculated per transgression and per security officer per day.
- 7.2. In the event of a transgression being for part of a shift, it will be considered as a transgression for a full shift.
- 7.3. Penalties levied against the Service Provider shall be determined with reference to the total monthly contract price as set out the Framework Agreement WCPT-TR 01/2017/2018.

## **8. PUBLIC LIABILITY INSURANCE**

- 8.1. The Service Provider shall obtain public liability insurance, as described in the Framework Agreement WCPT-TR 01/2017/2018, at its own cost commensurate with the risks associated with rendering the Services.
- 8.2. The Service Provider warrants that it will maintain an insurance policy cover that satisfies the Department contemplated in clause 8.1 for the duration of this Agreement.
- 8.3. The Service Provider shall, at the commencement of this Agreement and thereafter on a quarterly basis, submit to the Department, proof of the validity and continuance of its insurance policy.

- 8.4. Any non-compliance or the failure to make regular payments of premiums, resulting in the cancellation or suspension of the insurance policy, will constitute a material breach of this Agreement and any damage and/or loss suffered by the Department as a result thereof shall be borne by the Service Provider.
- 8.5. Clause 8.1 will survive the termination of this Agreement.

**9. INDEPENDENT CONTRACTOR**

The Service Provider is appointed as an independent contractor, and not as an employee, and at all relevant times during the currency of this Agreement no employer-employee relationship shall exist between the Parties.

**10. ENTIRE AGREEMENT AND ASSIGNMENT**

- 10.1. This Agreement replaces any other previous verbal or written agreement entered into between the Parties.
- 10.2. This Agreement constitutes the entire agreement between the Parties and no amendment, alteration, addition or variation of any right, term or condition of this Agreement will be of any force or effect unless reduced to writing and signed by the Parties to this Agreement.
- 10.3. The Parties agree that there are no conditions, variations or representations, whether oral or written and whether expressed or implied or otherwise, other than those contained in this Agreement.
- 10.4. Notwithstanding any provision to the contrary in the Agreement, the primary responsibility for supplying the Services vests with the Service Provider and it may not subcontract, assign, cede, delegate or transfer, in whole or in part, any of its obligations to perform under this Agreement to any other person, without the prior written consent of the Department.

**11. WAIVER**

- 11.1. No waiver of any of the terms and conditions of this Agreement shall be binding unless expressed in writing and signed by the Party giving the same, and any such waiver shall be affected only in the specific instance and for the purpose given.
- 11.2. No failure or delay on the part of either Party in exercising any right, power or privilege precludes any other or further exercising thereof or the exercising of any other right, power or privilege.
- 11.3. No indulgence, leniency or extension of time which any Party ("*the Grantor*") may grant or show the other Party, shall in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights in terms of this Agreement.

**12. SEVERABILITY**

In the event that any of the terms of this Agreement are found to be invalid, unlawful or unenforceable, such terms will be severable from the remaining terms, which will continue to be valid and enforceable.

**13. BREACH**

- 13.1. Should a Party breach any of the terms and conditions of this Agreement and remain in such breach for 7 (seven) Calendar Days after receipt of a written notice calling upon it to remedy such breach, then the Party who served such notice shall be entitled, in addition to any remedy which it may have in law, to cancel this Agreement.
- 13.2. In the case where the Service Provider remains in breach despite the notice as contemplated in clause 13.1, the Department may impose penalties as contemplated by clause 22 of the GCC or claim damages in lieu of penalties.
- 13.3. Notwithstanding the provisions of clauses 13.1 and 13.2, the Department may elect to appoint a third party without notice to render the Services at the Service Provider's expense as an interim measure, if the Service Provider fails to render the Services for a period of more than 7 (seven) Calendar Days.

**14. SETTLEMENT OF DISPUTES**

- 14.1. Without detracting from a Party's right to institute action or motion proceedings in the High Court or other Court of competent jurisdiction in respect of any dispute that may arise out of or in connection with this Agreement, the parties may, by mutual consent, follow the mediation and/or arbitration procedure as set out in clauses 14.2 and 14.3.
- 14.2. Mediation –
  - 14.2.1. Subject to the provisions of clause 14.1, any dispute arising out of or in connection with this agreement may be referred by the parties without legal representation to a Mediator.
  - 14.2.2. The dispute shall be heard by the Mediator at a place and time to be determined by him or her in consultation with the parties.
  - 14.2.3. The Mediator shall be selected by agreement between the parties.
  - 14.2.4. If an agreement cannot be reached upon a particular Mediator within 3 (three) Business Days after the Parties have agreed to refer the matter to mediation, then the

President of the Cape Law Society shall nominate the Mediator within 7 (seven) Business Days after the Parties have failed to agree.

- 14.2.5. The Mediator shall at his or her sole discretion determine whether the reference to him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the Parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.
- 14.2.6. The Parties shall have 7 (seven) Business Days within which to finalise their representations. The Mediator shall within 7 (seven) Business Days of the receipt of the representations express in writing an opinion on the matter and furnish the Parties each with a copy thereof by hand or by registered post.
- 14.2.7. The opinion so expressed by the Mediator shall be final and binding upon the Parties unless a Party is unwilling to accept the opinion expressed by the Mediator. In such event, the aggrieved Party may institute legal proceedings in a court of competent jurisdiction, unless the Parties agree to refer the dispute to arbitration in accordance with clause 14.3. The expressed opinion of the Mediator shall not prejudice the rights of either Party in any manner whatsoever in the event of legal proceedings or arbitration, as the case may be.
- 14.2.8. The cost of mediation shall be determined by the Mediator.
- 14.2.9. Liability for such cost shall be apportioned by the Mediator and shall be due and payable to the Mediator on presentation of his or her written account.

14.3. Arbitration –

- 14.3.1. Subject to the provisions of clause 14.1, the Parties may agree to refer any dispute arising out of or in connection with this Agreement, to arbitration.
- 14.3.2. Arbitration shall be held in Cape Town informally and otherwise in accordance with the provisions of the Arbitration Act 42 of 1965, it being intended that, if possible, it shall be held and concluded within 10 (ten) Business Days.
- 14.3.3. Save as otherwise specifically provided herein, the Arbitrator shall be if the matter in dispute is –
- a) primarily a legal matter, a practising Senior Advocate of the Cape Bar;
  - b) any other matter, an independent and suitably qualified person as may be agreed upon between the Parties to the dispute.

14.3.4. If agreement cannot be reached on whether the question in dispute falls under 14.3.3(a) or 14.3.3(b) and/or upon a particular Arbitrator within 3 (three) Business Days after the Parties have agreed to refer the dispute to arbitration, then the Chairperson for the time being of the Cape Bar Council shall –

- a) determine whether the question in dispute falls under 14.3.3(a) or 14.3.3(b); and/or
- b) nominate the Arbitrator within 7 (seven) Business Days after the Parties have failed to agree.

14.3.5. The Arbitrator shall give his or her decision within 5 (five) Business Days after the completion of the arbitration. The Arbitrator may determine that the costs of the arbitration are to be paid either by one or the other or by both of the Parties.

14.3.6. The decision of the Arbitrator shall be final and binding and may be made an order of the Western Cape High Court, Cape Town, upon the application by any Party to the arbitration.

14.4. Notwithstanding the provisions contained in clause 27 of the GCC, disputes between the Parties shall be governed exclusively by, and settled in terms of, clauses 14.1 to 14.3 of this Agreement.

## **15. CONFIDENTIALITY**

15.1. Save as otherwise provided in this Agreement, the Service Provider shall treat as strictly secret and confidential the existence and nature of all discussions and negotiations relating to the subject matter of this Agreement, it being agreed and undertaken by the Service Provider that no disclosure of whatsoever nature or kind of the content of this Agreement shall be made to any person without the prior written consent of the Department.

15.2. The Service Provider shall not during the currency of this Agreement or at any time thereafter, utilise or cause to be utilised, and/or directly or indirectly publish or cause to be published or otherwise disclose or cause to be disclosed to any third party, any personal information of any person obtained during the course of rendering the Services, unless compelled by law to disclose such information.

## **16. WARRANTY**

16.1. The Service Provider warrants to the Department that it will render the Services in accordance with this Agreement that it has the requisite skills and expertise to do so and will, at its own cost, remedy any failures or unsatisfactory performance.

16.2. This warranty may not be delegated or transferred without prior written consent of the Department.

**17. INDEMNITY**

17.1. The Service Provider specifically indemnifies the Department against all and any claims, including claims for consequential damages, which might arise from personal injury, death, loss or damage to property or person, or any other claim of whatsoever nature, arising from negligence, gross negligence or any other cause howsoever, which any person may have or institute against the Department and where the cause of such claim can be directly or indirectly attributed to the rendering of the Services by the Service Provider.

17.2. Clause 17.1 shall survive the termination of this Agreement.

**18. NOTICES AND DOMICILIUM**

18.1. The Parties choose as their respective *domicilium citandi et executandi* for the purposes of legal proceedings and for the purpose of giving or sending any notice provided for or necessary in terms of this Agreement, the following addresses:

**The Department**

**The Head of Department**

**The Service Provider**

**Director**

18.2. All notices to be given in terms of this Agreement shall be given in writing and be delivered or sent by prepaid registered post to the Party's chosen *domicilium citandi et executandi*.

18.3. If delivered by hand, a notice shall be presumed to have been received on the date of delivery, or, if sent by prepaid registered post, be presumed to have been received 7 (seven) Business Days after the date of posting.

18.4. A written notice or communication actually received by a Party shall be deemed to be adequate notice notwithstanding that it was not delivered or sent to its chosen *domicilium* address.

**19. FORCE MAJEURE**

19.1. Neither of the Parties shall be liable for a failure to perform any of its obligations insofar as it proves

19.1.1. that the failure was due to an impediment beyond its control;



19.1.2. that it could not reasonably be expected to have taken the impediment and its effects upon the Party's ability to perform into account at the time of the conclusion of this Agreement; and

19.1.3. that it could not reasonably have avoided or overcome the impediment or its effects.

19.2. An impediment, as aforesaid, may result from events such as the following (this list is not exhaustive) –

19.2.1. war, whether declared or not, civil war, civil violence, riots and revolutions, acts of sabotage;

19.2.2. natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning;

19.2.3. explosions, fires, destruction of machines, of factories and of any kind of installations;

19.2.4. acts of authority, whether lawful or unlawful, part from acts from which the party seeking relief has assumed the risk by virtue of any other provisions of this Agreement.

19.3. Relief from liability for non-performance by reason of the provisions of this clause shall commence on the date upon which the Party seeking relief gives notice of the impediment relied upon, and shall terminate upon the date upon which such impediment ceases to exist; provided that if such impediment continues for a period of more than 60 (sixty) Business Days, either of the Parties shall be entitled to terminate this Agreement.

SIGNED ON BEHALF OF THE DEPARTMENT AT ..... ON THIS THE ..... DAY OF .....201... (year)

IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:-

1. ....(witness)

2. ....(witness) .....  
..... on behalf of the  
Department being duly authorised

SIGNED ON BEHALF OF THE SERVICE PROVIDER AT ..... ON THIS THE ..... DAY OF ..... 201...(year)

IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:-

1. ....(witness)

2. ....(witness)

.....

..... on behalf of the  
Service Provider being duly  
authorised