



**SERVICE LEVEL AGREEMENT ENTERED INTO  
BY AND BETWEEN**

**THE SEDIBENG DISTRICT MUNICIPALITY** herein represented by  
**STANLEY KHANYILE** in his capacity as the Municipal Manager, duty appointed thereto,  
(Hereinafter referred to as the "Employer");

**AND**

**MAFOKO SECURITY PATROLS (PTY) LTD** (Registration Number: 2004/035905/07),  
a Company duly incorporated in terms of the Company's Act, No. 61 of 1973, as amended, herein represented  
by **TSEPANG ESNAT NARE** in her capacity as Deputy Director duly  
Authorized thereto in terms of the Company resolution dated 30 April 2014,  
(Hereinafter referred to as "the Security Company").

**WHEREAS** the Employer requires security services to be rendered at its various buildings, sites and infrastructure, and consequently advertised for a suitably qualified service provider for this service under **Bid No: 8/2/2/32-2013**;

**AND WHEREAS** the Employer, after due supply chain processes, appointed the Security Company to render the required security services under the terms and conditions herein recorded.

S.K. 21



**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

**1. DEFINITIONS**

1.1 Unless inconsistent with the context, the following shall in this Agreement mean:

- 1.1.1 "Agreement" : this document recording the terms and conditions of the contractual relationship between the Parties, duly signed, including all annexures and schedules attached thereto;
- 1.1.2 "Services" : Security services rendered by the Security Company to the Employer in terms of this agreement;
- 1.1.3 "Ad Hoc Security Services" : Unplanned needs that require the service to be rendered outside of the specifications including events, emergency repairs, investigative services, marches on Council property and such other situations as may be approved by the Municipal Manager;
- 1.1.4 "Operating Sites" : the premises of the Employer at which the services are to be rendered in terms of this Agreement as indicated in Annexure "A" and such other sites as may be indicated to the Security Company in respect of *ad hoc* security;
- 1.1.5 "Equipment" : radio's, cell phones, metal detectors, boom gates, registers, safes, access cards, stiles or any other implement of trade required to render the service;
- 1.1.6 "Security Technology" : includes the access control system, time and attendance management system, CCTV, intruder detection, perimeter protection, IP intercom, site hardening and guard patrol system.

**2. DURATION**

- 2.1 Notwithstanding the date of signature hereof, this agreement will endure for a period of three (3) years, commencing on 14 July 2017 and terminating on to 13 June 2020, subject to annual renewals based on the Security Company's performance, unless terminated in terms of clause 9 hereof.
- 2.2 This Agreement does not bestow on either Party the right to extend or renew its subsistence beyond the period stated herein.



### **3. OBLIGATIONS OF THE EMPLOYER**

The Employer shall have the following responsibilities:

- 3.1 Allow the Security Company the requisite access to the operating sites at which the services are Required to be rendered.
- 3.2 Pay to the Security Company the agreed amount for the provision of the services in the manner set out in clause 7.
- 3.3 Co-operate with and provide the necessary support and information to the Security Company to enable the optimum provision of the service;
- 3.4 Supervise and monitor the provision of the service regularly, to ensure compliance with the specifications.
- 3.5 Designate an official to liaise with the Security contract and be the project manager for purposes of this agreement.

### **4. OBLIGATIONS OF THE SECURITY COMPANY**

The Security Company shall have the following responsibilities:

- 4.1 Provide the security services strictly in accordance with the agreed deployment plan, attached to this agreement as Annexure "A", which shall form part of this agreement and shall be read as if herein specifically incorporated.
- 4.2 Employ and provide the agreed number of competent and properly qualified staff to keep the operating sites safe and secure at all times.
- 4.3 Comply with all relevant policies and procedures of the Employer, and with all the laws of the Republic of South Africa including those pertinent to the provision of the service.
- 4.4 Co-operate with the Employer to ensure maximum cost effectiveness with respect to the rendering of the services.
- 4.5 Utilise the operating sites solely for the purpose of rendering the security services.
- 4.6 Not permit anyone other than its employees, sub-contractors and representative's access to the operating sites, such to be limited to access reasonably required and necessary for the provision of the service.
- 4.7 Not use any of the Employer's equipment or facilities unless authorized to do so by the Employer, and, further, not affix any of its promotional material to any of the Employer's property.

*S.K. 21*



- 4.8 Ensure that its employees entering and working on the operating sites are easily identifiable as such by way of a uniform, name badge or such other manner.
- 4.9 Where a telephonic link for use by the Security Company is provided, restrict the calls made to those necessary for the provision of the service and, further, bear the costs of all calls upon presentation of a statement of account in this regard.
- 4.10 Immediately report to the Employer any event, occurrence or situation that may potentially lead to prosecution or the disruption of the rendering of the service in any matter whatsoever.
- 4.12 Patrol the operating sites internally and externally to prevent unauthorized entry, damage to property, theft or loss of property, and further to protect those authorized to be on the sites.
- 4.13 Supervise its staff on duty on a regular basis to ensure efficiency and effectiveness of the service.
- 4.14 Design and implement strategies to reduce the security costs of the Employer, such strategies to take into account technological imperatives and advances.
- 4.15 Submit monthly and quarterly the operations reports to the designated employee of the Employer

5. **INSURANCE**

The Security Company shall during the subsistence of this agreement procure and maintain insurance to cover any possible future claims by the Employer, such insurance policies to regard the Employer's property as that of a third party and, further, ensure that the Employer's interest is noted on such policies.

6. **INDUSTRIAL ACTION**

- 6.1 The Security Company shall ensure that the provision of service is not interrupted or adversely affected by any industrial action whatsoever relating to its employees, sub-contractors or persons working through them to ensure the provision of the service.
- 6.2 Where there is an interruption of the service as a result of industrial or any action on the part of the employees of the Security Company, the Security Company shall at its own cost employ all such temporary staff as may be required to ensure the continuation of the service for the duration of the action.
- 6.3 The Security Company shall ensure that all its employees participating in industrial action do not access the operating sites for as long as the industrial action persists. Should such industrial action continue beyond a period of 2 (two) weeks or take place on more than 4 (four) occasions during a period of one calendar year, the Employer shall be entitled to cancel this Agreement.
- 6.4 In the event that there is an interruption of the service and the Security Company fails to employ



temporary staff as envisaged in clause 6.2, the Employer shall have the right to take whatever steps that may be necessary to secure the operating sites, including the engagement of another company for the duration of the industrial action. The Security Company shall bear such portion of the amount paid in respect of the charges for the interim security measures as may exceed what the Employer would otherwise have paid.

- 6.5 The Security Company shall be liable for all damages that may be caused to persons and property on the operating sites during the industrial action, regardless of whether the perpetrators of such damage are their employees or not.

## 7. PAYMENT

- 7.1 The total value of this agreement shall be the amount of R 11, 404, 129.44 (eleven million four hundred and four thousand hundred and twenty nine rand and forty four cents) VAT included, which shall be payable by the Employer to the Security Company through monthly payments of R 950 344.12 (nine hundred and fifty three hundred and forty four rand and twelve cents).

- 7.2 Payment shall be made to the Security Company within a period of fifteen (15) days of presentation of an invoice to the Employer. The invoice shall be signed by an official of the Employer confirming the correctness of the information reflected thereon.

- 7.3 All payments will be made by the Employer directly into the bank account of the Security Company, the particulars of which are as follows:

Account Name	:	Mafoko Security Patrols (Pty) Ltd
Bank Name	:	Standard Bank
Branch Name	:	Brooklyn
Branch Code	:	011 245
Account No	:	281 094 683

- 7.4. The payments due to the Security Company shall be subject to annual increases in line with the Sectoral Determination applicable to the Private Security Industry as promulgated by the Minister of Labour in the Government Gazette from time to time; and the Employer shall pay those annual increases to the Security Company.

## 8. INCREASE OR DECREASE OF SERVICE

- 8.1 Where the Employer requires the level of the service to increase as a result of a special event on an operating site, or decreased due to closure of an operating site for any reason, the Employer shall give written notice of at least 5 (five) days of such increase or decrease to the Security Company.

- 8.2 The Parties shall be guided by the specifications on the adjustment of the amount payable to the Security Company as a result of the increase or decrease.

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- 8.3 Should the Parties fail to reach an agreement on payment for the increase or decrease in the level at which the service is rendered, the Employer shall have the right to, for that period, suspend the provision of the service by the Security Company and to engage the services of a third party for that period at its own cost.

9. **CONFIDENTIALITY**

- 9.1 The Security Company shall not disclose or divulge any confidential information obtained in the implementation of this agreement to anyone without prior written permission of the Employer, which shall not be unreasonably withheld.
- 9.2 The prohibition from disclosing confidential information shall not apply where a disclosure is made:
- 9.2.1 under compulsion of the law;
  - 9.2.2 in compliance with a court order granting the disclosure;
  - 9.2.3 to further the necessary and legitimate interest of the party making the disclosure, provided that prior to such disclosure the other party is so advised in writing; or
  - 9.2.4 the confidential information was in the public domain prior to being disclosed by the Security Company or has come into the public domain other than as a result of being divulged by the Security Company.
- 9.3 The provisions of this clause are severable from the rest of this agreement and shall survive its termination and continue to be of full force.

10. **BREACH**

- 10.1. Should either of the Parties not comply with any of the provisions of this Agreement, the Party in default shall be given written notice calling upon it to rectify the breach within a period of ten (10) days.
- 10.2. Should the Party in default fail to rectify the breach within the specified period, the aggrieved Party shall be entitled to claim specific performance of all the defaulting Party's obligations whether or not due, cancel the contract without further notice, and institute action for any damages that the aggrieved party may have suffered.

11. **LIABILITY AND INDEMNITY**

- 11.1 The Security Company shall be liable for any loss or damage, including consequential loss, suffered by the Employer as a result of any loss of or damage to property, bodily injury or death caused by any act or omission by the Security Company, its employees, agents and all those acting in pursuance of the provision of the service. Such damages shall include all losses and damage to property that take place while the service is being provided.



- 11.2 The consequential damages referred to above shall include, but not be limited to costs incurred by the Employer in mitigating damages occasioned by any act or omission of the part of the Security Company.
- 11.3 The Security Company indemnifies the Employer from liability for any damages that may result in bodily injuries, death, loss, harm or damage to property suffered by any third party by reason of any act or omission on the part of the Security Company or any of its functionaries.

12. **FORCE MAJEUR**

- 12.1. In the event that this Agreement is rendered unenforceable due to factors beyond the Parties' control, including but not limited to Acts of God, fire and floods, this Agreement may be suspended with immediate effect and without incurring liability except in respect of services already satisfaction rendered by the Security Company.
- 12.2 The Party claiming the *force majeure* shall give a written notice to the other, clearly indicating the nature and extent of the *force majeure* being claimed.

13. **SEVERABILITY**

13.1. The terms, conditions and undertakings contained in this agreement shall each be construed as an agreement and undertaking independent of any other provisions of this agreement. The parties hereby expressly agree that it is not the intention of any party to violate any public policy, statutory or common law, and that if any sentence, paragraph, clause or combination of the same is violation of the Law of the Republic of South Africa, such sentence, paragraph, clause or combination of the same alone shall be void in the jurisdiction where it is unlawful, and the remainder of such clauses in this agreement shall be binding upon the parties hereto. The parties further acknowledge that it is their intention that the provisions of this agreement be binding only to the extent that they may be lawful under existing applicable law of the Republic of South Africa, and in the event that any provision hereof is determined to be overly broad or unenforceable, the parties hereto agree to the modification of such provisions to the minimum extent required to make them valid and enforceable.

14. **ENTIRE AGREEMENT, VARIATION AND WAIVER**

- 14.1 This Agreement embodies the entire agreement between the Parties and no alteration, variation or amendment of any of the terms hereof shall be effective unless reduced to writing and signed by both Parties.
- 14.2 No indulgence, extension of time or relaxation of any of the terms of this Agreement shall constitute a waiver of each Party's rights or responsibilities in terms hereof.
- 14.3 In the event of any amendment to the scope of the service or content of the specifications being processed by either Party, such proposed amendment should be forwarded by the proposing party to the other in writing, detailing the full nature and extent of the proposed amendment.



14.4 Any proposed amendment as referred to above shall, if accepted by the other Party, be effected by way of an addendum recording the terms and conditions of the amendment, such addendum to be signed by both Parties and attached to this Agreement.

15. **CESSION AND ASSIGNMENT**

The Security Company shall not cede or assign any of its responsibilities and rights emanating from this Agreement without prior written consent from the Employer, which consent shall not be unreasonably withheld.

16. **RIGHT OF INSPECTION, MONITORING AND REPORTING**

- 16.1 The Employer shall have the right to conduct spot checks and evaluations of the service, which may include the involvement of its employees and an independent third party, without prior notice to the Security Company.
- 16.2 The Employer may at its discretion undertake an audit of all the operating sites and the services rendered at any time and without notice to the Security Company, to ensure compliance with the specifications and stipulated standards. In the event that the Security Company fails or neglects to comply with the specifications and /or standards, the Employer shall have the right to take necessary corrective measures which may include but not be limited to reducing monthly payments due to the Security Company, subject to the provisions of clause 7 above.
- 16.3 The Security Company shall furnish the Employer with reports of all incidents, with police case numbers where applicable, such reports to include recommendations regarding remedial steps to be undertaken to rectify the situations that gave rise to the incidents.
- 16.4 Furthermore, the Security Company shall report monthly to the Employer in relation to the provision of the service on all operating sites, such reports to be in a format determined by the Employer and to be presented to the Manager: Internal Security Services.
- 16.5 The performance of the Security Company shall be subjected to annual reviews which shall determine whether the agreement endures for the full three year period or no.

17. **JURISDICTION AND COSTS**

- 17.1 The Parties consent to the jurisdiction of the Magistrates Court in respect of any litigation that may arise out of the implementation of this Agreement, notwithstanding the amount that may be in issue.
- 17.2 Should there be any litigation that arises out of the implementation of this Agreement, the costs for such litigation shall be borne by the Party in default on an attorney-client scale.



18. **DISPUTE RESOLUTION**

18.1 In the event that a dispute arises as a result of any of the terms and conditions of this Agreement or the implementation thereof, the following shall apply:

18.1.1 Representatives of each Party shall attempt to resolve the dispute through negotiations.

18.1.2 Should the matter not be resolved through negotiations, the matter shall be referred to an Arbitrator acceptable to both parties, who shall be an advocate or attorney with not less than five years' experience.

18.1.3 The arbitrator referred to above shall, investigate the matter, consider documentation and/ or hear oral testimony pertinent to the matter in dispute;

18.1.4 The decision of the arbitrator shall be final and binding.

19. **DOMICILIA**

The Parties choose the following addresses as their *domicilia citandi et executandi*:

19.1 SEDIBENG DISTRICT MUNICIPALITY : Sedibeng District Municipality  
Civic Centre  
Corner Leslie & Beaconsfield Streets  
Vereeniging  
1930

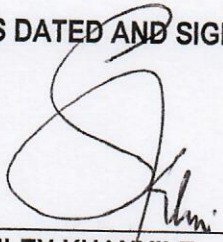
POSTAL ADDRESS : PO Box 471  
Vereeniging  
1930  
Fax: (016) 455 2573

19.2 MAFOKO SECURITY PATROLS : Mafoko House  
1060 Pretorius Street  
Hatfield  
Pretoria  
0083

POSTAL ADDRESS : PO Box 8596  
EDLEEN  
1625  
Fax: (012) 342 0019  
E-mail: [info@mafokosp.co.za](mailto:info@mafokosp.co.za)



THUS DATED AND SIGNED AT VEREENIGING ON THIS THE.....DAY OF JULY 2017.



STANLEY KHANYILE

AS WITNESSES: 1.....

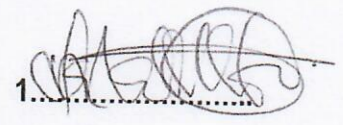
2.....

THUS DATED AND SIGNED AT ..... ON THIS THE.....DAY OF JULY 2017.



TSEPANG ESNAT NARE

AS WITNESSES:



2.....





## MAFOKO SECURITY PATROLS PTY (LTD)

REG 2004/035905/07; VAT 4260221108 PSIRA 1263819

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EDLEEN  
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106 Durban Street  
Cnr Durban & Maritzburg  
JEPPESTOWN  
2094

Tel: (012) 342-0013  
Fax: (012) 342-0019

[info@mafokosp.co.za](mailto:info@mafokosp.co.za)

Tel: (011) 334 1052  
Fax: (086) 011 1160

04 September 2017

Dear Sedibeng District Municipality

### ANNUAL SECTORAL INCREASE REQUEST WITH EFFECT FROM 01 SEPTEMBER 2017

We are extremely grateful and honoured by your loyalty and support over the past year.

Mafoko Security Patrols is doing everything possible to honour the responsible role that has been entrusted to us in keeping you safe and securing your interests.

As you may be aware, we are entering into the final increase period (Year 3) of the Sectoral Agreement, which so far has been able to curb any possible unrest in the Industry, particularly over the past six years.

The Sectoral Determination 6 and the annual rate increases are published as per the Government Gazette No: 39156.

Final negotiated increases, as agreed, will be effective on 1 September 2017

The increase in general will be eight percent (8%), excluding support related inflationary adjustments.

In pursuance of this, two major changes will become effective on 1 September 2017 and when these changes are compared to the current dispensation, it results in the following:-

- a. On 1 September 2017 the Sectoral Agreement effectively classifies the Sectoral Areas in only two Areas namely Area 1 (Urban) and Area 3 (Rural).

The previous Area 2 allocated areas namely:-

Bloemfontein, Kimberley, East London, Stellenbosch, Pietermaritzburg and Klerksdorp will be incorporated into the Sectoral Area 1 (Urban) and all officers will now be remunerated as per Area 1 (Urban) rates.

Directors: Mr. E.J.Nare / Mrs. T.P. Mdakane / Mr. L.T. Nore



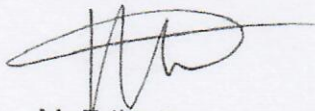
- b. The Sectoral agreement further makes provision that on 1 September 2017 all grade D officers (All Areas 1 – 3) will be paid the equivalent of a Grade C Officer.
- c. Additional increases will also be incurred for specialised officers working as mobile supervisors, armed security officers, armed response officers, national key point officers and control centre operators being R 8.50 per shift.
- d. Similarly nightshift allowances will also be increased to R 6.00 per shift.

The effect on invoice prices is displayed in below table

GRADE	CURRENT/OLD PRICE	% INCREASE	NEW PRICE
D	R 14 129.41	8 %	R 15 259.76

Incorporating the statutory and additional inflationary cost pressures, we humbly request an annual service fee increase as aligned to the Private Security Sector Wage Determination SD6 as gazetted accordingly.

Yours Sincerely,



Ms Tsibo Nare

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 Mafoko Security Patrols  
 Head Office Pretoria  
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