



prasa

PASSENGER RAIL AGENCY
OF SOUTH AFRICA

National Utilities Management and Administration

Project Number:

HO/CRES/REAM/

AGREEMENT ENTERED INTO

BY AND BETWEEN:

PRASA-CRES, a division of PRASA,

and

.....

RECORDALS

- 1.1 **PRASA Cres** is a division of **PRASA**, which has been mandated to manage all the property facility services to **the entire PRASA Group**;
- 1.2 For purposes of this agreement the **Service Provider (SP)** will supply the following Deliverable, Utilities Management Services (Account Audits and Automated Metering Management Services).
- 1.3 The requirement for the automated metering systems stems from the need to manage the provision and management of utilities, i.e. consumption of water, electricity and gas, efficiently throughout **PRASA**;
- 1.4 Against that background **PRASA Cres** issued an open tender for the provision of Utilities Management and Administration Services (metering management and performance system for Online automated prepaid, electricity credit, electricity check and water meters at various stations and associated properties Nationally);
- 1.5 The system encompasses energy vending systems and billing system at selected PRASA stations, depots, campuses and commercial developments;
- 1.6 Following the open tender and evaluation processes the SP was appointed to attend to Utilities Management Services. The SP to provide all recoveries management systems, including the required vending system and services;
- 1.7 The SP to provide the necessary supporting logistics for recoveries billing, the vending and meter reading systems for the Agreement period.

PREAMBLE

WHEREAS, the SP and its affiliate companies are active, among other things, in the provision of utilities management services with metering equipment and associated systems; and

WHEREAS, PRASA (hereinafter the “Customer”) has issued a tender for utilities management services, including automated metering, with reference no: HO/CRES/REAM/..... (the “Tender”); and

WHEREAS, after having reviewed and considered all the submitted proposals, the Customer has awarded the Tender to the SP for the supply of the Deliverables (as defined here bellow); and

WHEREAS, by the present, the Parties would like to define the Parties’ mutual rights and obligation with respect to the Deliverables in one document, the Agreement (based on the Tender documents and the offer made the SP).

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

2. INTERPRETATION

The headings to the clauses are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this agreement nor any clause. In this agreement unless a contrary intention clearly appears:

2.1 words importing –

2.1.1 any one gender includes the other two genders;

2.1.2 the singular includes the plural and vice versa; and

2.1.3 natural persons include created entities (corporate or unincorporated) and vice versa.

2.2 when any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday;

2.3 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

3. DEFINITIONS

The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely –

- 3.1 **“Affiliate”** of the SP means any and all companies from time to time directly or indirectly held or controlled by or controlling or under the same control as the SP, and the notion of control being understood as holding fifty percent (50%) or more of the nominal value of the issued share capital, or fifty percent (50%) or more of the voting power at general meetings, or the power to appoint a majority of the directors.
- 3.2 **“Agreement”** means the terms and conditions of this Agreement and all appendices attached hereto and incorporated herein shall mean this agreement together with appendices;
- 3.3 **“PRASA”** shall mean Passenger Rail Agency of South Africa;
- 3.4 The **“Service Provider”** (SP) shall mean
- 3.5 **“Parties”** shall mean PRASA Cres and.....;
- 3.6 **“AMS”** shall mean automated metering system;
- 3.7 **“Project Charter”** (also referred to as **“Statement of Work”**) means the agreed upon deliverables, detailed description of the Professional Services to be provided by the SP to the Customer, roles and responsibilities of the above agreement (see Appendix 1, 2, 3 and 4); the project charter is the dynamic terms of reference for the total project execution under the terms and conditions of this contract;
- 3.8 **“Change Order”** means a written request, signed by both Parties, for changes in scope, cost or other activities related to the Software or the SOW (scope of work)
- 3.9 **“Deliverables”** mean the deliverables to be carried out by the SP under the Agreement as further described in the Project Charter framework.
- 3.10 **“Contract Period”** shall mean the period commencing **1 September 2022 to 31 August 2025.**
- 3.11 **“Fees”** means the fees to be paid by the Customer to the SP in consideration of the Deliverables in the Project Charter as further referred to in Appendix 1;

- 3.12 **“Managed Services”** means the services described in the Project Charter as captured in the project charter framework (Appendix 1 and 3).
- 3.13 **“Professional Services”** means professional services to be provided by the SP in connection with the expenditure and recoveries management services, and training, which are more specifically described in the Statement of Work attached hereto as Appendix 1.
- 3.14 **“Revenue Management Services”** or **“Vending Services”** or **“Billing Services”** means the services to be provided by the SP to manage the expenditure and revenue of the Customer, as described in Appendix 1 and Appendix 3. .
- 3.15 **“Services”** mean the Professional Services and Utilities Management Services as applicable, given the context in which the term Services is used.
- 3.16 **“Service Level Agreement”** or **“SLA”** means the level of Services that the SP will try to achieve using its commercial reasonable efforts, which are defined in Appendix 4.
- 3.17 **“Statement of Work”** means a detailed description of the Professional Services to be provided by the SP to the Customer, including but not limited to the Deliverables, as mutually agreed upon by the Parties, which is annexed in Appendix 1.
- 3.18 **“Tender”** means the tender issued by the Customer and identified in the Preamble.

4. **DURATION**

This agreement shall be deemed to have commenced on **1 September 2022 to 31 August 2025** and unless otherwise agreed in writing by both parties, shall terminate on **31 August 2025**.

5. **CONTRACT PRICE**

5.1 The price for the provision of the utilities expenditure and recoveries management services shall be R.....
Inc. VAT).

5.2 The above amount is inclusive of all Utilities Management Services applicable to the project.

5.3 The Service Level Agreement (Appendix 4) is excluded in the contracted (Capital) price.

6. **OPERATIONAL FEES**

6.1 Operational prepayment revenue management fees are charged separately as a percentage of the revenue collected from all **active** prepayment meters (see Appendix 2). (To be affected as soon as meters are registered on the vending system).

7. **REVENUE MANAGEMENT SERVICES**

7.1 The SP will provide the Revenue Management Services to the Customer in accordance with the Appendix 2 and 3.

7.2 In consideration of the Vending Services, the Customer shall pay Fees, which shall be in the form of a commission, based on the revenue collected by the SP.

7.3 Should PRASA intends to terminate the contract, a sixty (60) day's written notice shall be provided prior to effecting such termination.

8. **AUTOMATED METERING AND RELATED SERVICES**

- 8.1 The automated metering system and associated vending system must in addition to the standards requirements be capable of:
- 8.1.1 To function as both Standard Transfer Specification and Automated Metering Infrastructure covering a wide range of original equipment manufacturers;
 - 8.1.2 To ensure that the AMS provides a complete metering solution for the selected PRASA Cres stations, depots, campuses, commercial developments and related properties that include all facets of utilities (i.e. water, electricity and gas where applicable) metering, invoicing, billing and accounting reports for PRASA Cres;
 - 8.1.3 To operate in an online environment and it must already be integrated with an existing and matured electronic and retail purchase and vending channels on a national basis, including:
 - 8.1.3.1 Online credit card;
 - 8.1.3.2 Bank cash deposit and Electronic Funds Transfer; and
 - 8.1.3.3 Retails points of sale such as BP, SASOL, SPAR, 711, Caltex, Engen, TOTAL, etc.
 - 8.1.4 Being an end-to-end solution such that transactions and vending are reflected and completed in “real-time”, without batch processing, within a single relational data base;
 - 8.1.5 To display information using remote keypad to the consumer;
 - 8.1.6 To operate independently and be read manually;
 - 8.1.7 Supporting two-way communication either directly or through data concentrator or data collector devices;
 - 8.1.8 Remote control functions such as remote reading, remote programming, remote diagnosis, remote disconnect and reconnect;
 - 8.1.9 To detect various events and generate appropriate alerts.

- 8.2 An end-to-end transparency is a prerequisite, such that consumers are able to access the detail of their utility metering accounts and that authorized Prasa Cres staff must be able to access the system using any standard web browser within the Prasa ICT architecture.
- 8.3 AMS SHALL BE DESIGNED in such a manner as to ensure that it records precise usage by each PRASA customer;
- 8.4 Shall be able to produce prompt and reliable invoicing information.

9. **APPLICABLE LAW AND JURISDICTION**

- 9.1 Save as otherwise provided in this agreement or any of its annexures and, in particular, subject to and without limiting the application of:
 - 9.1.1 All matters arising from or in connection with this agreement and/or its annexures including, but without any limitation whatsoever, its interpretation, validity, existence or termination for any reason shall be determined in accordance with the laws of South Africa;
 - 9.1.2 the parties hereby consent and submit to the non-exclusive jurisdiction of the High Court of South Africa (South Gauteng) for the purpose of any action or other legal proceedings which any of them may institute with regard to any matters or claims of whatsoever nature arising out of or pursuant to this agreement or its annexures;
 - 9.1.3 either party agrees that it will recognise any judgment or order of court, whether interim or final, granted in South Africa against it in favour of the other which is not the subject of an appeal arising from or pursuant to this agreement or its cancellation or termination, for the purpose of the enforcement thereof in South Africa or elsewhere.

10. **GENERAL**

- 10.1 The provisions of this agreement shall be binding upon the successors-in-title and assigns of the parties.
- 10.2 No variation of this agreement, or any waiver of any of the provisions of this agreement, or any consensual cancellation of this agreement, shall be effective unless reduced to writing and signed by or on behalf of the parties.

- 10.3 No indulgence which either party may grant to the other shall constitute a waiver by the former of any of its rights under this agreement. Accordingly, that party shall not be precluded, as a consequence of its having granted such indulgence, from exercising any of its rights against the other which may have arisen in the past or which may arise in the future.
- 10.4 Either party represents and warrants to the other that it is a natural or a legal entity duly incorporated or formed and validly existing under the laws of South Africa and has all requisite powers to own property and to be bound by this agreement in the manner contemplated by this agreement and to execute, deliver and perform its obligations in terms of this agreement.
- 10.5 Save as set forth in this agreement, neither party may cede its rights nor delegate its obligations under this agreement to any other person or persons, company or any other entity whatsoever or to any trust, without the prior written consent of the other, which shall not be unreasonably withheld.

11. **DISPUTES**

Any dispute arising out of or in connection with this agreement or the subject matter of this agreement shall be decided by arbitration to be held under the auspices of and in terms of the rules of the Arbitration Federation of South African in Johannesburg.

12. **BREACH**

If either party breaches any material provision or term of this agreement (other than those which contain their own remedies in the event of a breach thereof) and fails to remedy such breach within 30 (thirty) days of receipt of written notice requiring it to do so (or if it is not reasonably possible to remedy the breach within 30 (thirty) days, within such further period as may be reasonable in the circumstances) then the aggrieved party shall be entitled without notice, in addition to any other remedy available to it at law or under this agreement, including obtaining an interdict, to cancel this agreement or to claim specific performance of any obligation whether or not the due date for performance has arrived, in either event without prejudice to the aggrieved party's right to claim damages.

13. **NOTICES AND DOMICILIA**

13.1 ***Postal address***

13.1.1 Any written notice in connection with this agreement may be addressed:

13.1.1.1 in the case of Prasa Cres to:

telefax no :

marked for the attention of:

.....

.....

13.1.1.2 in the case of

telefax no :

marked for the attention of:

.....

.....

13.1.2 The notice shall be rebuttable presumed to have been duly given:

13.1.2.1 14 days after posting (by airmail for addresses outside South Africa), if posted by registered post to the party's address in terms of this sub-clause;

13.1.2.2 on delivery, if delivered to the party's physical address in terms of either this sub-clause or the next sub-clause dealing with service of legal documents;

13.1.2.3 on dispatch if sent during business hours one business day or if sent at any other time, on the next following business day, if sent to the party's then telefax number and confirmed by registered letter posted no later than the next business day.

13.1.3 Either party may change its address for this purpose, by notice in writing to the other party, such address being effective on receipt by the addressee of such written notice. A notice shall be necessary in respect of a new or changed telefax number.

13.2 Address for service of legal documents

13.2.1 The parties choose the following physical addresses at which documents in legal proceedings in connection with this agreement may be served (that is to say, their domicilia citandi et executandi):

- 13.2.1.1 Prasa Cres:
30 Wolmarans Street
Braamfontein
- 13.2.1.2
-
-

13.2.2 Either party may change its address for this purpose to another physical address in the Republic of South Africa by notice in writing to the other, such new address being effective on receipt by the addressee of such written notice.

13.2.3 The provisions of 13.1.2.1 and 13.1.2.2 shall apply, mutatis mutandis in respect of notices given to the parties at their respective addresses in 13.2.1.

AGREEMENT BETWEEN PRASA CRES AND SERVICE PROVIDER
APPENDIX 1

PROJECT CHARTER FRAMEWORK (STATEMENT OF WORK)

1. SCOPE OF WORK

The scope of work is to source a service provider to supply Utilities Management Services, end to end which includes Automated Metering Management Services, skills transfer and Account Audits:

- Automated metering management services: Reading, billing, reporting together with the required Vending System for pre-paid electricity and water meters.
- Audit of accounts and data to ensure all data captured on the Utilities Management System (UMS) is correct.
- Monthly verification of invoices, assessment of huge variances.
- Liaising with utilities providers (Municipalities/ESKOM) to address incorrect invoices (including billings, calculations, tariff structures, meter sizes, meter numbers, consumption, property description, account names and addresses).
- Ensuring correct tariff is charged; and
- The in-office and on-site verification of accounts and meters.

2. AUTOMATED METERING MANAGEMENT SERVICES (UTILITIES MANAGEMENT SERVICES)

The PRASA CRES Automated Meter Portfolio is nationally currently consisting of the following and must be managed by the respondent:

- Electricity Credit Meters: 277.
- Electricity Pre-paid Meters: 1 062.
- Water Pre-paid Meters: 29.
- Conventional Water Meters: 409; and
- Conventional Electricity Meters (Park Station): 30

The appointed service provider would be responsible to provide the following sub-metering functions to PRASA CRES:

- The allocation of electricity and water meters to units.
- Allocation of promulgated tariffs to users.
- Accumulation of monthly meter readings (automated metering data).
- Accumulation of meter readings in respect of conventional water and electricity meters on a monthly basis.
- Calculate the billing charges.
- Import the billings into the utilities management system.
- Provide PRASA CRES with the electricity and water invoices for each tenant for billing purposes. Each invoice must contain the name and particulars of the service provider together with the PRASA emblem.
- The billings/invoices must be received by PRASA CRES on or before the 7th of each month.
- Extensive monthly financial reporting per Region, Station, unit, tenant and meter number. The report should also include the PRASA CRES lease number, property reference number, tenant reference number and be available in Microsoft Excel format.
- Performance reporting and forecasting per Region and nationally.
- Monthly pre-paid sales report per Region, Station, unit, tenant and meter number.
- Identify, address and report exceptions.
- Maintaining and updating a tariff database of all Suppliers and related utilities to ensure that up-to-date tariffs are used for recovery purposes.
- The accumulation and verification of monthly meter readings for billing purposes and control.
- **Vending services and facilities** for the Pre-paid Electricity and Water meters together with a direct portal online service.
- The tenant must be able to buy pre-paid electricity or water at the money markets including Checkers, Pick and Pay, Spar and service stations.
- The pre-paid meter sales must be paid over to PRASA CRES on or before the 7th of each month.
- Collect, process, monitor and publish consumption and profile data on a web/consumer application/internet-based platform on a daily basis.

- Perform meter data analytics to identify areas with high water/electricity losses and/or leakage, slowing meters, inaccurate meters, zone boundary breaches, consumer meter by-pass, theft and/or water/electricity use inefficiencies.
- Produce reports on all problematic meters with suitable recommendations.
- Physical verification/inspection of faulty/non-billing meters on request of PRASA CRES.
- Provide, support, operate and maintain the Automated Meter Reading (AMR) system; and
- The service provider must have a helpdesk available on weekdays from 08:00 to 17:00 to assist PRASA CRES or tenants with any meter, account and vending queries.

3. ACCOUNT AUDITS (UTILITIES MANAGEMENT SERVICES)

The successful Respondent is expected to provide the following account audit functions and services:

- Accounts retrieval from service providers as per the PRASA CRES account register.
- Capturing of the verified and correct municipal accounts/invoices on the utilities management system acquired as part of the project.
- Analyse and validate the accounts for correctness. The correctness of the following data must be verified:
 - Account Number.
 - Account name.
 - Account address.
 - Property description.
 - Property address.
 - Group Account Number.
 - Account/invoice financial calculations.
 - Tariff structures being applied.
 - Meter Numbers.
 - Consumption;
 - Utility supply and meter sizes; and
 - Pay only what was utilised.

- In-office and on-site verification of accounts, meters and supplies.
- End user verification of utilities supplies. It is of great importance that PRASA is the only user of all electricity and water supplies.
- Monthly verification of invoices, assessment of huge variances.
- Investigate optimisation opportunities as to reduce the utilities expenditure. For instance, the downgrade of the size of an electrical connection could result in reduced demand charges. The change in tariff structure could also reduce the cost relating to an account.
- Monthly account optimisation reporting.
- Address incorrect accounts (billings, consumption, tariff structures and meter numbers etc.) with the relevant municipality or service provider. All incorrect invoices/accounts must be corrected with the relevant service provider.
- Monthly exception reporting.
- Extensive monthly reporting on account audits (per account, Station, complex depot, business development, property units, region and service provider). Reporting should include progress on the correction of account data.
- Ensure that the account register is kept up to date.
- The account data (including financials and consumption) must be captured on the UMS on a monthly basis.
- It is important to note that the respondent would be responsible to undertake physical site visits to investigate and analyse the electricity and water supplies and infrastructure to ensure the account information is indeed correct. Keeping in mind there should be an electricity and water account for each PRASA Station, complex, depot and commercial development. The objective is to make sure that the meter numbers and supply sizes indicated on the invoices are indeed correct and that the supplies are exclusively for PRASA owned facilities to reduce utilities expenditure.
- All amendment of accounts/invoices, meter numbers and tariff structures must be captured on the utilities management system; and
- To install check meters where required as to validate the municipal billings as well as to consolidate the water and electricity expenditure per Station or complex.

4. COMPREHENSIVE UTILITIES MANAGEMENT AND ADMINISTRATION TRAINING

- Comprehensive Utilities Management and Administration training. Including account analysis, tariff structures, consumption, account costing analysis. Methods to decrease utilities expenditure.
- Training of PRASA staff relating to the technical functionalities of pre-paid vending services..

AGREEMENT BETWEEN PRASA AND SP

APPENDIX 2

PREPAYMENT REVENUE MANAGEMENT SERVICES

This Appendix describes the terms and conditions upon which the SP shall perform the Revenue Prepayment Management Services for the Customer.

I. GENERAL TERMS AND CONDITIONS

1. Definition

The definitions used in this Appendix have the meaning here below described:

“EFT” or “Electronic Funds Transfer” means the electronic funds transfer for settlement between various account drawers and beneficiary payees.

“Collector” means the various entities with whom the SP has contracted, or will in the future contract, by signing a Collector Agreement.

“Collector Agreement” means the agreement entered into by and between the Collector(s) and the SP regulating the use and implementation of the iPay System.

“Day” means a 24 hour day, excluding public holidays and weekend.

“iPay System” means the software application “electronic payment system” under which the SP owns rights which facilitates the collection and switching of Receiver payments from the Collector(s) nominated bank account(s) to the Receiver and which is downloaded onto the Payment System.

“iPay Receiver Number” means a number or series of numbers allocated to the Receiver and reflected on the iPay System.

“Payments” means any payments, made using the iPay System, including, but not limited to pre-payments, post-payments or account payments.

“Payment System” means the Collectors system(s), being electronically linked to the iPay System (eg. Point of sales)

“Receiver” means the Customer, as defined in the Agreement.

“Receiver’s Nominated Account Number” means

Bank:.....

Bank Account No:



Branch Code:.....

Account Holder:

“**Transaction Data**” mean such data generated in respect of Receiver payments in the iPay System.

“**SP control Account**” being part of the iPay System means an internal SP account, on which is reflected all Transaction Data, and from which instructions are issued to debit the Collector(s) Nominated Account(s) via EFT with amounts due in terms of this Agreement by the Collector and to credit these amounts via EFT to the Receiver’s Nominated Bank Account and to the SP where appropriate.

2. **Preamble**

The receiver wishes to use iPay System, where the SP will collect payment of electricity supply for the Receiver through the Collectors;

3. **Receiver’s obligation**

The Receiver hereby agrees and undertakes:-

- 3.1 to use the iPay System to collect Payments;
- 3.2 to direct customer queries to the SP and to advise the Receiver’s customers not to raise queries with any Collectors; and
- 3.3 should a Collector instruct the SP to reverse a Payment, which payment has in error been transferred via EFT to the Receiver (eg: that the error has arisen due to a technical problem or a duplication of Transaction Data resulting in the Receiver receiving a payment to which it is not entitled), the SP shall immediately initiate a reversal or refund with the Receiver. The Receiver undertakes to do whatsoever may be necessary to ensure in such successful reversal or refund by hereby authorising the SP to debit the Receiver’s Nominated Bank Account via EFT with the appropriate amount;
- 3.4 to reimburse a Collector, in respect of payments made to the Collector by a Receiver’s customer using a credit or debit card, any fees charged to that Collector by the supplier of the credit or debit cards;
- 3.5 to reimburse a Collector, in respect of cash payments made to the Collector, any cash handling fees charged to that Collector by the Collectors bank;

- 3.6 to reimburse a Collector, in respect of any cheques returned to the Collector by its banker for any reason whatsoever or in respect of any credit or debit card reversal, the amount of said cheque returned, credit or debit card reversal and the bank charges relating thereto;
- 3.7 to reimburse the Collector, upon notification by the SP, of any amounts owing in terms of the provisions of paragraphs 3.5, 3.6 and 3.7 above, by allowing the SP to debit the Receivers Nominated Bank Account via EFT with the appropriate amount; and
- 3.8 to reimburse the bank charges.

4. Obligation and Duties of the SP

The SP hereby agrees and undertakes: -

- 4.1 to approach any prospective Collector introduced by the Receiver with a view to signing them up as a SP Collector;
- 4.2 to ensure that all new Collectors sign an iPay Collector agreement and in so doing adhere to certain risk and management criteria and standards set by the SP;
- 4.3 to notify the Receiver of all existing Collectors prior to or on signature hereof and of all new national branded Collectors appointed by the SP within 30 days of any such appointment being made, on the agreement that the SP will discuss the appointment of any small independent Collector with the Receiver before allowing such Collector to perform vending on behalf of the Receiver;
- 4.4 to furnish the Receiver by no later than close of business on the 7th day of each month, with a consolidated report of all transactions that occurred in the preceding month, detailing *inter alia*:
 - 4.4.1 details of Receiver Payments transmitted via EFT from The Collectors Nominated Bank Account to the Receivers Nominated Bank Account;
 - 4.4.2 transaction volumes;
 - 4.4.3 those aspects of the Transaction Data detailing consolidated data pertaining to all the previous months transactions;
- 4.5 to ensure, subject to the provisions of paragraph 5.3 below, that each Payment collected by a Collector is deposited via EFT transfer into the Receiver's Nominated Bank Account on the 7th of the month following the month during

which the Collector has received such Payment;

- 4.6 to ensure, subject to the provisions of paragraph 5.3 below and in the event that the 7th falls on a weekend or a public holiday, that the deposit referred to in paragraph 4.5 above is done on the next business day thereafter;
- 4.7 to immediately terminate an iPay Collector Agreement with any Collector that has been liquidated, voluntarily or compulsory, and whether such liquidation is provisional or final;
- 4.8 to make available to the Receiver on a monthly basis those aspects of the Transaction Data detailing payments received;

5. Method of Payment

- 5.1 Upon receiving the Transaction Data from the Collectors, the SP shall consolidate same and transmit it to the Receiver in such manner and by such method as is elected by the Receiver.
- 5.2 The consolidated total of all Receiver's customer payments reflected in the Transaction Data, and collected by the respective Collectors, shall be transferred monthly, by the SP to the Receiver via EFT and by debiting the respective Collectors Nominated Bank Accounts and crediting the Receivers Nominated Bank Account.
- 5.3 Late payment.

In the event the SP is unable to deposit Payments via EFT on time in terms of the provisions of paragraphs 4.5 and 4.6 above or at all, except in case of Force Majeure (as defined in the Agreement), the SP shall, subject to compliance with paragraph 5.4 below, be entitled to an automatic extension of 7 (seven) working days within which to effect such deposit; provided that the SP shall only be entitled to such an extension 3 times per annum; and provided further that the SP shall be liable to the Receiver for interest on said deposit, calculated at the prime bank overdraft rate charged by the South African Standard Bank Limited from time to time, reckoned from the Day the deposit should have been done, until the Day on which it is done. Any such interest owing shall be calculated by the SP and deducted from the Revenue Management Fee due by the Receiver to the SP.

5.4 In the event that the SP is unable to deposit Payments on time, or at all, the SP shall immediately upon becoming aware of this fact, notify the Receiver in writing thereof.

6. **SP Exclusivity**

6.1 Should the Receiver wish to use another payment system it may do so provided it notifies the SP with at least 7 days notice prior to commencing use of said other payment system; provided further that the SP shall not be responsible or liable for any problems that might occur in the proper functioning of the iPay System as a result of the Receiver using such other system.

6.2 Unless otherwise provided for herein the Receiver agrees and expressly undertakes that it shall not under any circumstance whatsoever deal directly with any Collector for operational requirements pertaining to this agreement.

6.3 The Receiver agrees and expressly undertakes that it shall not under any circumstances do anything or cause anything to be done which would jeopardise the relationship between the SP and its respective Collectors and furthermore agrees that breach of this sub-paragraph would be a breach of this Agreement as per the terms of Article 12.2 of the Agreement.

II. **SPECIFIC TERMS AND CONDITIONS – PREPAID PAYMENTS**

The below terms and conditions would apply if the Receiver will be using iPay System for collection of prepayments.

1. **Specific definitions**

“iPay prepaid” means a software application under which the SP owns rights, being a by-product of iPay, in terms of which payment for prepaid coupons is switched between the Receiver and the Collector.

“Prepayment/Prepaid Coupon” means a coupon purchased by a Receiver’s Customer entitling him to prepaid services/utilities from the Receiver.

“Receiving Terminal” means a terminal from which a Prepaid Coupon is issued which is interfaced with iPay Prepaid, and which is owned/managed by an iPay Collector.

“Prepaid Payment” means a payment made by a Receiver’s Customer when purchasing a Prepaid Coupon.

“Receiver’s Customer” means a person who has been issued a Receiver Account, or a person who purchases Prepaid Coupons.

2. iPay Prepaid

The Receiver wishes to implement iPay Prepaid as part of the integrated service provided to it by the SP, which further service the SP hereby agrees to provide.

3. Receiver’s Obligation

The Receiver shall allow the SP electronic access to such of the Receiver’s prepayment data and information as is required by the SP to operate the iPay Prepaid system.

4. SP’s Obligation

4.1 Insofar as the SP shall in terms of the provisions of paragraph 3.3 above have access to the **Receivers** prepayment data and information, which information are confidential and exclusive, the SP hereby agrees and undertakes:

1.1.1 to at all times and to the best of its ability, keep as confidential and secure from unlawful access of any kind said prepayment data and information.

2.1.2 to allow the Receiver access to the SP systems upon request by the Receiver in order to enable the Receiver to perform audits to verify the security measures employed by the SP in terms of the obligations undertaken by the SP in paragraph 4.1.1 above.

AGREEMENT BETWEEN PRASA AND THE SP

APPENDIX 3**POST-PAYMENT REVENUE MANAGEMENT SERVICES (PRE-PAID METERING)**

This Appendix describes the terms and conditions upon which the SP shall perform the Post Payment Revenue Management Services for the Customer.

I. GENERAL TERMS AND CONDITIONS**1. Definition (See Appendix 2)****2. Preamble**

The receiver wishes to use the SP's revenue collection system, where the SP will collect payment for utility services provided to the Receiver's Customers on behalf of the Receiver;

3. Receiver's obligation

The Receiver hereby agrees and undertakes: -

- 3.1 to use the SP's revenue collection system to collect Payments;
- 3.2 to direct customer queries related to utility services bills to the SP and to advise the Receiver's customers not to raise queries with any Collectors; and
- 3.3 should a Collector / Receiver's Customer instruct the SP to reverse a Payment, which payment has in error been transferred via EFT to the Receiver (e.g.: that the error has arisen due to a technical problem or a duplication of Transaction Data resulting in the Receiver receiving a payment to which it is not entitled), the SP shall immediately initiate a reversal or refund with the Receiver. The Receiver undertakes to do whatsoever may be necessary to ensure in such successful reversal or refund by hereby authorising the SP to debit the Receiver's Account with the appropriate amount;
- 3.4 to reimburse a Collector, in respect of payments made to the Collector by a Receiver's Customer using a credit or debit card, any fees charged to that Collector by the supplier of the credit or debit cards;
- 3.5 to reimburse a Collector, in respect of cash payments made to the Collector, any cash handling fees charged to that Collector by the Collectors bank;
- 3.6 to reimburse a Collector, in respect of any cheques returned to the Collector by its banker for any reason whatsoever or in respect of any credit or debit card

reversal, the amount of said cheque returned, credit or debit card reversal and the bank charges relating thereto;

3.7 to reimburse the Collector, upon notification by the SP, of any amounts owing in terms of the provisions of paragraphs 3.5, 3.6 and 3.7 above, by allowing the SP to debit the Receivers Nominated Bank Account via EFT with the appropriate amount; and

3.8 to reimburse the bank charges.

4. Obligation and Duties of the SP

The SP hereby agrees and undertakes: -

4.1 to furnish the Receiver by no later than close of business on the 7th day of each month, with a consolidated report of all transactions that occurred in the preceding month, detailing *inter alia*: -

4.1.1 details of Receiver Payments transmitted via EFT to the Receivers Nominated Bank Account;

4.1.2 transaction volumes;

4.1.3 those aspects of the Transaction Data detailing consolidated data pertaining to all the previous months transactions;

4.2 to ensure, subject to the provisions of paragraph 5.3 below, that each Payment collected is deposited via EFT transfer into the Receiver's Nominated Bank Account on the 7th of the month following the month during which the payment was received;

4.3 to ensure, subject to the provisions of paragraph 5.3 below and in the event that the 7th falls on a weekend or a public holiday, that the deposit referred to in paragraph 5.6 above is done on the next business day thereafter;

4.4 to make available to the Receiver on a monthly basis those aspects of the Transaction Data detailing payments received;

5. Method of Payment

5.1 Upon receiving the Transaction Data, the SP shall consolidate and transmit it to the Receiver in such manner and by such method as is elected by the Receiver.

5.2 The consolidated total of all Receiver's customer payments reflected in the Transaction Data, and collected, shall be transferred monthly, by the SP to the Receiver via EFT.

5.3 Late payment.

In the event that the SP is unable to deposit Payments via EFT on time in terms of the provisions of paragraphs 4.2 and 4.3 above or at all, except in case of Force Majeure (as defined in the Agreement), the SP shall, subject to compliance with paragraph 5.4 below, be entitled to an automatic extension of 7 (seven) working days within which to effect such deposit; provided that the SP shall only be entitled to such an extension 3 times per annum; and provided further that the SP shall be liable to the Receiver for interest on said deposit, calculated at the prime bank overdraft rate charged by the South African Standard Bank Limited from time to time, reckoned from the Day the deposit should have been done, until the Day on which it is done. Any such interest owing shall be calculated by the SP and deducted from the Revenue Management Fee due by the Receiver to the SP;

5.4 In the event that the SP is unable to deposit Payments on time, or at all, the SP shall immediately upon becoming aware of this fact, notify the Receiver in writing thereof.

6. **SP Exclusivity**

6.1 Should the Receiver wish to use another payment system it may do so provided it notifies the SP with at least 7 days notice prior to commencing use of said other payment system; provided further that the SP shall not be responsible or liable for any problems that might occur in the proper functioning of the SP's revenue collection system as a result of the Receiver using such other system.

6.2 Unless otherwise provided for herein the Receiver agrees and expressly undertakes that it shall not under any circumstance whatsoever deal directly with any Collector for operational requirements pertaining to this agreement.

6.3 The Receiver agrees and expressly undertakes that it shall not under any circumstances do anything or cause anything to be done which would jeopardise the relationship between the SP its respective Collectors / Receiver's Customers and furthermore agrees that breach of this sub-paragraph would be a breach of this Agreement.

7 Confidentiality of data

7.1 Insofar as the SP shall have access to the **Receiver's Customer's electricity consumption** data and information, which information are confidential and exclusive, the SP hereby agrees and undertakes:

7.1.1 to at all times and to the best of its ability, keep as confidential and secure from unlawful access of any kind said prepayment data and information.

7.1.2 to allow the Receiver access to the SP's systems upon request by the Receiver in order to enable the Receiver to perform audits to verify the security measures employed by the SP in terms of the obligations undertaken by the SP in paragraph 7.1.1 above.

 AGREEMENT BETWEEN PRASA AND THE SP

APPENDIX 4
SERVICE LEVEL AGREEMENT

This Appendix describes the Service Level Agreement terms and conditions under which the SP shall provide Services for the Customer.

1 CUSTOMER RESPONSIBILITIES
1.1 Service Requests:

Customer will notify the SP of problems that affect Software and or system performance as soon as practical. Problems are to be reported via the SP's Customer Support Hotline No.or via email at

1.2 Service Hours:

For the purpose of categorizing delivery of the services documented herein, the following schedules will be in effect. All times are GMT+2 for this contract:

Regular Business Hours: 08:00 to 17:00, Monday through Friday

Overtime Hours: 17:00 to 08:00, Monday through Thursday

17:00 to 24:00, Fridays and days preceding SP holidays

Weekend/Holiday Hours: 00:00 to 24:00 Saturday and Sundays

00:00 to 09:00 Mondays and days following SP holidays

00:00 to 24:00 SP holidays.

SP Holidays for the following year will be listed and communicated in writing (at Customer's request).

1.3 The SP Customer Support Hotline, in consultation with the Customer, will assign an appropriate Severity Level of Category (A, B, C), based on a reasonable analysis of the business impact on Customer's operation.

If any disagreement on Severity Level exists, the SP Customer Support Hotline will treat the issue with the Customers designated Severity Level, however this will also be escalated to the Support Services Manager of the SP to conduct any further negotiations with the Customer about the designated Service Levels, if necessary.

Any change in Severity Level of an open issue should be advised promptly by the Customer to the SP's Customer Support Hotline. The SP shall use reasonable effort to

meet the following response times. Response times are different from Resolution of a problem, which might require additional time to be performed, depending on the identification of the problem by the SP.

2 SP RESPONSIBILITIES

2.1 Categorisation of Incidents:

The Parties shall categorise all incidents or problems relating to the availability of the Hosted Services as Category A, B or C. Response times will take effect from the time the call is logged with the SP service desk

2.2 Table of Categories:

Severity	Description
Category A	Shall be a Fault which makes the System as a whole totally unusable;
Category B	Shall be a Fault which has a material effect upon the functionality, accuracy or performance of any function of the System upon which the Customer relies for the efficient conduct of the relevant part of its business however does continue in a restrictive fashion.
Category C	Minor loss of service, impact is inconvenience

2.3 Fault Response:

a. SP Obligation:

The SP will, subject to compliance by the Customer with its obligations set out below, attempt to respond to a problem within the Target Times set out in the Table below, or as soon thereafter as reasonably possible. When appropriate, the SP will endeavour to give an estimate of how long a problem may take to resolve. The SP will endeavour to keep the Customer informed of the progress of Fault resolution.

The Customer acknowledges that the SP may provide a temporary, practical work around solution (as opposed to a permanent fix) for a Fault, provided that if the SP does provide a temporary work-around solution the SP will provide a permanent fix in the next Maintenance Release.

b. Customer's Obligation

The Customer must submit sufficient material and information to enable the SP to duplicate a Fault or define the scope of a Request.

Item	Minimum Service Level
Uptime of Total Vending Functionality	99.8%, excluding downtime for scheduled maintenance or other reasonable requirements of the SP.
Communication Infrastructure Uptime	Excluded from scope of Services
<u>Fault Response Times:</u>	
Category A:	Included
Hosting (Vending) Infrastructure	2 hours response
Vending equipment and Admin Station	8 hours response
Communication link	SP MPLS Network 2-hour response time SP's Internet VPN/IPSec tunnel 2 response time Customer Network – Subject to customers Service Providers Service Level Agreement
Category B	Included
Hosting (Vending) Infrastructure	6 hours response
Vending equipment and Admin Station	6 hours response
Communication link	SP's MPLS Network 4-hour response time SP's Internet VPN/IPSec tunnel 2 response time Customer Network – Subject to customers Service Providers Service Level Agreement
Category C	Included
Vending Infrastructure	8 hours response
Vending equipment and Admin Station	8 hours response
Communication link	SP's MPLS Network 6-hour response time SP's Internet VPN/IPSec tunnel 2 response time Customer Network – Subject to customers Service Providers Service Level Agreement Negotiated times between the SP and Customer

2.4 Customer Support Hotline:

During Service Hours, the SP will make available a Customer Support Hotline for questions, problem reporting, and service requests. SP's Local Customer Support Hotline number isand is staffed during Regular Business Hours. In addition to the SP's Customer Support Hotline, Customer personnel may contact the SP via the Customer Support e-mail address

2.5 Telephonic Technical Support:

The SP will make available qualified technical representatives, during Regular Business Hours to assist the Customer with technical support of the Software. This technical support includes, but is not limited to, troubleshooting Software issues, file management, report troubleshooting, interpretation of error messages, problem diagnosis, and recommendations for fully utilizing Software capabilities.

The SP also will answer questions regarding procedures, documentation, proper operation, service, and Software enhancements. Upon request by the Customer, the SP will also provide documentation on all pending service requests or unresolved issues that have been requested or reported by the Customer. Technical Support is available via the SP's Local Customer Support Hotline number at or via email at

2.6 System Support:

In addition to support of the defined SP software applications ("software"), the SP may also provide technical support towards the end-to-end software solution. This may include the scoping of any integration solutions, programs or scripts that may be required. The rates for this will be determined on a per quotation basis.

2.7 Remote Technical Support:

The SP will make available qualified technical representatives, during Regular Business Hours to assist the Customer with remote technical support.

3 SERVICE LEVELS AND SERVICE LEVEL MANAGEMENT

3.1 KPI:

KPI	Measurement Method
The Hosted Services will be available 99.8% (ninety-nine-point eight percent) of the operating hours 24 x 7 in any month	Monthly statistics, clearly indicating total down time per service with detail of each down time event.

Measurement period: Save as otherwise stipulated below, all Service Levels will be measured with reference to performance during a calendar month.

3.2 Service Reports:

The SP will provide real time statistics concerning the performance of the Services (“The Service Statistics”) to the CUSTOMER, which shall be accessible to the CUSTOMER via email reports or online and available at any time. In addition to reports generated aforesaid, and in the event that the reports required fall outside the scope of the online reporting function

3.3 System Configuration:

Customer will ensure that equipment, operating system, and data communications environment is configured, operated, and maintained in accordance with the SP’s prescribed Software requirements, as stated within the SP product documentation. Customer agrees to consult with the SP prior to making changes that may affect Software operation.

3.4 Network Administration:

Customer will monitor and maintain all local, and wide area network components within the customers control to include VPN and MPLS network links.

SP to include network servers, network clients, network hubs, routers, modems, and all software components necessary for efficient and reliable network operations. Specific activities include managing network equipment repairs, upgrades, and replacements, to ensure continued conformance with SP’s prescribed Software configuration.

3.5 Remote Communications:

Customer will purchase, install, operate, and maintain remote communications software and equipment in a manner that will allow for remote access to Software user sites. Customer will make remote access available to the SP, as necessary, for remote diagnosis and troubleshooting of system operations.

3.6 Qualified Personnel:

In order to assist with the successful and effective operation of the Software, the Customer understands the need to retain personnel fully trained in the Use of the Software. Customer agrees that it shall not use the SP's Support Services Centres in lieu of obtaining such formal training. Customer further agrees that each Customer contact person will be trained in the use, operation and support of the Software and will secure additional training for major releases. Training classes are available from the SP at the SP's then current rates and may be conducted at Customer's site, or at one of the SP's locations. Customer shall be responsible for all travel and other expenses incurred by its employees while attending such training. Customer understands and agrees that if the Customer loses trained personnel and attempts to rely on the SP's Support Services for training, assistance will be provided by the SP on an "as available" basis. While the SP will continue to respond to Customer requests, the SP will not allow Customer-training requests to dilute the effectiveness and responsiveness of its service and will notify Customer management that formal training is needed when such situations occur.

3.7 User Profiles and System Passwords:

Customer is responsible and accountable to ensure that Users are assigned the appropriate system and admin rights to prevent unauthorised activities and to ensure that the required standards for segregation of duties are maintained.

3.8 Interoperability:

The SP makes no representation or warranty regarding the ability of the SP Software to interoperate with third party hardware or software other than software or hardware identified as compatible with the SP Software in the SP's published documentation for such Software.

APPENDIX 5

BUSINESS REQUIREMENTS

This Appendix describes the Business Requirements under which the SP shall provide Services for the Customer.

- PRASA is implementing the SAP ERP architecture and it is essential that the billing management systems is integrated into the SAP Real Estate Module.
- The system must support the appropriate metering technologies spanning a wide range of Original Equipment Manufacturers (OEM).
- Support of meter data management and vending for electrical power and water utilities across both STS and AMI equipment (prepaid and online meters).
- The current information architecture and system integrity will not be compromised in any format; similar or better than the current systems.
- The system will operate in the same, auditable online environment that is already integrated with existing and matured electronic and retail purchase and vending channels on a national basis, including: Online Credit Card, Bank Cash Deposit and EFT, and retails Points of Sale such as BP, SASOL, SPAR, Pick 'n Pay, SHOPRITE, Seven Eleven, Caltex, ENGEN, TOTAL, etc.
- An end-to-end solution is required such that transactions and vending are reflected and completed in “real-time”, without batch processing, within a single relational database.
- End-to-end transparency is a pre-requirement, such that consumers are able to access the detail of their utility metering accounts and that authorised PRASA CRES staff must be able to access the system using any standard Web Browser within the PRASA ICT Architecture.
- Every effort should be made to incorporate SMME firms to enhance the economic growth in the SMME sector, job creation and the stimulation of local economic development.
- Tenderers must observe the current billing and metering management process being undertaken by an existing service provider and must take the process over; and

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- In all cases the current applicable Eskom tariffs and Local Authorities' guidelines regarding the supply of water will apply.