

# SERVICE LEVEL AGREEMENT



**MADE AND ENTERED INTO BETWEEN  
MOSSEL BAY MUNICIPALITY**

Herein represented by Mr. C B Puren in his capacity as Municipal Manager properly authorised thereto in terms of E\_\_\_\_\_

(hereinafter referred to as the Municipality)

AND

**ONTEC SYSTEMS (PTY) LTD**

**Registration number:** \_\_\_\_\_

Herein represented by \_\_\_\_\_, properly authorised thereto in his/her capacity as \_\_\_\_\_.

(hereinafter referred to as the Service Provider)

## PREAMBLE

**WHEREAS** the Municipality hereby appoints the Service Provider following the prescribed Supply Chain Management process in terms of TDR99/2023/2024 for the rendering of pre-paid vending systems and services to Mossel Bay Municipality; and

**WHEREAS** the prescribed process as determined in Section 33 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 was followed and Council Resolved in terms of E\_\_\_\_\_ to enter into a Service Level Agreement with the Service Provider;

**AND WHEREAS** the Service Provider is desirous of rendering services to the Municipality on the terms and conditions as hereinafter described;

### 1. DEFINITIONS AND INTERPRETATION

In this agreement, unless the context indicates otherwise-

- 1.1 An expression, which denotes any gender, includes the other genders, a natural person includes a judicial person and vice versa, and the singular includes the plural and vice versa;
- 1.2 Clause headings are for convenience only and shall not be taken into account in the interpretation of this Agreement;
- 1.3 The following expressions shall bear the meanings assigned to them-  
“**agreement**”: this Service Level Agreement (SLA) together with the tender documentation and any other annexures hereto;  
“**parties**”: Ontec Systems (Pty) Ltd and Mossel Bay Municipality;
- 1.4 The tender documentation, incorporated herein forms part of the agreement between the parties;
- 1.5 In the event of any inconsistency between the provisions of this Agreement (SLA) and the tender documentation, the provisions of the tender document shall prevail;

1.6 This agreement shall be interpreted in accordance with the laws of the Republic of South Africa.

**NOW THEREFORE IT IS AGREED AS FOLLOWS:**

**2. APPOINTMENT**

2.1 The Municipality hereby appoints the Service Provider to render services to the Municipality.

2.2 The appointment shall commence on 01 October 2024 and shall terminate on 30 June 2029 and will be subject to an annual review in terms of Section 116 of the Municipal Finance Management Act

**3. WARRANTY AND ACCEPTANCE BY THE SERVICE PROVIDER**

3.1 The Service Provider, in accepting this appointment, expressly warrants that it possesses or has ready access to the appropriate skills to execute all its obligations in terms of this agreement.

3.2 The Service Provider expressly accepts that its services could be terminated on the grounds contained hereinafter and that the Municipality is not obliged to utilise the service of the Service Provider for any minimum period and that, upon termination, it would receive such fees and disbursements as are provided for herein.

**4. SCOPE OF WORK**

4.1 Mossel Bay Municipality requires a prepayment vending system for the following services:

- Prepayment vending system technology and license, on-site support and maintenance;
- Vendor management;
- Data management and revenue protection; and

- Inspection of Pre-Paid Meters and tamper management and compliance relating to token identifiers (TID) on STS vending systems

## **5. RECORDIAL**

Mossel Bay Municipality's electricity distribution area comprises the Mossel Bay Municipal area, including Mossel Bay, Hartenbos, Klein-Brak River, Heiderand, D'Almeida, Groot-Brak River, Glentana, Dana Bay, Kwanonqaba and some surrounding rural areas within the Mossel Bay Municipal boundary.

The existing vending system is a secure hosted system. Vending is currently undertaken through Mossel Bay Municipality's cashier points, the existing 3rd party direct vendors and additional 3rd party vending channels (the sale of prepaid tokens of Mossel Bay Municipality's vending system by vendors on the service provider's national aggregator vending network).

The municipal cashiers are located at various municipal buildings. The 3rd party direct vendors include ±35 pre-approved vendors located at various businesses in the Mossel Bay area. In terms of NRS 047 – 2 (quality of service), a vending station is, where practical, to be located within a 5km radius of every customer. Communication is established via internet on an ad-hoc basis. Current 3rd party vending channels include most banking platforms.

## **6. CONDITIONS**

- 6.1 The proposed system must be commissioned in parallel with the existing systems without having a period when consumers cannot purchase any electricity. All components of the prepayment vending system, including vendor management, data management and revenue protection and additional supplementary support services must be commissioned and implemented within 90 days after commencement date of this agreement.

6.2 No work must be carried out on site unless a programme and work procedure have been agreed with Mossel Bay Municipality, and liaison has taken place with the municipal staff to be identified for this task.

6.2.1 The municipal staff must be advised at least two weeks in advance of the task/s to be carried-out by the Service Provider.

6.2.2 The actual date must be agreed beforehand when the actual change-over will take place between the old and the new systems.

6.3 Work will only be allowed within municipal buildings during the working hours of Mossel Bay Municipality, which is Mondays to Fridays from 07:45 to 16:15.

6.4 The total of all the payments collected by the Service Provider must be transferred within 3 working days from the day collected by the Service Provider to Mossel Bay Municipality's bank account free of any commissions or other deductions. The Mossel Bay Municipality shall pay the Service Provider all fees due in terms of this contract in accordance with clause 7.

6.5 The Service Provider guarantees the presence of the Project Manager and other senior technical personnel to be based on site for the duration of the implementation and the necessary on-site support post implementation.

6.5.1 If the senior representative / manager must leave the project (subject to municipal agreement), a period of at least one week is required in which the senior must work jointly (collaboratively) with the next person (new incumbent) to facilitate continuity and the transfer of skills and knowledge.

6.5.2 The person appointed as a replacement must be someone with similar expertise and equal years of experience.

6.5.3 As the composition of the team formed an integral part of the evaluation process of TDR99, the Service Provider hereby guarantees that the personnel proposed are indeed those that will work on this agreement.

6.6 The service provider and its sub-contractors (if any) are required to adhere to the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), as amended. Certain hazards are unavoidable and will be prevalent and these must be considered by the service provider during the implementation of the project.

## **PREPAYMENT VENDING SYSTEM**

### **6.7 General**

6.7.1 The system is a windows-based system comprising a complete and fully functional prepayment vending and management system including all the operating and database modules needed to operate such a system.

6.7.2 The minimum hardware, software and communications requirements on which to run the system are detailed for all the different components of the system.

6.7.3 The system provides the following types of payment being cash, credit card, debit card and electronic bank transfer.

6.7.4 The system provides for the Electricity Base Support Services Token (EBSST). The system must not allow the issue of more than one EBSST per customer per month.

6.7.5 The system must vend in real time on-line to all installed, existing and commissioned and newly prepayment meters in the municipal area of supply.

- 6.7.6 All system functions must be accessed via a user-friendly graphics user interface.
- 6.7.7 The prepayment meters must accept all codes generated by the system to a valid meter and must not reject the code generated.
- 6.7.6 The system must have the ability to collect arrears from the consumer by leveraging the prepayment transaction according to a unique formula for each consumer as determined by the Municipality.
- 6.7.7 The system must be able to collect all municipal account payments at the vending points. The system must interface seamlessly with the municipal financial billing system on transactional level as per agreed timing.
- 6.7.8 The system must be able to track the history/location of a meter from the time it is delivered to Mossel Bay Municipality's main store, through other local stores and points of connection until it is finally scrapped.
- 6.7.9 The system must be capable of interfacing with Mossel Bay Municipality's GIS and other 3rd party systems.
- 6.7.10 The system must be operational on a 24 hour per day x 7 days per week x 365 days a year (24 x 7 x 365) basis.
- 6.7.11 All new hardware and software must be guaranteed for the contract period.
- 6.7.12 The maintenance on both the hardware and software is provided for during the contract period by the Service Provider.
- 6.7.13 All new hardware, software and communication equipment installed must be covered by the Service Provider's insurance for the contract period.
- 6.7.14 The Service Provider is responsible for the supply of all the necessary consumables, e.g. printer paper, printer cartridges, etc.

6.7.15 The necessary access must be available to the system for the purposes of auditing and inspection by the internal audit section and the office of the Auditor-General.

6.7.16 The system must also provide the option for off-line mode of operation.

6.7.17 The system must allow for debt collection module on municipal accounts.

6.7.18 All the necessary communication lines, i.e. dedicated Telkom, cellphone, etc must be provided as part of the system.

6.7.19 The 3rd party direct vendors include ±35 pre-approved vendors located at various businesses in the Mossel Bay area. In terms of NRS 047 – 2 (quality of service), a vending station is, where practical, to be located within a 5km radius of every customer.

6.7.20 The system must provide for the Free Basic Electricity (FBE) tokens. The system must not allow the issue of more than one FBE token per customer per month.

6.7.21 The vending system must comply with the requirements of National Treasury's Standard Chart of Account specific to local government (m-SCOA for Municipalities).

6.8 The Service Provider confirms that the system provided complies to the mandatory requirements as set out in section 2.2 of Annexure A attached hereto.

6.9 The Service Provider confirms that services will be provided and are available as set out in section 2.3 of Annexure A in respect of support, installation and commissioning.



- 6.10 The Service Provider confirms that the system operates and functions on reliable technology and platform as set out in section 2.4 of Annexure A. and that the system complies to the requirements stipulated.
- 6.11 The Service Provider confirms that the system meets the requirements in relation to operation thereof as required by the Municipality in terms of section 2.5 of Annexure A in respect of critical performance parameters, language and currency, prepayment vending transactions, operations, management, tokens and receipts, auxiliaries, tariffs, online vending, online customer contract management, consumer requirements, standard reports, system management, reporting and information, geographical information systems and vending gateway with transactions.
- 6.12 The following vending channels as per section 2.6 of Annexure A must be implemented being; PC POS, Mobile POS, Mobile Phone, Vouchers, Consumer Website and ATM.
- 6.13 The system provides online retail and vending administration as required in section 2.7 of Annexure A.
- 6.14 The Service Provider is required to provide and install the necessary system hardware as set out more fully in section 2.8 of Annexure A.
- 6.15 The Service Provider is required to provide and install the necessary software and operating systems as more fully set out in section 2.9 of Annexure A.
- 6.16 The Service Provider confirms that the system has a direct interface with the billing system to provide for collection of arrears as set out in section 2.10 of Annexure A.
- 6.17 All the information on consumers and related information in the databases will remain the property of Mossel Bay Municipality always and will not be disclosed as a whole or in part to any third party without the express

permission of Mossel Bay Municipality as set out more fully in section 2.11 of Annexure A.

- 6.18 The Municipality requires that the Service Provider provide a formal capacity building and skills transfer plan and is responsible for building capacity in the areas of the prepaid vending system as per section 2.12 of Annexure A.
- 6.19 The Service Provider will be responsible for vendor management as required by the Municipality in terms of section 3 of Annexure A.
- 6.20 The Service Provider will assist Mossel Bay Municipality with Customer Data Management and provide a Revenue Protection service to eliminate the loss of revenue for prepayment electricity because of meter tampering and or bypassing as required by the Municipality in terms of section 4 of Annexure A.
- 6.21 The Service Provider will be responsible for the inspection of pre-paid meters and tamper management and compliance relating to token identifiers (TID) on STS vending systems as more fully set out in section 5 of Annexure A.
- 6.22 The Municipality is currently changing to smart metering system. It may be required from the Service Provider to provide management services in this regard. It may be negotiated with the Service Provider subject to the prescribed legislative processes for amendment of the agreement being followed.

## **7. KEY PERFORMANCE INDICATORS**

- 7.1 The Service Providers' performance in terms of this agreement will be monitored and evaluated in accordance with the following key performance indicators:

	<b>INDICATOR</b>	<b>TARGET</b>	<b>MEASUREMENT</b>
1.	Vending system to be operational and fully functional.	Within 90 days of 01 October 2024	Initial measurement

	INDICATOR	TARGET	MEASUREMENT
2.	Obtain approval of system changes by the service provider prior to any implementation.	100%	Monthly
3.	Transfer all monies collected on behalf of the Municipality within 3 working days of receipt thereof.	95%	Monthly
4.	Downtime of not more than 1% during a month period	Less than 1% during a month period	Monthly
5.	Response time to queries locked within 24 hours.	98% of all calls locked	Monthly
6.	Number of meters visited during a year.	8 000	Annually

7.2 The Service Provider hereby confirms and accepts the Key Performance Indicators set out in clause 7.1 and will endeavour to attain the targets as set out therein.

7.3 The Service Provider accepts that remedial action may be taken should any instances of poor or non- performance be encountered from the Service Provider in the implementation of this agreement.

## **8. FEES AND DISBURSEMENTS**

8.1 The Service Provider will be remunerated within 30 days of receipt of a valid tax invoice for services rendered to the satisfaction of the Municipality.

8.2 The approved cost in terms of this agreement is attached hereto, marked as Annexure B.

8.3 Monthly billing and invoices to be provided according to the Municipal Finance Department's requirements.

8.4 The approved cost as per Annexure B are inclusive of VAT and all other costs.

8.5 The Service Provider confirms that it has in their tender price made provision to ensure the continued operation of the existing systems while the new systems are being installed.

**9. ASSIGNMENT**

Neither party may assign any right or obligations under this agreement without the express prior written consent of the other party.

**10. CESSION**

The Service Provider shall not be entitled to cede, transfer or make over any rights and/or duties in terms of this agreement to any third party without the prior written consent of the Municipality and which consent shall not be unreasonably withheld.

**11. INDEMNITY**

11.1. Without detracting from, and in addition to, any of the other indemnities in this Agreement, the Service Provider shall be solely liable for and hereby indemnifies and holds harmless the Municipality against all claims, charges, damages, costs, actions, liability, demands and/or legal proceedings and expenses in connection with:

11.1.1 personal injury to any individual or;

11.1.2 damage to property;

11.1.3 arising from, out of, or in connection with the provision by the Service Provider of the service in terms of this Agreement, save to the extent caused by the gross negligence or willful misconduct of the Municipality.

**12. CONFIDENTIALITY**

12.1 Each party hereby undertakes for the continuance of this agreement and after termination to the other to –

12.1.1 keep confidential all information (written, including information contained in electronic format, or oral) concerning the business and affairs of the other as well as the Municipality's customers that it shall have obtained or received from the other party ("the information");

12.1.2 not without the other's written consent to disclose the information in whole or in part to any other person save those of its employees involved in the implementation, of this agreement and who have a need to know the same; and

12.1.3 use this information solely in connection with the implementation of this agreement and not for its own or the benefit of any third party.

12.2 The provisions of 12.1 shall not apply to the whole or any part of the information to the extent that it is –

12.2.1 already known to the recipient without obligation of confidence; or

12.2.2 independently developed by the recipient; or

12.2.3 publicly available without breach of this agreement; or

12.2.4 released for disclosure by the disclosing party with the written consent of both parties; or

12.2.5 required to be disclosed in a response to a valid order of court or if disclosure is otherwise required by law.

12.3 The Service Provider will not be under any obligation; and the Municipality agrees that the Service Provider will not be under any obligation or forced in any manner or form; to disclose information about the private information and related activities of the Municipality's employees relating to materials kept on personal or other computing devices; to which the Service Provider will or might have access to during the term of this agreement;

12.3.1 The Service Provider agrees to inform the Municipality of the use of or existence of any such information on the Municipality's network or in the Municipality's environment but the Service Provider will not compromise its obligation to the right of privacy of any and all

individuals as granted to such individuals through the Constitution of South Africa and the Municipality agrees to respect this reserved right as expressed by the Service Provider.

12.3.2 The Service Provider agrees to provide any and all information that it may have to the Municipality to enable the Municipality to fulfil its duties and/or obligations as required by the laws of the Republic of South Africa – but only after receipt of a formal written request has been lodged with the Service Provider by the Municipality.

12.4 Each party hereby undertakes to the other to make all relevant employees and agents aware of the confidentiality of the information and the provisions of this Clause 12 and without prejudice to the generality of the foregoing to take all such steps as shall from time to time be necessary to ensure compliance by its employees, associates or agents with the provisions of this clause 12.

### **13 SYSTEMS AND SECURITY**

13.1 The Service Provider confirms that it will at all times adhere to the Municipality's IT Policies during the tenure of this agreement when undertaking work on the municipal system.

13.2 The Parties must ensure that no person other than those authorised has or obtains access to the information and systems of the Municipality.

13.3 Each Party must immediately notify the other in writing if it has a reason to believe that any of the Municipality's confidential information or transactions may have been viewed by an unauthorised person.

13.4 Should any security threat be identified by either Party, the Service Provider must on such identification immediately notify the Municipality through any reasonable urgent means of communication regarding the security threat that has been identified as it relates to the Services and must take all such remedial actions as in necessary to remove any such threat. The Service Provider will provide the Municipality with written communication regarding the actions taken in this regard.

**14. INTELLECTUAL PROPERTY RIGHTS AND OWNERSHIP OF MATERIAL**

- 14.1 All reports in paper, electronics or any other recorded format produced by the Service Provider shall remain the property of the Municipality for use by it.
- 14.2 The Service Provider hereby indemnifies the Municipality against patent infringement including any damages awarded, attorney costs and the cost of replacing the vending system should patent infringements be awarded against Mossel Bay Municipality due to the Service Provider's vending system.

**15. LIAISON WITH THE MUNICIPALITY**

The Service Provider undertakes to liaise with the Municipality at all times during the tenure of this agreement.

**16. FORCE MAJEURE**

- 16.1 If the performance of the agreement by either party is delayed, hindered or prevented or is otherwise frustrated by the reason of force majeure, which shall mean war, civil commotion, fire, flood, action by any government or any event beyond the reasonable control of the party affected, then the party so affected shall immediately notify the other party in writing, specifying the action of the force majeure and of the anticipated delay in the performance of the services agreed to herein.
- 16.2 The Municipality may either cancel the agreement or suspend the performance of the agreement for such period as the parties may mutually agree upon.
- 16.3 Should the force majeure persist for a period longer than that agreed upon by the parties, the parties may mutually agree to terminate the agreement. In this event the Municipality shall pay all fees and disbursements due and outstanding to the Service Provider within the financial limits of the agreements up to and including the date of termination.

## 17. NOTICES AND DOMICILIUM

Any notice to be given or which may be given in terms of or pursuant to this agreement shall be given in writing and shall be deemed validly served if delivered personally or seven (7) days after it shall have been posted by pre-paid registered mail to:

**MUNICIPALITY:** 101 Marsh Street  
MOSSEL BAY  
6500  
[admin@mosselbay.gov.za](mailto:admin@mosselbay.gov.za)  
044 606 5000

**SERVICE PROVIDER:** Ontec Systems (Pty) Ltd (MAAA0217374)  
1ST Floor Table Bay Building  
Tygerberg Office Park  
163 Uys Krige Dr, Platteklouf 2  
Cape Town  
7500  
E-MAIL: [radia.moollagee@ontec.co.za](mailto:radia.moollagee@ontec.co.za)  
TEL : (021) 928-1700  
CELLPHONE : (071) 677-4677  
CONTACT PERSON: Radia Moollagee

which addresses the parties respectively choose as their *domicilium citandi et executandi* for all purposes under this agreement. Each party shall have the right from time to time to substitute its said domicilium with another address in the Republic of South Africa by giving notice of the appointment of a new address to the other party which notice will be in writing.



## **18. ENTIRE AGREEMENT**

- 18.1 This agreement constitutes the entire contract between the parties relative to the subject matter hereof and supersedes all representatives, warranties, agreements or undertakings previously made relative to such subject matter, and no such representations, warranties, agreements or undertakings shall be in any force or effect unless contained herein.
- 18.2 No variations of any of the terms and conditions of this agreement will be binding on the parties unless committed to writing and signed by them respectively.
- 18.3 The annexures to this agreement form an integral part hereof and shall be read as if incorporated herein, and in the event of a conflict between this agreement and the annexures, this agreement shall take preference.

## **19. INDULGENCES**

No indulgence or relaxation which either party may allow to the other in regard to the carrying out of the other's obligation in terms of or pursuant to this agreement shall prejudice such party's rights under this agreement in any manner whatsoever, or be regarded as a waiver of such party's rights in terms of this agreement, or be constructed to act as an estoppel against that party or otherwise strictly enforce compliance of the other obligations in terms of this agreement.

## **20. SEVERABILITY**

Should any provision of this agreement in any manner whatsoever contravene any law of the Republic of South Africa, such provision shall be deemed to be severable and shall not affect any other provision of this agreement nor effect the enforceability of those remaining provisions which are not in contravention of any law.

## **21. DISPUTE RESOLUTION**

- 21.1 The parties accept that dispute may arise between the parties during the course of this agreement.
- 21.2 Any dispute which is agreed by the parties to be technical or operational in nature, shall be referred to a joint committee comprising the duly authorised representative of the Municipality and Service Provider's Managing Director, or alternates appointed by them, who will use their best endeavours to resolve the dispute within 14 (fourteen) days of it having been referred to them.
- 21.3 Any dispute not resolved in accordance with the foregoing, will be submitted to and decided by arbitration.
- 21.4 The parties hereby agree that notwithstanding the referral of any matter for resolution, the parties shall continue to perform their respective obligations as provided for in this agreement pending the outcome of the resolution of any disputes in terms of this agreement.
- 21.5 Any dispute arising from or in connection with this agreement shall be finally resolved in accordance with the Rules of the Arbitration Foundation of South Africa ("AFSA") by an arbitrator or arbitrators appointed by AFSA.
- 21.6 This clause constitutes an irrevocable consent by the parties to any proceedings in terms thereof and no party shall be entitled to withdraw there from or to claim at any such proceedings that it is not bound by this clause.
- 21.7 This clause is severable from the rest of this agreement and shall remain in effect even if this agreement is terminated for any reason.

- 21.8 Unless otherwise agreed, arbitration proceedings shall be conducted in Mossel Bay. The arbitration shall be conducted informally, but in accordance with the provisions of the Arbitration Act, No 42 of 1965, it being intended that if possible it shall be concluded within ten (10) business days of referral.
- 21.9 If the parties cannot agree on the appointment of an arbitrator within three (3) days after arbitration has been agreed upon, then the President, for the time being of the Cape Bar council will be requested to appoint the arbitrator.
- 21.10 The fees payable to the arbitrator shall be determined and agreed to between the arbitrator and the Parties and the Parties shall be jointly and severally liable for the payment of the arbitrator's fees.
- 21.11 The arbitrator shall be requested to hand down his / her award within ten (10) days after the completion of the arbitration.
- 21.12 The decision of the arbitrator shall be final and binding and may be an order of the Cape of Good Hope Provincial Division of the High Court upon the application by a Party to the arbitration.
- 21.13 Nothing contained in this clause 21 shall prohibit a Party from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

## **22. BREACH**

22.1 Should the Service Provider—

22.1.1 fail, neglect and/or refuse to perform any of its duties or attain the key objectives tasks undertaken by it in terms hereof; or

22.1.2 fail to comply with any of the time limits prescribed herein; or

- 22.1.3 perform its duties in any unsatisfactory manner (no delivery or not as agreed); or
- 22.1.4 fail, refuse or neglect to report and liaise with the Municipality on a regular basis as provided for herein;
- 22.1.5 infringe the intellectual property rights of any third party;
- 22.1.6 fail, refuse and/or neglect to comply with any other material condition or obligation of this agreement; or
- 22.1.7 fail, refuse or neglect to carry out or implement any lawful instructions in terms of or associated with the performance of any necessary duty under this agreement; and
- 22.1.8 fail, refuse and/or neglect to rectify any act or omission as directed by the Municipality in writing from time to time, and a period of 14 (fourteen) days has lapsed from date of delivery of a notice to the domicile of the Service Provider, either by the hand or facsimile transmission, demanding rectification and the Service Provider has failed to comply, then the Municipality shall be entitled to cancel this agreement forthwith and/or institute a claim for damages against the Service Provider to protect the interest of the Municipality together with a claim for legal costs on the scale as between attorney and client.

### **23. CONSENT TO JURISDICTION**

In terms of Section 45 of the Magistrates Court Act, No. 32 of 1944, the parties hereby consent to the jurisdiction of the Magistrate Court in respect of any and all legal proceedings instituted under this agreement.

**SIGNED** at **MOSSEL BAY**, this \_\_\_\_\_ **DAY OF** \_\_\_\_\_  
2024, in the presence of the undersigned witnesses:

**WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**MOSSEL BAY MUNICIPALITY**

**DRAFT**

**SIGNED** at \_\_\_\_\_, this \_\_\_\_\_ **DAY OF** \_\_\_\_\_  
\_\_\_\_\_ 2024, in the presence of the undersigned witnesses:

**WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**ONTEC SYSTEMS (PTY) LTD**

# ANNEXURE A

## 2.2 Mandatory Requirements

### 2.2.1 Software Architecture

The hosted online vending system software must be hosted in at least a Tier 3 data centre.

### 2.2.2 Reporting System

2.2.2.1 The vending management system must have sufficient system queries to allow for operational management and customer support.

2.2.2.2 The vending management system must have a separate hosted dedicated reporting environment where operational and management reports can be accessed securely via on-line connection as per the prescribed format of the Mossel Bay Municipality.

2.2.2.3 Mossel Bay Municipality must have the ability to design and extract their own reports.

2.2.2.4 The vending management system must have the capability to interface with reporting applications supporting customizable reports.

### 2.2.3 Online Customer Contract Management

2.2.3.1 The system must have the ability to perform online customer contract management via any standard web browser.

2.2.3.2 The following functionality must be available via the online Customer Contract Management web application:

- Creating new Customers
- Creating new Points of Connection
- Updating Customer details
- Updating Point of Connection details
- Link Customers, Points of Connection, Meters
- Perform Advanced Customer, Point of Connection and Meter data lookups

2.2.3.3 The system must support multiple accounts (multiple POC's with a meter) to be associated with a single customer.

### 2.2.4 Online Engineering Operations

2.2.4.1 The system must have the ability to generate engineering tokens (Replacements, Clear Tampers, Clear Credit, Power Limit, Supply Group Key Change, Tariff Index Key Change) online via any standard web browser based on a request from Mossel Bay Municipality. This function must only be available to an assigned person/s, and the system must be able to print an audit report of all the changes made. The system must be user access protected and pre-approved by the Mossel Bay Municipality.

### 2.2.5 Online Auxiliary Account Management

2.2.5.1 The system must have the ability to manage customer specific auxiliary accounts online via any standard web browser. This functionality must include the creation of auxiliary account categories and the definition of the account details such as account balance and collection type.

### 2.2.6 Online Asset Management

2.2.6.1 The system must have the ability to receive bulk meters into a store location as well as the ability to move meters between locations online via any standard web browser.

### 2.2.7 **Online System Configuration**

2.2.7.1 The system must have the ability for its system's parameters to be configured online via any standard web browser.

### 2.2.8 **Online System Security**

2.2.8.1 The system must have the ability to define online users, user roles and user specific role processes online via any standard web browser.

### 2.2.9 **Annual tariff adjustments**

2.2.9.1 Annual tariff adjustments on the vending system must be pre-approved and signed off by Mossel Bay Municipality and locked for the duration of the financial year. There must be an audit trail that shows any adjustments to tariffs on the vending system.

## 2.3 **Support, Installation & Commissioning**

2.3.1 The Service Provider must provide local (onsite) support during the implementation of the system. This support must include 24-hour technical support to respond to end-user problems and to resolve technology failures.

2.3.2 The Service Provider must provide Mossel Bay Municipality with a comprehensive customized Standard Operating Procedures.

2.3.3 The Service Provider must provide comprehensive local (on site) support for the duration of the contract. This must include a fully functional local office, manned weekdays from 08:00 until 17:00 with sufficient support staff to ensure that the full prepayment system is maintained and that it operates at optimum performance level.

2.3.4 The Service Provider must for the duration of the contract have a technical person on standby 24 hours per day 365 days a year to respond to technical as well as financial problems.

2.3.5 The Service Provider must provide remote (telephonic) support for the system via a help desk facility which is available 24 hours per day x 7 days per week x 365 days a year (24x7x365) for the duration of the contract.

2.3.6 Remote support must include an offsite backup and disaster recovery service through the mirroring of data on at least a weekly basis. The proposed system must conform to best industry standard backup and disaster recovery procedures.

2.3.7 Once the training is complete and the system has been commissioned, the Service Provider must be required to aid personnel on the ground during the start-up of the project. This will entail dealing with any problems relating to the live operation of the system and ensuring that correct procedures and principles are adhered to.

2.3.8 The Bidder must indicate how continuity of site support will be ensured to negate the possible adverse effect of high staff turnover.

2.3.9 The Service Provider will be responsible for the integration of the system with current processes within Mossel Bay Municipality. Should it be necessary to change processes to accommodate system needs, the Service Provider will design these processes and assist in their implementation.

2.3.10 The Service Provider will be responsible for the integration of the prepayment system to all necessary and

appropriate systems in Mossel Bay Municipality to ensure optimal system operation.

- 2.3.11 Bidders must allow for the commissioning of the entire system on completion. The successful Bidder must prove to the Engineer that the system is functioning correctly as per the offer and the requirements of this specification.

## 2.4 Technology and Platform

### 2.4.1 Database

- 2.4.1.1 The system must operate on a relational database technology.
- 2.4.1.2 Although the application must operate on a Windows® platform, the database technology offered must not be limited to a Windows®-based machine. To ensure future enterprise scalability, security and flexibility, the database must be available on multiple platforms such as Windows®, all flavors of Unix from vendors such as IBM, Sun, Digital, HP, Sequent, etc. and VAX-VMS as well as MVS.
- 2.4.1.3 The design of the database must be such that it conforms to the following Relational Database Management System (RDBMS) rules:
- i. All information must be represented only in tables.
  - ii. Each atomic value must only be accessible by combination of table name, primary key and column name.
  - iii. All Nulls must be systematic treated within the RDBMS.
  - iv. An on-line data catalog must be maintained by the RDBMS.
  - v. A comprehensive data sub-language must exist, supplementing standard SQL.
  - vi. High-level *Insert*, *Update* and *Delete* functionality must exist within the RDBMS.
  - vii. Both physical and logical data independence must be maintained by the RDBMS.
  - viii. A low-level language must not subvert or bypass the RDBMS high-level language.
- 2.4.1.4 The database must allow concurrent users to access data on a central database from various online terminals.
- 2.4.1.5 The RDBMS must allow for automated triggers to be set on any database field, prompting for a function to be executed. This ensures data integrity, auditability and data completeness.
- 2.4.1.6 The database must allow for multi-version consistency. This means that “writers must not block readers and readers must not block writers” to ensure data integrity. The requirement is that “readers do not block writers and writers do not block readers”. In other words, the reader will see the data as it was before the writer began changing it, and until the writer commits. A less mature locking scheme will result in many delays/waits in the foreseen heavy OLTP (Online Transaction Processing) environment.
- 2.4.1.7 The database must not allow the escalation of row locks to page level locks when too many rows on a page are locked. This locks rows that are uninvolved in any updates for no good reason.
- 2.4.1.8 The database must allow the following:
- i. Control of sorting, for optimal memory allocation.
  - ii. Control over SQL caching, again for optimal memory allocation.
  - iii. Control over storage/space management to prevent fragmentation. Pages (blocks) and extents must not be fixed to a certain size. The database must allow the specification of larger extents to ensure contiguous space for large objects.
  - iv. Range partitioning of large tables and indexes. For example, a large 100GB table must be allowed to be seamlessly partitioned at the database level into range partitions. This requirement will allow the utility to effectively store any historic data – for instance, the transaction table can be



partitioned into monthly partitions. Partitioned tables and partitioned indexes give performance and maintenance benefits, whilst being transparent to the application.

2.4.1.9 The database must support a JAVA database engine, enabling future application integration.

2.4.1.10 Stored Procedures must be precompiled before executed. This will negate any significant system overhead,

especially in consideration of the diverging business rules for prepayment and associated debt collection.

2.4.1.11 The database must allow the reading of, and writing to, external files via Stored Procedures, ensuring ease

of system integration.

## 2.4.2 Operating System

2.4.2.1 The application must operate on a Windows 10 platform. No legacy DOS-based support must be acceptable.

2.4.2.2 All system functions must be accessed via a user-friendly Graphical User Interface.

## 2.4.3 Hardware

2.4.3.1 All vending system server infrastructure should be hosted by the Service Provider in at least a Tier 3 Data Centre.

2.4.3.2 All client-side components of the system must operate on a standard, readily available, PC-based machine with no special modifications required to any parts.

2.4.3.3 The bidder must supply a standard STS security module solution operating with at least a 16-bit PCI-based PC motherboard situated at the hosted environment.

2.4.3.4 The bidder must supply all hardware (new) required.

## 2.4.4 Data Model

The underlying data model used by the system must be tested to conform to the standard of a so-called third generation system. This means that the data model must be capable of the following:

- i. A *Point-of-Connection* must be supported which is independent from a *Location*, *Meter* and *Consumer*.
- ii. The tariff must not be connected to a *Meter* or a *Consumer*, but must rest with the *Point-of-Connection*.
- iii. The data model must allow for the definition of hierarchical *Nodes* to simulate a distribution network.
- iv. The data model must allow for WGS-84 GPS coordinate definition with all locations.
- v. The data model must accommodate, for enhanced management purposes, possible additional resources like water, gas and other utilities.
- vi. The data model must accommodate meter reading for reading prepaid meters, and reconciling meter consumption with sales.

## 2.4.5 Integration and Interface Requirements

2.4.5.1 File based integration. The system must be able to facilitate file-based integration via a purpose-built application at least on an hourly basis. This application must be able to extract or import data according to dynamically defined business rules. This application must also be able to manage and track processed data, regenerated files and enable additional file layouts as required. The system must be

able to record the erf number and municipal account number for every individual meter as to enable integration with the municipal financial system.

#### 2.4.5.2 Web services-based integration

The system must be able to facilitate both real-time and file-based integration via a purpose-built application at least on an hourly basis. This application must be able to extract or import data according to dynamically defined business rules within a central directory as agreed upon by Mossel Bay Municipality.

### 2.5 Operations

#### 2.5.1 Critical Performance Parameters

All Bidders will be required to demonstrate the following capability on demand:

2.5.1.1 The software and database must be able to accommodate, with no special changes other than hardware scaling, more than 1 million consumer records and 120 million transaction records from the main server.

2.5.1.2 The software and database must have no limitation on the number of named users and workstations it can accommodate.

2.5.1.3 The online system must be scalable to transact 30 requests per second.

2.5.1.4 A standard vending operation must be less than 15 seconds from request to completion token printing or programming.

2.5.1.5 Thin client architecture must require less than 64kb/sec to be functional over WAN.

#### 2.5.2 Languages & Currency

2.5.2.1 The system must accommodate multiple languages on the same machine.

2.5.2.2 The system must have a tool to facilitate the translation of the software by the Employer. This tool must be demonstrated and supplied on demand.

2.5.2.3 The system must allow for the configuration of any currency, including the adjustment of multipliers and decimal points.

#### 2.5.3 Prepayment Vending

##### 2.5.3.1.1 Transactions

All transactions must be atomic to such a nature that taxes, levies, standing charges, arrears and services are all created through individual rows in the database.

- i. Any rounding errors of Units beyond the first decimal must be recorded in the database as separate transaction rows to ensure effective reconciliation. System transaction reversals must be affected with full traceability of the reversal;
- ii. must be traceable to an operator;
- iii. must reverse an entire transaction batch consisting of taxes, levies, auxiliaries and resource amounts on the system and
- iv. have the option of being disabled or enabled for specific vendors.

##### 2.5.3.2 Vending Operation

2.5.3.2.1 The system must be capable of vending STS Edition 2 compliant prepayment credit and engineering tokens.

2.5.3.2.2 The system must be certified by the STS association as being Vending, Engineering and Key Change Management compliant.

2.5.3.2.3 Vendors must have the ability to perform a consumer lookup through meter number, address, point-of-connection, name or ID number.

2.5.3.2.4 The system must be capable of allowing transaction re-prints and reversals, without compromising the integrity of transactions and subject to appropriate security.

2.5.3.2.5 The vendor must have the ability to look up the localized transaction history of a relevant consumer.

2.5.3.2.6 The system must be capable of vending free services grants.

2.5.3.2.7 The system must have the ability to calculate and display cash change to the vendor.

### **2.5.3.3 Vending Management**

2.5.3.3.1 The system must allow for vendor and cashier shifts to accommodate various levels of operators, thus improving security.

2.5.3.3.2 The system must allow for the automated or manual sign-off of shifts.

2.5.3.3.3 Vendors must have pre-defined, credit limits limiting the exposure at certain outlets. The option must exist to update credit limits manually.

### **2.5.3.4 Tokens and receipts**

2.5.3.4.1 The system must give users the ability to easily define customized token/receipt templates using any Rich Text Format editor.

2.5.3.4.2 The system must accommodate multiple receipts. It must include but not be limited to auxiliaries, credit token and system reversals receipts.

### **2.5.3.5 Auxiliaries**

2.5.3.5.1 The system must have the ability to collect arrears from the consumer by leveraging the prepayment transaction according to a unique formula for each consumer.

2.5.3.5.2 A consumer's unique collection profile must be automatically updated at least on an hourly basis by the system based on historic payments made.

### **2.5.3.6 Tariffs**

2.5.3.6.1 A separate tariff spreadsheet must be used for defining tariff and debt calculations.

2.5.3.6.2 The Employer must have the ability to customize the tariff spreadsheet at will.

2.5.3.6.3 The tariff system must accommodate an unlimited number of tariff, debt and charges rules and calculations.

2.5.3.6.4 The system must accommodate step tariffs, with an unlimited number of Unit-based steps.

2.5.3.6.5 Unique tax and fixed charges profiles must be definable for each tariff block.

2.5.3.6.6 Tax and fixed charge blocks independent from step tariff blocks must be definable according to monthly monetary value transacted, or Units bought.

2.5.3.6.7 The system must have automated activation dates for tariff changes.

2.5.3.6.8 The system must enable the implementation of Inclining Block Tariffs (IBT) as required by NERSA.

### **2.5.3.7 Online Vending**

2.5.3.7.1 Online vending on a PC Point of Sale must take place through a thin client.

2.5.3.7.2 All messages must be via the self-defining, open-standard XML protocol.

2.5.3.7.3 The system must support the latest version of the NRS009-6-10 XMLVend specification.

2.5.3.7.4 The online transaction processing infrastructure must have unlimited scalability with hot-swappable redundancy.

### **2.5.3.8 Online Customer Contract Management**

2.5.3.8.1 Management of Customer Contracts must be carried out through a single online take-on web page via any standard web browser.

2.5.3.8.2 The Customer Contract Management System must accommodate the saving of uncompleted contracts whilst these customers will not be able to vend.

## **2.5.4 Consumers**

2.5.4.1 The system must allow for the registration and management of consumer records independent from meter and points-of-connection.

## **2.5.5 Standard Reports (In PDF & Excel format with date/time stamp and user)**

2.5.5.1 The following complex reports must come standard with the vending system:

- Management Summary
- Transaction Summary
- Free Basic Services
- Zero Low Purchase
- Report per sales per tariff code.
- Format should be PDF and or excel with a date stamp of user and timing.
- Low Purchase

2.5.5.2 Provision must also be made for complex reporting on inter alia:

- Sales per meter
- Sales per POC (point of connection)
- Sales per customer
- Units purchased by cash, credit card, debit card, electronic fund transfer
- Financial statistics relating to individual transactions
- Total sales per vendor (point-of-sale) in a date range
- All transactions for a shift per vendor (point-of-sale) in a date range
- Shift details per vendor (point-of-sale) in date range
- Refunds given
- Free units issued
- Sales as per POC (point of connection)
- Number of customers purchasing less/more than a selectable number of Units per month
- Value of service charges per tariff

- Recovery of arrears
- Emergency off-line sales report
- Number of active customers per town
- History of all customers per POC (point of connection)
- History of all meters at a POC (point of connection)
- Movement history per meter
- Movement history per customer
- Track low purchase history
- Meter changes
- Purchased per suburb
- Total meters installed per suburb
- List of customers selected by street name or a portion of the address
- List of disconnected meters by disconnected reasons in a date range
- List of disconnected meters by town
- List of disconnected meters by POC (point of connection)
- Blocked meters on system
- Statistics of installed meters filtered by date range, connected type, district, etc
- Available sequence number report
- Engineering tokens report
- Point of sale credit updates
- User audit trace
- Deleted transaction reports
- Vendors per district
- Deviations from normal purchasing patterns
- Tokens issued compared with customer purchases
- The databases must not be encrypted as the design of customized reports is essential.
- Sales per tariff code

## **2.5.6 System Management**

### **2.5.6.1 Communication**

2.5.6.1.1 The system must be configurable to operate online with full functionality retained during the offline mode of operation.

2.5.6.1.2 The system must use a TCP/IP communication layer supporting GPRS, LAN/WAN, telephone dial-up, BGAN and VSAT communication.

2.5.6.1.3 The complete database must be automatically mirrored to a disaster recovery machine on a regular basis.

### **2.5.6.2 Security**

2.5.6.2.1 Database security governing low- and high-level database access must be via a proven technology and applied at both database and application level.

2.5.6.2.2 The system must allow for the addition of an unlimited number of named operators.

2.5.6.2.3 Security must be adjustable to allow for individualized access to any field within the database.

2.5.6.2.4 The system must allow for smart card-based SSL security to be implemented for on-line POS.

## **2.5.7 Reporting and Information**

2.5.7.1 The database must be accessible via standard SQL-based report writing tools like Crystal Reports.

## **2.5.8 Geographical Information System**

- 2.5.8.1 It is envisaged that a Geographical Information System (Esri) will be linked/incorporated into the prepayment database in the future. The proposal should describe how the solution would cater for such GIS integration.
- 2.5.8.2 Certain data elements in the prepayment metering system must be able to store GPS coordinates as attributes. These include the location of a meter (SG number, back-up erf number) as well as the point of connection of a meter. It must be able to read these GPS co-ordinates into Mossel Bay Municipality's financial system.

## **2.5.9 Vending Gateway with Transaction**

- 2.5.9.1 The system should include as an additional option the capability to direct transaction requests from vending clients to different services databases.
- 2.5.9.2 The transaction switch should include a billing system where different commissions for different services as well as vendors could be calculated.
- 2.5.9.3 The transaction switch should include vendor credit limits that will only allow a vendor to sell services if a positive credit is maintained.
- 2.5.9.4 The transactions switch should either include, as an option, or be able to integrate to an electronic fund transfer (EFT) switch to facilitate credit card payments
- 2.5.9.5 The EFT option should include a secure web site for selling services.
- 2.5.9.6 The transaction switch should allow for mobile points of sale (POS) to connect to it. This will be achieved by allowing various Service Providers of mobile technology to integrate to the transaction switch.
- 2.5.9.7 The transaction switch will allow SMS (GSM) based messages to transact with the switch.
- 2.5.9.8 In addition to conventional payment methods, the system should support a voucher payment mechanism in the on-line mode of operation.
- 2.5.8.9 Where the system generates its own vouchers, customizable vouchers should be printed with unique voucher numbers.
- 2.5.8.10 The system should be able to reserve and expire vouchers as and when it is redeemed for resources.

## **2.6 Vending Channels**

- 2.6.1 The following vending channels must be implemented:

- PC POS
- Mobile POS
- Mobile Phone
- Vouchers
- Consumer website
- ATM

## **2.7 Online Retail and Vending Administration**

- 2.7.1 The system must have the ability to manage retailer accounts online.
- 2.7.2 This includes adding, removing and editing retailers, operators, terminals, available networks and accepted payment methods.
- 2.7.3 It must also allow transferring and adjusting retailer funds and accepting retailer deposits.
- 2.7.4 The system must have the ability to add, remove and edit vouchers online.
- 2.7.5 The system must have an online facility for reconciling between client records, EFT records and Service Provider records.

## **2.8 System Hardware**

- 2.8.1 Envisaged hardware layout:
  - Hosted master database server – 1
  - Hosted management server – 1
  - Hosted reporting server – 1
  - Local back-up server hosted at Service Provider's Mossel Bay office – 1
  - Mossel Bay direct vendor Point of Sale terminals – +-35 of which 8 must have emergency fail-over capability.
  - Existing municipal administration workstations – 10. Hardware not to be replaced under this contract.
  - Existing municipal cashier workstations – 6. Hardware not to be replaced under this contract.
  - Servers can be combined, depending on Software requirements.
- 2.8.2 The Service Provider must provide and install all the necessary hardware needed to operate the vending system and must maintain and upgrade the hardware during the contract period. Ownership of all on site hardware, exclusive of servers hosted at Service Provider's premises outside of Mossel Bay, will revert to Mossel Bay Municipality at the end of the initial contract period or in the event of a contract breach. There will be no cost implication.
- 2.8.3 All components of the system must operate on a standard, readily available, PC-based machine with no special modifications required to any parts. Brand-name system will be the preferred option. The PC's will be utilised for additional purposes e.g. receipting, emails.
- 2.8.4 POS (Point of Sale) terminals can be PC or other Mobile terminals that comply with the hardware and software requirements. These terminals must be submitted for approval by Mossel Bay Municipality.
- 2.8.5 Encryption cards and security modules must be centralised in the hosted central environment to ensure the security of the system, except for the online / offline POS terminals.
- 2.8.6 All servers must have the necessary redundancy. The necessary backup facilities will also be provided. The Service Provider must provide an offsite backup server for disaster recovery purposes which must be located at the Service Provider's offices in Mossel Bay. The Service Provider must allow for the necessary communication link/cable between this office and Mossel Bay Municipality's server room.
- 2.8.7 All the PC based equipment will be supplied with stand-alone UPS systems (minimum 15-minute standby) to prevent loss of data and corruption of database files.

## **2.9 System Software**

- 2.9.1 The Service Provider must provide and install the necessary software and operating systems needed to operate the vending system and must maintain and upgrade the software during the contract period. This must include the re-installation of software whenever PCs are upgraded.
- 2.9.2 Ownership of all software will revert to Mossel Bay Municipality at the end of the contract period or in the event of contract breach. There will be no cost imposition.
- 2.9.3 The Service Provider must be responsible for the migration from the current system to the new system. **A migration plan with clear timelines must be submitted for approval within 30 days after award.**
- 2.9.4 The Service Provider must be responsible for all licensing and upgrade cost during the contract period and must provide all the original licensing documents to the municipality for safekeeping.
- 2.9.5 The Service Provider must be responsible for the exporting/transferring of all data in a specified format if Mossel Bay Municipality should change to new software at the end of the contract period.
- 2.9.6 Should migration be necessary on the onset or during commissioning of the system, all cost is for the Service Provider.
- 2.9.7 The Service Provider must provide training on all elements of the system for all the different user groups and vendors.
- 2.9.8 The Service Provider must provide the support as stipulated under Clause 2.3 above.
- 2.10 Arrears recovery**
- 2.10.1 There must be a direct interface with the billing system so that arrears collected can be updated automatically directly to the relevant account either in 'Real Time' or via batch entry at a user selectable delay (at least hourly) on the municipal financial system.
- 2.10.2 The details of all arrear amounts collected and service accounts paid for the current transaction must be individually listed on the transaction receipt handed to the customer at the point of sale.
- 2.10.3 Data should be imported directly from municipal financial system into the Service Providers system where data will be managed to block and unblock consumers.
- 2.11 Data Ownership**
- 2.11.1 All the information on consumers and related info in the databases will remain the property of Mossel Bay Municipality always and will not be disclosed as a whole or in part to any third party without the express permission of Mossel Bay Municipality.
- 2.11.2 Any data archived and warehoused on behalf of Mossel Bay Municipality must be accessible at any time to Mossel Bay Municipality or its appointed auditor.
- 2.12 Training (Capacity Building and Skills Transfer)**
- 2.12.1 Mossel Bay Municipality requires that the Service Provider provide a formal capacity building and skills transfer plan and is responsible for building capacity in the areas of the prepaid vending system.
- 2.12.2 Training should include (but should not necessarily be limited to) the following topics:
- Systems Procedures
  - Registration Management
  - Tariff Change Management
  - Meter Management
  - Consumer Public Relations Management of Prepayment Systems
  - System Changeover Procedures
  - Management Reports



- Prepaid Vending System
- In addition, designated Municipality staff is to be trained in:
  - Interrogating the system
  - Generating standard reports
  - Customising reports
  - First line end user support
  - Data analysis as it applies to fraud detection

2.12.3 Bidders must allow for on-site training of the municipal staff as well as 3<sup>rd</sup> party vendors. Allowance must be made for at least one (1) training course and three (3) follow-up training sessions during the first twelve (12) months of the contract. Training must include operating manuals (at least three (3) copies) and training of municipal staff and all operators of vending terminals. It is also required that at least one municipal staff member is trained to have a detailed understanding of the system architecture.

2.12.4 Bidders must state in their tender the nature and extent of their training (capacity building and skills transfer) programme.

2.12.5 All costs associated with the skills transfer and capacity building, including travelling and accommodation if training is required outside of Mossel Bay, must be included in the tender rates.

### **VENDOR MANAGEMENT**

#### **3.1 Scope**

3.1.1 Setting up guidelines for appointing and contracting with existing and prospective vendors and compiling of agreement/contracts. These guidelines and agreement must be approved by Mossel Bay Municipality.

3.1.2 Advertising and information meetings with prospective and existing vendors.

3.1.3 Appointment of vendors and signing of contracts. Mossel Bay Municipality will determine the quantity of vendors per location as required.

3.1.4 Providing all the necessary hardware, software and communications equipment needed for the vendor to operate.

3.1.5 Providing training as and when necessary for the vendor or his appointed operators to operate the equipment and relevant software.

3.1.6 Providing the necessary consumables, e.g. Paper, printer carriage, etc.

3.1.7 Providing the routine and necessary maintenance, repair and servicing as is required to maintain the equipment.

3.1.8 Collection of all revenue from vendors as per agreement.

3.1.9 Insurance against revenue loss.

3.1.10 Providing the necessary security measures for collecting the revenue if required.

3.1.11 To reconcile the revenue received from the vendors daily and provide the necessary credit to the vendor to continue vending.

3.1.12 Payment of any commissions owed to vendors.

3.1.13 Payment of revenue received (Prepaid & Auxiliary separately) directly in the municipalities account at predetermined times together with a reconciliation of said revenue.

- 3.1.14 Providing daily, weekly and monthly reports as required by Mossel Bay Municipality.
- 3.1.15 Provide audit reports if required.
- 3.1.16 Vendor's commission payable by the Service Provider will be included in the monthly fee.
- 3.1.17 All existing handhelds terminals that are not compatible with the proposed vending and management system must be replaced on the cost of the Service Provider.
- 3.1.18 All direct vendors' PC based or mobile point of sale vending terminals must be provided by the bidder.
- 3.1.19 The aim is to expand the 3<sup>rd</sup> party direct vendor footprint by identifying and adding additional direct vendors in strategic locations and having one direct vendor per 1000 consumers. At least 20% of these vendors must provide a 24-hour service and preferably be in a safe location near the main entrance to the suburb. Eight of these direct vendors, which are geographically spread, must be able to vend off-line and have emergency fail-over capability.
- 3.1.21 The Bidder must allow for marketing the direct vendors in the local media and providing the necessary signage on the buildings of these vendors. Direct vendors must be promoted as safe, non-transgressing, approved vending points, and at the same time consumers must be warned against transgressors.
- 3.1.22 The Service Provider will be allowed to only have one level of vendors below each aggregator. **No sub-aggregation below each aggregator will be allowed.**
- 3.1.23 There must be a service level agreement between the Service Provider and each vendor, at level below an Aggregator, in terms of which the Service Provider must have control and be able to disconnect any transgressing vendors.
- 3.1.24 Special attention must be given to the security of the off-line vending stations. The agreement must address the credit management of these vendors.
- 3.1.25 It is preferable that the existing direct vendors be appointed, in which case their percentage commission must be re-negotiated for the contract period by the Service Provider.
- 3.1.26 Online vending will only be allowed through dedicated online portals as agreed and approved by Mossel Bay Municipality. No vendors will be allowed to vend without pre-approval by Mossel Bay Municipality.

### 3.2 **Support Services**

- 3.2.1 The Service Provider must provide the support as stipulated under Clause 2.3 to support and administer the vendors.
- 3.2.2 Services should be provided in a timely manner in accordance with a service level agreement.

### 3.3 **Pricing**

- 3.3.1 The method of payment will be a monthly fee based on the number of units sold via 3<sup>rd</sup> party vendors, which includes EBSST transactions. These units exclude all sales and BSST transactions done by municipal cashier vendors.
- 3.3.2 Banking costs (cash handling fee) and credit / debit card costs will be paid as a percentage of 3<sup>rd</sup> party vendor revenue, excluding the value of EBSST, but including VAT. These percentages will be capped at 1% for banking costs and 3% for credit / debit card costs.
- 3.3.3 The method of payment for cost recovery and arrears collected via the vending system will be a monthly fee based on a percentage of the total monthly revenue collected via 3<sup>rd</sup> party vendors, including VAT.

## 4. **DATA MANAGEMENT AND REVENUE PROTECTION**

#### 4.1 **Scope**

4.1.1 The Service Provider will assist Mossel Bay Municipality with Customer Data Management and provide a Revenue Protection service to eliminate the loss of revenue for prepayment electricity because of meter tampering and or bypassing.

4.1.2 It will comprise the provision of data management and Revenue Protection for the whole Mossel Bay Municipal jurisdiction area.

This will include:

- The extraction of a sophisticated inspection list from the system which highlights installations requiring inspections by analysing and comparing area average purchases with customer transaction averages and looking at deviations and trends in this regard.
- Data cleansing and revenue enhancement. Methods to achieve this must be negotiated with Mossel Bay Municipality.
- On-site inspections and technical audits on prepayments meters at houses
- Data and revenue protection audits
- Data analysis and interrogation
- Provision of detailed reference database
- GIS Field management consol for all consumers
- Spatial analysis and Geographical presentations of all audits through GIS techniques

4.1.3 The Service Provider must also additionally implement a tamper work-flow management process and manage fine and debt enforcement related to tampers and bridged meters, in coordination with the guidelines implemented by the Municipality.

4.1.4 Service providers must make use of the latest techniques and technologies when performing of field audits and capturing of data, to eliminate human errors as far as possible. Handheld Devices (HHU) are a requirement.

4.1.5 The Bidder must have a proven experience track record for providing services of this nature and may be required to demonstrate their solution.

4.1.6 The Service Provider will be responsible to provide all on-site staff required to undertake this service. A local IT staff member must be available at the Service Provider's Mossel Bay Office to assist with technical problems, and a 24x7x365 help desk to assist with issuing of engineering tokens.

4.1.7 The Bidder must confirm whether their system will be able to link the revenue protection reports to Collaborator, which is the standardised uniform electronic document management system used by Mossel Bay Municipality.

#### 4.2 **Technical Specification**

4.2.1 Full data clean up and mapping of all meters and customers in the field to the pre-payment and financial database of Mossel Bay Municipality. A List of Mandatory data to be captured from the field will be issued at the time of audits, which will include the GPS co-ordinates.

4.2.2 Detailed visual audit of pre-payment meters, to identify all irregularities. (Broken seals, tampers, faulty meters, vandalism, partial bypasses, etc). Photos must be taken of all irregularities. Refer to section 5 for more detail.

4.2.3 Report all tamper irregularities to Mossel Bay Municipal Technical Department for further attention and in-field remedial action by municipal staff / contractors. Refer to section 5 for more detail.

- 4.2.4 Once feedback is received regarding identified tampers and instruction is received from Mossel Bay Municipality on the tampers then tamper debt or fines need to be loaded on the vending system by the Service Provider.
- 4.2.5 Collection of debt on Tamper, bridge meter and RD cheques.
- 4.2.6 Block “no access” on 3rd inspection meters on the vending system every Monday.
- 4.2.7 Assisting Mossel Bay Municipal contractors with engineering tokens (tamper tokens, replacement tokens and clear credit tokens).
- 4.2.8 Inspections need to be done on incorrect tokens purchased by client and replacement tokens issued.
- 4.2.9 Detailed GIS Information system indicating all findings in the field, Meter types, and customers not at homes and other additional key information will be required. The GIS field information form part of the management console required for sustainable management.
- 4.2.10 Detailed intelligent reports must be presented, coupled with monthly feedback/monitoring reports on a weekly/monthly basis.
- 4.2.11 Attend monthly meeting with Mossel Bay Municipality for revenue protection and tamper management coordination, feedback and planning.
- 4.3 **Pricing**
- 4.3.1 The method of payment will be an all-inclusive fee per audited meter. Payment will only be made after the necessary proof has been provided that the specific meter has been inspected, audited and reported on to the satisfaction of Mossel Bay Municipality.
- 4.3.2 The Bidder must indicate as a separate item, the cost to link the revenue protection reports to Collaborator.

**5. INSPECTION OF PRE-PAID METERS AND TAMPER MANAGEMENT AND COMPLIANCE RELATING TO TOKEN IDENTIFIERS (TID) ON STS VENDING SYSTEMS**

**5.1 Consumer inspections**

- 5.1.1 To collect consumer information.
- 5.1.2 To collect meter information: via a handheld device or cellphone, which will be pre-programmed by Mossel Bay Municipality to obtain the needed information. A download of the meters to be inspected will be electronically supplied and after the information as listed below has been captured, the information will be electronically downloaded back into the municipal system.
- Meter number, as indicated on meter;
  - The total units on meter to be captured;
  - If the meter was tampered with or any fault found on the meter, a photo of the meter must be taken with the device used, as proof;
  - A description of what was found at each meter, e.g. no problem, meter very old, meter to be replaced etc. must also be electronically reported via the handheld terminal or cell phone.
- 5.1.3 Provide GPS coordinates of each meter, automatically supplied via cellphone or handheld device when physical inspection is done.
- 5.1.4 Test the functionality of the meter.
- 5.1.5 Sealing of unsealed meters.
- 5.1.6 Sealing pliers and lead seals must be supplied by Mossel Bay Municipality.
- 5.1.7 Do a complete meter inspection as required per month and supply a detailed report of each meter that was inspected, to Mossel Bay Municipality.
- 5.1.8 Monthly supply Mossel Bay Municipality with a complete detailed report of all faulty meters, damaged meters found as well as proof of testing.
- 5.1.9 The service provider undertakes to take steps and rectify faulty and tampered meters and supply Mossel Bay Municipality with a detailed report as well as evidence in the case of tampered meters.
- 5.1.10 Monthly supply Mossel Bay Municipality with a detailed report of all meters not found, meters removed, where entry could not be gained and where access were denied.
- 5.1.11 Report tampered meters to Mossel Bay Municipality daily.
- 5.1.12 Audit all locations where consumer and meter information between the billing, vending and warehouse data does not match.

**5.2 Meters not audited due to no access**

- 5.2.1 Do a night visit by driving past the house.
- 5.2.2 A visual observation will determine whether the lights are switched on.
- 5.2.3 When tampers are then identified, act accordingly.

**5.3 Infrastructure**

- 5.3.1 Supply a fully equipped office and infrastructure.

- 5.3.2 Supply vehicles to do inspections.
- 5.3.3 Supply a cell phone for correspondence.
- 5.3.4 Supply a fax machine, computer, photocopier and e-mail facilities.
- 5.3.5 Train and develop local skilled people to perform the inspections.
- 5.3.6 The service provider warrants that he/she owns the necessary programme to collect meter information from the Vending system or will negotiate with the Vending system to provide them with the meter information that is needed for the inspections.
- 5.3.7 The service provider acknowledges that he / she is properly qualified and equipped to test and identify faulty or tampered meters.

#### 5.4 **Law enforcement**

- 5.4.1 Collect tampering evidence.
- 5.4.2 Remove tampered meters.
- 5.4.3 Report to Mossel Bay Municipality.
- 5.4.4 Store tampered meters and evidence.
- 5.4.5 A qualified electrician must replace tampered meters within 24 hours after all amounts were paid.
- 5.4.6 Keep a list of previously tampered cases and follow up on a quarterly basis.
- 5.4.7 Tamper fee must be issued on behalf of the municipality.

#### 5.5 **Compliance relating to token identifiers (TID) on STS vending systems**

- 5.5.1 Visit each meter and enter a special set of key change tokens to reset the meter memory

The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens to reset the meter memory.

The Utilities must take the following actions:

- 1) Update all vending systems to STS Edition 2;
  - 2) Ensure that all point of sale terminals can issue STS key change tokens;
  - 3) Determine which meters were certified prior to 2014 and have them retested;
  - 4) Formulate a program, by which the key change tokens can be distributed to each meter. Either by using a dedicated field team or having the consumers enter the tokens;
  - 5) Inform the consumer population as to exactly what they can expect to happen according to the TID Rollover program formulated in 4);
  - 6) As soon as the vending system has been upgraded to STS Edition 2, then instruct meter vendors to code all new meters to base date 2014. These meters will then not be affected by the 2024 TID rollover.
- 5.6 The Municipality is currently changing to smart metering system. It may be required from the successful bidder to provide management services in this regard. It may be negotiated with the successful bidder.

# ANNEXURE B

YEAR 1 (Period ending 30 June 2025)

ITEM NO	DESCRIPTION	UNIT	RATE PER ITEM (INCLUSIVE OF 15% VAT)
1	Vending Services Management Fees	Rand per active meter	R1,035
2	Vendor management:	N/A	N/A
2.1	Super Vending Commission - 3rd Party vending channels and vendor management (Including Bank Credit & Debit Card Fees and Bank Cash Deposits)	Rand per kWh of total 3rd party sales	R0,0423
2.2	Communication Costs	Communication Costs per year	R0
2.3	Cost recovery and arrears collection via 3rd party vendors	% of total cost recovered and arrears collected via 3 <sup>rd</sup> party vendors per year	2,30%
3	Data management and revenue protection	Rand per audited meter	R0.00
4.1	Inspection of Pre-paid meters and tamper management	Rand per inspected meter	R0.00
4.2	Compliance relating to token identifiers (TID) on STS vending systems	Rand per inspected meter	R0.00

**YEAR 2 (1 July 2025 – 30 June 2026)**

<b>ITEM NO</b>	<b>DESCRIPTION</b>	<b>UNIT</b>	<b>RATE PER ITEM (INCLUSIVE OF 15% VAT)</b>
1	Vending Services Management Fees	Rand per active meter	R1,035
2	Vendor management:	N/A	N/A
2.1	Super Vending Commission - 3rd Party vending channels and vendor management (Including Bank Credit & Debit Card Fees and Bank Cash Deposits)	Rand per kWh of total 3rd party sales	R0,0423
2.2	Communication Costs	Communication Costs per year	R0
2.3	Cost recovery and arrears collection via 3rd party vendors	% of total cost recovered and arrears collected via 3 <sup>rd</sup> party vendors per year	2,30%
3	Data management and revenue protection	Rand per audited meter	R0.00
4.1	Inspection of Pre-paid meters and tamper management	Rand per inspected meter	R0.00



**YEAR 3 (1 July 2026 – 30 June 2027)**

<b>ITEM NO</b>	<b>DESCRIPTION</b>	<b>UNIT</b>	<b>RATE PER ITEM (INCLUSIVE OF 15% VAT)</b>
1	Vending Services Management Fees	Rand per active meter	R1,035
2	Vendor management:	N/A	N/A
2.1	Super Vending Commission - 3rd Party vending channels and vendor management (Including Bank Credit & Debit Card Fees and Bank Cash Deposits)	Rand per kWh of total 3rd party sales	R0,0423
2.2	Communication Costs	Communication Costs per year	R0
2.3	Cost recovery and arrears collection via 3rd party vendors	% of total cost recovered and arrears collected via 3 <sup>rd</sup> party vendors per year	2,30%
3	Data management and revenue protection	Rand per audited meter	R0.00
4.1	Inspection of Pre-paid meters and tamper management	Rand per inspected meter	R0.00

**YEAR 4 (1 July 2027 – 30 June 2028)**

<b>ITEM NO</b>	<b>DESCRIPTION</b>	<b>UNIT</b>	<b>RATE PER ITEM (INCLUSIVE OF 15% VAT)</b>
1	Vending Services Management Fees	Rand per active meter	R1,035
2	Vendor management:	N/A	N/A
2.1	Super Vending Commission - 3rd Party vending channels and vendor management (Including Bank Credit & Debit Card Fees and Bank Cash Deposits)	Rand per kWh of total 3rd party sales	R0,0423
2.2	Communication Costs	Communication Costs per year	R0
2.3	Cost recovery and arrears collection via 3rd party vendors	% of total cost recovered and arrears collected via 3 <sup>rd</sup> party vendors per year	2,30%
3	Data management and revenue protection	Rand per audited meter	R0.00
4.1	Inspection of Pre-paid meters and tamper management	Rand per inspected meter	R0.00

**YEAR 5 (1 July 2028 – 30 June 2029)**

<b>ITEM NO</b>	<b>DESCRIPTION</b>	<b>UNIT</b>	<b>RATE PER ITEM (INCLUSIVE OF 15% VAT)</b>
1	Vending Services Management Fees	Rand per active meter	R1,035
2	Vendor management:	N/A	N/A
2.1	Super Vending Commission - 3rd Party vending channels and vendor management (Including Bank Credit & Debit Card Fees and Bank Cash Deposits)	Rand per kWh of total 3rd party sales	R0,0423
2.2	Communication Costs	Communication Costs per year	R0
2.3	Cost recovery and arrears collection via 3rd party vendors	% of total cost recovered and arrears collected via 3 <sup>rd</sup> party vendors per year	2,30%
3	Data management and revenue protection	Rand per audited meter	R0.00
4.1	Inspection of Pre-paid meters and tamper management	Rand per inspected meter	R0.00