



REQUEST FOR QUOTATION

Form No: RW SCM 00016 F

Revision No: 09

Effective Date: 31 Jan 2023

BID NUMBER:	10410121	CLOSING DATE:	27 June 2024	CLOSING TIME:	23:59
DESCRIPTION:	Provisioning and Implementation of an Artificial Intelligence Modeling Solution to create Predictive Models for Advanced Analytics, Uncover Trends, Impactful Insights, and Guidelines on Data Pipelines, Storage and Processing within Rand Water.				
NON-COMPULSORY BRIEFING SESSION DATE AND TIME	N/A	BRIEFING SESSION VENUE	N/A		
ISSUE DATE	21 June 2024				

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			
BUYER		SOURCING MANAGER	
CONTACT PERSON	Faith Segwe	CONTACT PERSON	Jabulile Molema
TELEPHONE NUMBER	011 682 0470	TELEPHONE NUMBER	011 682 0393
E-MAIL ADDRESS (Submissions must be made to this address)	fsegwe@randwater.co.za	E-MAIL ADDRESS	jmolema@randwater.co.za

SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE		NUMBER
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE		NUMBER
E-MAIL ADDRESS 1			
E-MAIL ADDRESS 2			
VAT REGISTRATION NUMBER			CIDB GRADING
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		CENTRAL SUPPLIER DATABASE No: MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT (EMEs and QSEs) [TICK APPLICABLE BOX] ☐ Yes ☐ No

BID SUBMISSION:

- Bids must be submitted by the stipulated time to the email address stipulated above. Late bids will not be accepted for consideration.
- All bids must be submitted on the official forms provided (not to be re-typed) or in the manner prescribed in the bid document.
- No bids will be considered from persons in the service of the state, companies with directors who are persons in the service of the state, or close corporations with members / persons in the service of the state."
- Rand Water will provide any clarifications / addenda / extension of closing date by no later than one (1) calendar*

day before the closing date.

1. SCOPE OF WORK

1.1. DESCRIPTION

Rand Water is requesting proposals from experienced service providers to deliver and implement an artificial intelligence modeling solution. This solution should be capable of creating predictive models for advanced analytics, enabling the discovery of trends and generation of actionable insights. Additionally, the solution must include comprehensive guidelines on data pipelines, storage, and processing to ensure efficient data management and utilisation.

2. BUSINESS REQUIREMENTS

Rand Water seeks a comprehensive AI solution to predict and analyse trends of the water consumption by customers, water losses incurred, and the associated costs over a period of six months.

2.1. Water Production and Distribution Forecast:

Predict the amount of water that needs to be generated over the next 6 months to meet the Water Use Efficiency (WUE) target in accordance with the water license quota.
Compare this prediction with the actual distribution to various customers.

2.2. Water Loss Prediction:

Forecast water losses for the next 6 months by comparing extracted water and the amount paid for to the Department of Water and Sanitation (DWS) against the actual water supplied to customers.

2.3. Debtor Impact Analysis:

Predict the impact of non-payment from major customers over the next 6 months using age analysis for debtors.

This solution will empower Rand Water to efficiently manage resources, reduce water losses, and anticipate financial challenges, ensuring sustainable water distribution and fiscal health.

3. FUNCTIONALITY REQUIREMENTS

3.1. AI and Predictive Analytics capabilities

- Natural Language Processing (NLP) and Interpretation - Design the system to ingest and understand reporting requests in natural language, handling various degrees of clarity and completeness.
- Utilise industry ontology and custom definitions to accurately interpret these requests functionally.
- Automated SQL Generation: transform interpreted requests into SQL code, ensuring the extraction of accurate data to produce correct results from a standardized data model.

3.2. Dashboard Features:

- Predictive Analysis Visualisation: Interactive charts and graphs display predicted water production and distribution, water losses, and financial impacts from non-payment.
- Data Integration: Seamless integration with Oracle OPS Water Stats and Oracle Water Billing systems to pull relevant historical data. Using connectors like Microsoft BizTalk or ODBC Connection / API connectors.
- User-Friendly Interface: Intuitive and easy-to-navigate interface for both technical and non-technical users.
- Actionable Insights: Clear and concise insights that enable proactive decision-making for water management and financial planning.

4. SOURCE DATA TO BE USED

- Oracle Opstats / Water Stats
- Oracle Water Billing
- Maximo environments

5. RAND WATER ENVIRONMENT

Rand Water has 3 environments (Development and Production) and Disaster Recovery (DR) for the above-mentioned

environments. The consultants will create a new data store which will serve as a Master Data residing from the other systems.

The models and data will be stored and remain within the Rand Water physical environment.

Rand Water will retain the right to award more than one Supplier with this contract. Support & Maintenance services will be required during working hours (08h00 – 16h30) Mondays - Fridays. After hour/weekend work is dependent on prior approval by the Rand Water Contract/ Project Manager before commencing.

Approval from the Change Control Committee is required for major enhancements/new implementations before making changes to the Environment. All calls will be managed and controlled via Rand Water Helpdesk and the Support Manager in charge of the function.

6. SERVICE LEVEL AGREEMENT (SLA).

The service provider will be required to enter an SLA with Rand Water to ensure that services will be provided within the stipulated CURRENT VERSION TO THE LATEST VERSION IN RAND WATER.

7. PROFESSIONAL SERVICES TO INCLUDE AND MUST BE SPECIFIC TO THE LIST BELOW.

These services will be time and material based, as per the provided AI Solution's. provided as and when required for 12 months. (See the below scope requirements for the implementation plan). The RFQ is raised for the following scope/activities but not limited to:

- **SYSTEM REQUIREMENTS:**

Check and ensure that the current infrastructure meets the system requirements of the proposed AI solution. This includes hardware, operating system, and database compatibility.

- **BACKUP and RECOVERY:**

Perform a full backup of your proposed AI tool, including databases and configurations. This ensures that in case of any issues during the upgrade, you can easily roll back to the previous version.?

- **TESTING ENVIRONMENT:**

Setting up a testing environment that mirrors the production environment. Test the upgrade process thoroughly in this environment before attempting the upgrade in the production system.

- **UPDATE 3RD PARTY COMPONENTS:**

Check for any third-party components or integrations used by the proposed AI solution. Ensure that these components are compatible with the proposed solution and update them if necessary?

- **CHECK CUSTOMISATIONS:**

If you have any customizations or enhancements in your current version, evaluate their compatibility with the updated version. You may need to adapt or re-implement certain custom developments.

- **SOLUTION DOCUMENTATION:**

Update system documentation, including installation guides, configuration guides, and user manuals for the proposed AI solution.

- **IMPLEMENTATION PLAN:**

Develop a detailed implementation plan outlining the steps involved in the upgrade the solution soon.

- **COMMUNICATION PLAN:**

Communicate the upcoming upgrade to all relevant stakeholders, including end-users, DTIM team, and management. Provide information on the benefits of the upgrade and any changes that users can expect.

- **PERFORMANCE TUNING:**

Fine-tune the performance of the proposed AI solution based on real-world usage patterns. This may involve adjusting configurations, optimizing queries, or scaling resources as needed.

- **PERFROM SYSTEM STABILISATION (Monitoring and Support):**

Implement monitoring tools to keep track of system performance, errors, and user feedback post-implementation. Be ready to provide stabilisation support and address any issues that may arise.

TRAINING/ KNOWLEDGE TRANSFER

Provide Rand Water Technology team with skills and capabilities to build and support the predictive models independently.

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independently.

- Knowledge Transfer for maintenance configuration AI solution
- Training for AI solution Tool
- Skills Transfer and hands-on training (i.e., Training of super users and support personnel)
- Updated training/handover documentation
- Skills transfer log to be provided and managed

APPLICATION OPTIMISATION (Performance)

- Application bug fixes
- Application Hardening (Security)
- Functionality changes
- New application features
- Deployment of software patches
- Upgrade Preparation
- Determine upgrade increments
- Upgrade users & authorizations
- Execute Incremental Upgrade
- Post Upgrade Testing and Support
- Transport to Quality and/or Production
- Go Live
- Post Go Live Support

SYSTEM RESTORE (For potential system restore failures or any other reason)

- Data Transfer
- Installation
- Configuration

UAT SIGN-OFF and IMPLEMENTATION

- Testing, User acceptance testing, and sign-off facilitation
- Quality Assurance (QA)
- UAT Sign-off and Implementation

CONSULTING SERVICES

- Architecture and Engineering
- Data Science/Analytics
- AI Solutions Architect
- AI Analysts/Developers
- Machine Learning Engineers

8. TIME AND MATERIAL CALL OUT FEES

- Services provided will be on a Time & Material basis providing 3rd line support & skills transfer to the internal support team as well as Super Users & Business Process Owners.
- Support & Maintenance services will be required during working hours (08h00 – 16h30) Mondays - Fridays.
- After hour/weekend work is dependent on prior approval by the relevant Manager before commencing.
- Access to Rand Water IT environment will be granted via VPN access.
- There will be no retainer and no minimum guaranteed hours - Monthly working hours will be capped at 160 hours per month per resource and billing will be managed via weekly timesheets submitted and approved by the relevant Manager reflecting the calls successfully completed and implemented in Production.

It is imperative to complete the hourly rates with appropriate resources using the table below as a guideline.

N.B. The tenderer must provide hourly rates for resources required for support and use the table below as a guideline (add relevant resources required for support).

Note: The supplier not to complete the Rand Water Aspiration Price Column in the table provided below.

- Time & material-based contract on hourly rates for resources as per specialist skills required.
- There will be no retainer and no minimum guaranteed hours.
- Monthly hours will be capped at 160 hours per resource and controlled by the workload.
- All hours billed will be during the above times with relevant timesheets and proof of work done.
- Remote services will only be agreed upon depending on the situation.
- After hours or weekend work must be approved at the discretion of the Project Manager.

8.1. The table below (3.3.1 - PRICING SCHEDULE) should indicate hourly rates (as per daily rates).

Remote indicates either over weekends, during working hours or after hours.

Weekends and after hours would be regarded as emergency assistance.

Please populate the below table (3.3.1 - PRICING SCHEDULE) with relevant resources to support **the entire** AI Solution **E.g., Data Analysts , DBAs, Data Scientists**, AI Solutions Architect, AI Analysts/Developers, Machine Learning Engineers **(Enhancements), and any other relevant resources required.**

Please note that the rates should be inclusive of any costs for travel and accommodation/reimbursements (if incurred) and no other separate rates will be considered.

The Service Provider shall attend to calls and non-conformances during Critical Availability Time based on the table below.

2. AWARDING STRATEGY

The maximum number of suppliers to be awarded this RFQ is 01.

3. EVALUATION CRITERIA

The RFQ will be evaluated based on the criterion below:

3.1. Test for Responsiveness/ Pre- qualification

- 3.1.1. Pricing Schedule in 3.3.1 should be fully completed.
- 3.1.2. Official letter from OEMs confirming that the service provider is an IBM , SAP , MICROSOFT etc. partner.

Responses that fail to meet pre-qualifying criteria stipulated will not be further evaluated.

3.2. FUNCTIONALITY CRITERIA

3.2.1. The functionality evaluation criteria are as follows:

ADJUDICATION CRITERIA		WEIGHT
1.	Previous Related Experience (Similar to current RFQ Scope/Work) This is based on bidders' history of implementing similar implementing an Artificial Intelligence modeling solution to create predictive models for advanced analytics, uncovering trends and impactful insights, the solution must also provide guidelines on data pipelines, storage, and processing. The bidder must provide three reference letters. The reference must be a written letter/affirmation or affidavit from The rating of this item is based on a four-point scale: None = 0 % - No submission Weak = 33.3% - 1 Company reference Moderate = 66.7% - 2 Company references Good = 100% - 3 or more Company references Note: the below applicable to all the above rating scales: a. Detailed company reference with the project name, description of the project, and scope of work. b. Duration of the assessment period and each letter/affirmation/affidavit must support projects mentioned on the company reference. They should be dated, signed, and on a client/customer letterhead. This will be with the following indicated: - (Client/Customer name and physical address - Customer contact person's name, telephone number, and email address - Project or service scope of work. Project start and end date	30
2.	Human Resource Capacity Adjudicated based on Human Resource Capacity Schedule required for the execution of the scope of work. The purpose is to establish an overall picture of the company's human resource capacity and ability to undertake the work. The Adjudication is based on Human Resource Capacity of a CV's with following	40

ADJUDICATION CRITERIA		WEIGHT
	with minimum three years' experience. The rating of this item is based on a four-point scale: None = 0 % - No submission Weak = 33.3% - 2 CVs of Data Analysts , Data Scientists , Data Architecture and Engineers , DBAs consultants, with 3 years' experience Moderate = 66.7% - 3 CVs of Data Analysts , Data Scientists , Data Architecture and Engineers , DBAs consultants, with 3 years' experience Good = 100% - More than 3 CVs of Data Analysts , Data Scientists , Data Architecture and Engineers , DBAs consultants, with 3 years' experience	
3.	Work Breakdown / Schedule / Project Program A three-month project plan with the following - on a Gantt chart format - detail at least activity level 2 - resources loaded - monthly cost forecast to completion. - Implementation plan The rating of this item is based on a 4-point scale: • None = 0 % - No submission • Weak = 33.3% - Only Gantt chart format. • Moderate = 66.7% - Only Gantt chart, resources loaded with activity level 2, and an implementation plan.	30
TOTAL		100

Commented [NM1]: Is 3 CV of each discipline or in total with any discipline.?

Responses are required to meet a **minimum of 70 percent** to be further evaluated.

N.B. The tenderer must provide hourly rates for resources required for support and use the table below as a guideline (add relevant resources required for support).

3.3. PREFERENTIAL POINT SYSTEM

The (80/20) Preferential Point System will be used to evaluate price and specific goal on received written price quotations. Where 80 will be allocated for Price and 20 for the Specific goals.

3.3.1. PRICING SCHEDULE

The Supplier must complete the following pricing schedule:

	MILESTONES / LINE ITEMS	Estimated delivery period (where applicable)	UNIT PRICE (where applicable)	QUANTITY (where applicable)	COSTING
1.	Project Manager	As and when required	Hourly Rate	1	
2.	Database Administrator (DBA)	As and when required	Hourly Rate	1	
3.	Data Analysts	As and when required	Hourly Rate	1	
4.	Data Scientists	As and when required	Hourly Rate	1	
5.	Data Engineer/Architect	As and when required	Hourly Rate	1	

	MILESTONES / LINE ITEMS	Estimated delivery period (where applicable)	UNIT PRICE (where applicable)	QUANTITY (where applicable)	COSTING
6.	AI Analysts/Developers	As and when required	Hourly Rate	1	
7.	Post Implementation (System Stabilisation) Resource	As and when required	Hourly Rate	1	
8.	AI Solutions Architect	As and when required	Hourly Rate	1	
	The Supplier can add additional Skills-set where necessary				
TOTAL					
VAT					
TOTAL [VAT INCLUDED]					

Commented [NM2]: ?

Estimated duration of the contract: 24 Months will be used and controlled by the workload and timesheets.

NOTE: The SKILLS provided above may not be fully comprehensive for this request.
The Supplier may add any other skill, that is deemed necessary for the provisioning of the required services, in the MILESTONE/LINE ITEMS column.

3.3.1. SPECIFIC GOALS

Rand Water specific goals is to empower previously disadvantaged designated groups. This specific goal will be evaluated and measured by using the SANAS accredited B-BBEE certificate or sworn affidavit for QSE or EME or the dtic B-BBEE certificate.

Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Bidders will not be disqualified from the bidding process for not submitting a SANAS accredited B-BBEE certificate or sworn affidavit for QSE or EME or the dtic B-BBEE certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of maximum of 20 for B-BBEE.

4. RETURNABLE DOCUMENTS

The following documents **must** be returned together with this RFQ:

Required for Evaluation

- 4.1. Functionality evaluation supporting documents.
- 4.2. A B-BBEE Status Level Verification Certificate (SANAS Approved) / Sworn Affidavit (For EMES& QSEs) / *the dtic B-BBEE certificate* must be submitted in order to obtain preferential points. must be submitted in order to obtain preferential points.
- 4.3. Completed and signed SBD 4 Form (Declaration of Interest)
- 4.4. Company Resolution Letter (proof of authority).

Required for before award

SBD 4

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise,
employed by the state? **YES/NO**
- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

Full Name	Identity Number	Name of institution	State

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

..... Signature	 Date
..... Position	 Name of bidder

5. GENERAL TERMS AND CONDITIONS

The following terms and conditions shall apply to the award. The Supplier agrees to adhere to the terms and conditions.

5.1. DEFINITIONS

5.1.1. In the General Conditions of Purchase, the terms below shall have the following meanings, unless it is inconsistent with the context of the Purchase Order:

"PURCHASE ORDER" means the order between Rand Water and the Supplier;

"DELIVERY" means delivery in accordance with the conditions of the Purchase Order at the stated delivery point;

"SUPPLIES" means any services, equipment, goods, items or materials to be delivered by the Supplier in terms of the Purchase Order;

"SUPPLIER" means the party appointed by Rand Water and with whom Rand Water places the Purchase Order.

5.2. FIXED PRICE

The price stated in the Purchase Order shall be regarded as fixed and is invariable and not subject to adjustments unless otherwise agreed between the parties in writing.

5.3. DELIVERY TIME OR DATE

The delivery time or date stated in the Purchase Order shall be regarded as fixed and the Supplier shall adhere strictly thereto. Rand Water reserves the right to cancel any order issued if delivery is not made as agreed and the Supplier will not be entitled to any cancellation fees.

5.12. FORCE MAJEURE

Any Force Majeure event experienced by the Supplier that is likely to affect the timeous delivery of any items on the Purchase Order shall be communicated to Rand Water in writing within forty-eight (48) hours of the Supplier becoming aware of such circumstance. Force Majeure event means:

- natural disasters
- war, act of foreign enemies
- riot, civil commotion
- strike, lockout, other labour disturbance (including those involving the Supplier's employees) or any other circumstances beyond the control of the Supplier and which in the absence of this paragraph will operate to frustrate the timeous delivery of the item and/or service.

5.13. WARRANTY

5.13.1. The Supplier warrants that all goods and Services supplied under this Purchase Order will be in accordance with all contract requirements and free from defects or inferior materials, equipment, and workmanship for twelve (12) months after final acceptance of the goods or Services.

5.13.2. If Rand Water finds the warranted goods or Services need to be repaired, changed or re-performed, Rand Water shall so inform the Supplier in writing and the Supplier shall promptly and without expense to Rand Water replace or satisfactorily correct the goods or Services.

5.13.3. Any goods, services or parts thereof so corrected, shall also be subject to the provisions of this Clause, and the warranties for such goods, Services or part thereof shall be for twelve (12) months from the date of Rand Water's final acceptance of such corrected goods or Services.

5.13.4. The Supplier further warrants the goods/services will meet and are suitable for the purpose intended. These warranties shall survive inspection, acceptance, and payment. Goods/services that do not conform to the above warranties may, at any time within 12 months after delivery to Rand Water, be rejected and returned to the Supplier, and if Rand Water has incurred any expenses as a result thereof, Rand Water will be entitled to recover same from the Supplier.

5.14. TERMINATION FOR CONVENIENCE

Rand Water reserves the right, at any time, in its own best interest,

5.4. **PURCHASE ORDER**

5.4.1. In terms of this order Rand Water undertakes to procure, and the Supplier undertakes to supply the products and/or services as contained on the Purchase Order. This however, does not prohibit Rand Water to procure additional products/services, and or to procure the same/similar products/services, from any other Supplier.

5.4.2. The Purchase Order number stated in the Order shall be indicated clearly on all documentation to be issued by either party to the other.

5.5. **CANCELLATION OF ORDER**

5.5.1. Should the Supplier fail to deliver the goods at the time agreed to, or should it not comply with any other essential condition of the Purchase Order, Rand Water shall be entitled in writing to cancel the Purchase Order, without any adverse cost implications for Rand Water.

5.5.2. The aforesaid cancellation shall not prevent Rand Water from exercising any of its rights available in terms of the Purchase Order.

5.6. **DISPATCH OF SUPPLIES**

Rand Water shall not be responsible for any risk in and to the goods before delivery of such goods has taken place.

5.7. **SPECIFICATIONS**

5.7.1. The Supplier shall ensure that the service to be rendered shall in all respects be in accordance with the requirements and stipulations set out in the Purchase Order. All materials and consumable items if applicable shall be new and unused, unless otherwise agreed to in writing.

5.7.2. Rand Water shall be entitled to return any goods with defects or deviations from the agreed specification within 7 days after date of delivery and will not be liable for any cost.

5.8. **GUARANTEE**

Save for consumables, the Supplier guarantees the workmanship and materials and any components thereof will be free of any defects for a period of at least 12 (twelve) months after the acceptance thereof by Rand Water, reasonable wear and tear will be accepted.

5.9. **PAYMENT**

Rand Water does not allow advance payments to the Supplier.

5.9.1. Payment of an invoice shall not prevent Rand Water from subsequently disputing all or any of the fees in good faith whether during or after the term of the Purchase Order.

5.9.2. Payments shall be effected within 30 days after submission of monthly statement.

5.9.3. Rand Water shall endeavour to make payment within 30 days from date of monthly statement, date of the aforesaid monthly statement should reflect the last day of the month wherein the services being invoiced were rendered.

5.10. **LIABILITY FOR COSTS, DAMAGES OR EXPENSES**

Rand Water may deduct all costs, damages or expenses, or any other amount for which the Supplier is liable in terms of the Purchase Order, from moneys due to or becoming due to the Supplier in terms of any subsequent Purchase Orders or the contract between the Supplier and Rand Water. Rand Water is herewith irrevocably and *in rem suam* authorized.

5.11. **PENALTY AND PERFORMANCE CLAUSE**

5.11.1. Should the Supplier fail to perform and make delivery in terms of the Purchase Order, exception of Force Majeure specified in Clause 8.13, Rand Water shall be entitled to impose a penalty, which shall be deducted from the payment statement. The imposition of such penalty shall no relieve the Supplier from its obligation to complete the services or from any of its obligations and liabilities under the Purchase Order.

5.11.2. Every day, following the day on which a Failure arose ("day 1"), that a Failure persists without being rectified, shall be deemed a new incidence of a Failure for which the Supplier shall incur a penalty deduction.

and without liability, to terminate a Purchase Order in whole or in part, by written notice of termination for convenience to the Supplier. If the Purchase Order is so terminated, then, within thirty (30) days following the Supplier's receipt of the termination notice, the Supplier shall submit a claim for equitable adjustment. If the termination involves only services, Rand Water shall be obligated to pay only for services performed satisfactorily before the termination date.

5.15. **TERMINATION FOR DEFAULT**

Rand Water may, without liability, and in addition to any other rights or remedies provided herein or by law, terminate a Purchase Order in whole or in part by written notice of default if the Supplier:

- a) fails to deliver in terms of the Purchase Order or perform the services within the time specified;
- b) fails to make sufficient progress with the work, thereby endangering completion of performance within the time specified; or
- c) fails to comply with any of the other instructions, terms, or conditions. Rand Water's right to terminate for default may be exercised if the Supplier does not cure the failure within ten (10) days after receiving the notice of such failure.

5.16. **AMENDMENT OF ORDER**

5.16.1. No amendment or variations to the Purchase Order shall be permitted without the written approval of Rand Water.

5.16.2. No price adjustments shall be accepted unless stipulated in the quotation document received. The Supplier shall be obliged to supply the goods and services on the quoted prices, if the Purchase Order was placed within valid time of quotation.

5.17. **CESSION OF CONTRACTS**

The Supplier may not, cede, delegate, relinquish or transfer to anyone his rights and/or obligations without the prior written consent of Rand Water.

5.18. **DISPUTE RESOLUTION**

All disputes between the parties shall, when all efforts to resolve such dispute by negotiation have failed shall be resolved by way of arbitration under the auspices of the Arbitration Foundation of Southern Africa ("AFSA") as per AFSA's rules, in Sandton, Johannesburg. Either party shall however be entitled to proceed to the South Gauteng High Court (to which jurisdiction the parties hereby consent) for any urgent, interim or interdictory relief, as that party may deem necessary in the circumstances in order to protect its rights or interests under a Purchase Order or these terms and conditions.

5.19. **DOMICILIUM CITANDI ET EXECUTANDI AND NOTICES**

5.19.1. The Parties hereto respectively choose as their *domicilium citandi et executandi* for all purposes of, and in connection with this Agreement, the physical addresses as they appear on the Purchase Order.

5.19.2. Any notice to be given hereunder shall be given in writing and may be given either personally (i.e. per hand or courier) or may be sent by registered post and addressed to the relevant party at its domicilium or to such other address as shall be notified in writing by either of the parties to the other from time to time. Any notice given by registered post shall be deemed to have been served on the expiry of 7 (seven) calendar days after same is posted. Any notice delivered personally shall be deemed to have been served at the time of delivery.

5.20. **LAW**

The Purchase Order shall be governed and interpreted in accordance with the law of the Republic of South Africa and shall be subject to the jurisdiction of the South African courts to which the Supplier hereby irrevocably submits but without prejudice to Rand Water's right to take proceedings against the Supplier in other jurisdictions.

SIGNED at _____ on _____

For and on behalf of Supplier

Who warrants being duly authorised
Name: Designation: