CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

GOODS AND SERVICES AGREEMENT

FOR THE

PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF INTEGRATED PUBLIC TRANSPORT SERVICES: INDUSTRY TRANSITION AND TRANSFORMATION

MADE AND ENTERED INTO BETWEEN

CITY OF CAPE TOWN METROPOLITAN MUNICIPALITY

And

[redacted]

PREAMBLE

WHEREAS Tender 285S/2019/20 was awarded to [redacted] Ltd on **05 October 2020** in line with resolution [redacted] for the provision of professional services in respect of Integrated Public Transport Services: Industry Transition And Transformation, for a period of 60 (sixty) months.

AND WHEREAS it is recorded that this Contract will be governed by the provisions of the National Treasury - General Conditions of Contract (revised July 2010), read with the Contract Specific Data (**"SCC"**) annexed hereto marked "Annexure A".

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. PARTIES

The Parties to this Contract are:

1.1. **The City of Cape Town,** a metropolitan municipality, established in terms of the Local Government: Municipal Structures Act, 117 of 1998 read with the Province of the Western Cape: Provincial Gazette 5588 dated 22 September 2000, as amended (**"the Employer"**), herein represented by the **Director: Public Transport Regulations: Integrated Transport Portfolio** duly authorised hereto;

1.2. [redacted] private company registered in terms of the laws of the Republic of South Africa with registration no: [redacted] with its principal place of business situated at [redacted] (the **"Contractor"**), herein represented by its duly authorised representative, [redacted] capacity as Manager: Bid, Operations and Information Technology;

each a **"Party"** and together the **"Parties"**.

2. INTERPRETATION

2.1. In the event of any conflict between the provisions of this Contract, the GCC and any Annexure attached hereto, or any other document incorporated by reference to this Contract, save to the extent expressly stated to the contrary, such conflict will be resolved by giving precedence to such different parts of this Contract in the following order of precedence:

2.1.1. first, the terms and conditions of the SCC;

2.1.2. second, the terms and conditions of the GCC;

2.1.3. third, Annexures and schedules to this Contract; and

2.1.4. fourth, any other documents incorporated by reference.

2.2. The provisions of this Contract supersede and replace the provisions of any previous agreement entered into between the Parties relating to the same subject matter.

3. APPOINTMENT AND DURATION

3.1. The Employer hereby appoints the Contractor to perform the Scope of Work to the Employer from the Commencement Date.

3.2. Unless terminated earlier in accordance with the provisions as set out in the GCC or any other provision in terms of this Contract, this Contract shall commence on the Commencement Date and shall endure for a period of **60 (sixty) months or until 30 June 2026, whichever occurs first.**

3.3. Notwithstanding anything contained herein, this agreement comes into effect on the date of signature by the last party signing the contract.

4. MUTUAL GOOD FAITH / CO-OPERATION

4.1. The Parties represent and undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental to give effect to the execution of this Contract.

4.2. The Parties shall at all times during the continuance of this Contract observe the principles of good faith towards one another in the performance of their obligations in terms of this Contract.

5. OBLIGATIONS OF THE EMPLOYER

5.1. The Employer undertakes to perform its obligations in accordance with the Contract, including but not limited to the Scope of Work (Part C3: Scope of Work) annexed marked "Annexure C", subject to the satisfactory fulfilment of the obligations by the Contractor as set out in this Contract.

5.2. The Employer shall monitor and evaluate the Contractor's performance in respect of the Scope of Work.

6. OBLIGATIONS OF THE CONTRACTOR

6.1. The Contractor hereby agrees and undertakes to perform the Services to the Employer as set out in Scope of Work.

6.2. The Contractor will perform the Works as expeditiously as possible and furthermore agrees and undertakes to perform the services in accordance with the operational requirements of the Employer.

6.3. The Contractor will ensure that the Works will be of a satisfactory quality and fit for purpose.

6.4. The Contractor shall, ensure that its employees, agents, representatives, sub-contractors and suppliers comply with this Contract and all applicable Laws in the execution of the Works.

6.5. The Contractor will not conduct any activity of whatsoever nature which may be detrimental to the Employer's reputation and goodwill.

7. PRICING DATA

7.1. The Contract Price for the Works shall be as set out in the Pricing Data annexed marked "Annexure B".

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7.2. The Contractor shall not be entitled to any other consideration for the rendering of the Works other than as provided for in this Contract.

8. Form of Contract Agreement

The employer, identified in the acceptance signature block, has solicited offers to enter into a contract for the procurement of:

CONTRACT NO.285S/2019/20: PROVISION OF PROFESSIONAL SERVICES IN RESPECT OF INTEGRATED PUBLIC TRANSPORT SERVICES: INDUSTRY TRANSITION AND TRANSFORMATION

The Contractor, identified in the signature block, has examined the documents listed in the tender data and addenda thereto as listed in the returnable schedules, and by submitting this offer has accepted the conditions of contract.

The completed Schedules of Rates (excluding VAT), as contained in Annexure B: Pricing Data, shall form part of the contract.

The terms of the contract, are contained in:

Annexure A: Agreements and contract data, (which includes this agreement)

Annexure B: Pricing data

Annexure C: Scope of work

Annexure D: Form of Performance Guarantee

Annexure E: Insurance Brokers Warranty

together with any drawings and documents or parts thereof, which may be incorporated by reference into the above listed Parts.

The Contractor shall within two weeks after receiving a completed copy of this agreement, including the schedule of deviations (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

CONTRACTOR : PEGASYS(PTY)LTD

Signature:

Name:

Capacity:

Date:

Witness 1: Date: 5th August 2021

Witness 2: Date: 5th August 2021

EMPLOYER: THE CITY OF CAPE

Signature:

Name:

Capacity:

Date:

Witness 1: Date:

Witness 2: Date:

ANNEXURE A

CONTRACT SPECIFIC DATA

The following Special Conditions of Contract, referring to the National Treasury – Conditions of Contract (revised July 2010), are applicable to this Contract:

1. Definitions

Delete Clause 1.15 and substitute with the following

1.15 The word 'Goods' is to be replaced everywhere it occurs in the GCC with the phrase 'Goods and / or Services' which means all of the equipment, machinery, materials, services, products, consumables, etc. that the supplier is required to deliver to the purchaser under the contract. This definition shall also be applicable, as the context requires, anywhere where the words "supplies" and "services" occurs in the GCC.

Delete Clause 1.19 and substitute with the following

1.19 The word 'Order' is to be replaced everywhere it occurs in the GCC with the words 'Purchase Order' which means the official purchase order authorised and released on the purchaser's SAP System

Delete Clause 1.21 and substitute with the following:

1.21 'Purchaser' means the City **of Cape Town.** The address of the Purchaser is 12 Hertzog Boulevard, C[illegible] Town, 8001.

Add the following after Clause 1.25:

1.26 'Supplier' means any provider of goods and / or services with whom the contract is concluded

3. General Obligations

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Delete Clause 3.2 in its entirety and replace with the following clauses.

3.2 The parties will be liable to each other arising out of or in connection with any breach of the obligations detailed or implied in this contract, subject to clause 28.

3.3 All parties in a joint venture or consortium shall be jointly and severally liable to the purchaser in terms of this contract and shall carry individually the minimum levels of insurance stated in the contract, if any.

3.4 The parties shall comply with all laws, regulations and bylaws of local or other authorities having jurisdiction regarding the delivery of the goods and give all notices and pay all charges required by such authorities.

3.4.1 The parties agree that this contract shall also be subject to the CCT's Supply Chain Management Policy ('SCM Policy') that was applicable on the date the bid was advertised. Please refer to this document contained on the CCT's website.

3.4.2 Abuse of the supply chain management system is not permitted and may result in cancellation of the contract, restriction of the supplier, and/or the exercise by the City of any other remedies available to it as described in the SCM Policy.

3.5 The **supplier** shall:

3.5.1 Arrange for the documents listed below to be provided to the Purchaser prior to the issuing of the order:

a) Proof of Insurance (Refer to Clause 11) or Insurance Broker's Warrantee

b) Letter of good standing from the Compensation Commissioner, or a licensed compensation insurer (Refer to Clause 11)

c) Initial delivery programme

d) Other requirements as detailed in the tender documents

3.5.2 Only when notified of the acceptance of the bid by the issuing of the order, the supplier shall commence with and carry out the delivery of the goods in accordance with the contract, to the satisfaction, of the purchaser

3.5.3 Provide all of the necessary materials, labour, plant and equipment required for the delivery of the goods including any temporary services that may be required

3.5.4 Insure his workmen and employees against death or injury arising out of the delivery of the goods

3.5.5 Be continuously represented during the delivery of the goods by a competent representative duly authorised to execute instructions;

3.5.6 In the event of a loss resulting in a claim against the insurance policies stated in clause 11, pay the first amount (excess) as required by the insurance policy

3.5.7 Comply with all written instructions from the purchaser subject to clause 18

3.5.8 Complete and deliver the goods within the period stated in clause 10, or any extensions thereof in terms of clause 21

3.5.9 Make good at his own expense all incomplete and defective goods during the warranty period

3.5.10 Pay to the purchaser any penalty for delay as due on demand by the purchaser. The supplier hereby consents to such amounts being deducted from any payment to the supplier.

3.5.11 Comply with the provisions of the OHAS Act & all relevant regulations.

3.5.12 Comply with all laws relating to wages and conditions generally governing the employment of labour in the Cape Town area and any applicable Bargaining Council agreements.

3.5.13 Deliver the goods in accordance with the contract and with all reasonable care, diligence and skill in accordance with generally accepted professional techniques and standards.

3.6 The **purchaser** shall:

3.6.1 Issue orders for the goods required under this Contract. No liability for payment will ensue for any work done if an official purchase order has not been issued to the supplier.

3.6.2 Make payment to the **supplier** for the goods as set out herein.

3.6.3 Take possession of the goods upon delivery by the supplier.

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3.6.4 Regularly inspect the goods to establish that it is being delivered in compliance with the contract.

3.6.5 Give any instructions and/or explanations and/or variations to the supplier including any relevant advice to assist the supplier to understand the contract documents.

3.6.6 Grant or refuse any extension of time requested by the supplier to the period stated in clause 10.

3.6.7 Inspect the goods to determine if, in the opinion of the purchaser, it has been delivered in compliance with the contract, alternatively in such a state that it can be properly used for the purpose for which it was intended.

3.6.8 Brief the supplier and issue all documents, information, etc. in accordance with the contract.

5. Use of contract documents and information; inspection, copyright, confidentiality, etc.

Add the following after clause 5.4:

5.5 Copyright of all documents prepared by the supplier in accordance with the relevant provisions of the copyright Act (Act 98 of 1978) relating to contract shall be vested in the purchaser. Where copyright is vested in the supplier, the purchaser shall be entitled to use the documents or copy them only for the purposes for which they are intended in regard to the contract and need not obtain the supplier's permission to copy for such use. Where copyright is vested in the purchaser, the supplier shall not be liable in any way for the use of any of the information other than as originally intended for the contract and the purchaser hereby indemnifies the supplier against any claim which may be made against him by any party arising from the use of such documentation for other purposes.

The ownership of data and factual information collected by the supplier and paid for by the purchaser shall, after payment, vest with the purchaser

5.6 Publicity and publication
The supplier shall not release public or media statements or publish material related to the services or contract within two (2) years of completion of the services without the written approval of the purchaser, which approval shall not be unreasonably withheld.

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5.7 Confidentiality

Both parties shall keep all information obtained by them in the context of the Contract confidential and shall not divulge it without the written approval of the other party.

7. Performance Security

'Not Applicable.'

8. Inspections, tests and analyses

Delete Clause 8.2 and substitute with the following:

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the purchaser or an organisation acting on behalf of the purchaser.

10. Delivery and documents

Delete clauses 10.1 and 10.2 and replace with the following:

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The time for delivery of the goods shall be the date as stated on the order. Orders for the supply and delivery of goods may be raised up until the expiry of a framework agreement bid, provided that the goods can be delivered within 30 days of expiry of the framework contract. All orders, other than for the supply and delivery of goods, must be completed prior to the expiry of the contract period.

10.2 The purchaser shall determine, in its sole discretion, whether the goods have been delivered in compliance with the contract, alternatively in such a state that it can be properly used for the purpose for which it was intended. When the purchaser determines that the goods have been satisfactorily delivered, the purchaser must issue an appropriate certification, or written approval, to that effect. Invoicing may only occur, and must be dated, on or after the date of acceptance of the goods.

11. Insurance

Add the following after clause 11.1:

11.2 Without limiting the obligations of the supplier in terms of this contract, the supplier shall effect and maintain the following additional insurances:

a) Public liability insurances, in the name of the supplier, covering the supplier and the purchaser against liability for the death of or injury to any person, or loss of or damage to any property, arising out of or in the course of this Contract, in an amount not less than for any single claim;

b) Motor Vehicle Liability Insurance, in respect of all vehicles owned and / or leased by the supplier, comprising (as a minimum) "Balance of Third Party" Risks including Passenger Liability Indemnity;

c) Registration / insurance in terms of the Compensation for Occupational Injuries and Disease Act, Act 130 of 1993. This can either take the form of a certified copy of a valid Letter of Good Standing issued by the Compensation Commissioner, or proof of insurance with a licenced compensation insurer, from either the bidder's broker or the insurance company itself (see **Proof of Insurance / Insurance Broker's Warranty** section in document for a pro forma version).

d) Professional indemnity insurance providing cover in an amount of not less than in respect of each and every claim during the contract period.

In the event of under insurance or the insurer's repudiation of any claim for whatever reason, the CCT will retain its right of recourse against the supplier.

11.3 The supplier shall be obliged to furnish the CCT with proof of such insurance as the CCT may require from time to time for the duration of this Contract. Evidence that the insurances have been effected in terms of this clause, shall be either in the form of an insurance broker's warranty worded precisely as per the pro forma version contained in the **Proof of Insurance / Insurance Broker's Warranty** section of the document or copies of the insurance policies.

15. Warranty

Add to Clause 15.2:

15.2 This warranty for this contract shall remain valid for **six (6) months** after the goods have been delivered.

16. Payment

Delete Clause 16.1 in its entirety and replace with the following:

16.1 A monthly payment cycle will be the norm. All invoices which are dated on or before the 20th of a particular month will typically be paid between the 23rd and 26th of the following month. The supplier may submit a fully motivated application regarding more frequent payment to the Director: Expenditure for consideration. Requests for more frequent payments will be considered at the sole discretion of the Employer and is not a right in terms of this contract.

Delete Clause 16.2 in its entirety and replace with the following:

16.2 The supplier shall furnish the purchaser's Accounts Payable Department with an original tax invoice, clearly showing the amount due in respect of each and every claim for payment.

Add the following after clause 16.4

16.5 Notwithstanding any amount stated on the order, the supplier shall only be entitled to payment for goods actually delivered in terms of the Project Specification and Drawings, or any variations in accordance with clause 18. Any contingency sum included shall be for the sole use, and at the discretion, of the purchaser.

The CCT is not liable for payment of any invoice that pre-dates the date of delivery of the goods.

16.6 The purchaser will only make advanced payments to the supplier in strict compliance with the terms and details as contained on **Proforma Advanced Payment Guarantee** and only once the authenticity of such guarantee has been verified by the City's Treasury Department.

17. Prices

Add the following after clause 17.1

17.2 The prices for the goods delivered and services performed shall be subject to contract price adjustment and the following conditions will be applicable:

17.2.1 The Contract Price as per GCC shall remain **Firm** for the first 12 months from date of commencement and no claims for contract price adjustment will be considered for the first 12 months subject to the provisions in the price schedule.

17.2.2 Subject to 17.2.1. above, Contract Price Adjustment will be applicable as from commencement of the 13th month. Tenderers shall be entitled to claim contract price adjustment as follows:

90% of the tendered price will be subject to adjustment **annually** based on the **average** Consumer Price Index (CPI) as follows:

From start of 13th month to the end of the 24th month: Subject to contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates).** **Base month** for the price adjustment shall be two (2) calendar months prior to the date of commencement. The **end month** shall be two (2) calendar months prior to the 12th month.

From start of 25th month to the end of the 36th month: Subject to the contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates).** **Base month** for the price adjustment shall be two (2) calendar months prior to the 13th month. The **end month** shall be two (2) calendar months prior to 24th month.

From start of 37th month to the end of the 48th month: Subject to the contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates).** **Base month** for the price adjustment shall be two (2) calendar months prior to the 25th month. The **end month** shall be two (2) calendar months prior to 36th month.

From start of 49th month to the end of the contract: Subject to the contract price adjustment in accordance with the **Consumer Price Index (P0141–Table B2 – CPI headline year-on-year rates).** **Base month** for the price adjustment shall be two (2) calendar months prior to the 37th month. The **end month** shall be two (2) calendar months prior to 48th month.

The **average CPI** calculated, the base month to the end month (both included) divided by the number of months.

The claim will be based on the **average** between the "base month" and the "end month" e.g.: 7+6+9+6 = 28 (28/4) = 7 therefore the claim will be 7%.

17.4.3 **10%** of the rate will remain fixed.

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17.3 If price adjustment for variations in the cost of plant and materials imported from outside of South Africa is provided for in the contract, such adjustment shall be based on the information contained on the schedule titled **"Price Basis for Imported Resources"** and as below. For the purposes of this clause the Rand value of imported Plant and Materials inserted on the schedule titled **"Price Basis for Imported Resources"** (column (F)) shall be the value in foreign currency (column (A)) converted to South African Rand (column (C)) by using the closing spot selling rate quoted by **CCT's** main banker, on the Base Date (seven calendar days before tender closing date) rounded to the second decimal place (column(B)), to which shall be added any Customs Surcharge and Customs Duty applicable at that date (columns (D) and (E)).

17.3.1 Adjustment for variations in rates of exchange:

(a) The value in foreign currency inserted in column (A) shall be subject to clause (h) below when recalculating the Rand value.

(b) The rate of exchange inserted in column (B) shall be the closing spot selling rate quoted by Council's main banker, on the Base Date, rounded to the second decimal place, subject to sub-paragraph (c) below.

(c) If the rate of exchange inserted by the Tenderer differs from the rate referred to above, then the rate shall apply and the Rand value in columns (C) and (F) shall be recalculated accordingly, without altering the price in the Price Schedule for the relevant items.

(d) If a tender from a supplier or sub-contractor provides for variations in rates of exchange, the Supplier may **only** claim for variations in rates of exchange if he binds the supplier or sub-contractor to the same provision to take out forward cover as described in sub-paragraph (e) below.

(e) The Supplier (or sub-contractor) shall within five working days from the date of placing a firm order on an overseas supplier, cover or recover forward by way of a contract with a bank which is an authorised foreign exchange dealer, the foreign exchange component of the cost of any imported Plant and Materials inserted by the Tenderer on the scheduled titled **"Price Basis for Imported Resources"**.

(f) When the Supplier (or sub-contractor) so obtains forward cover, the Supplier shall immediately notify the CCT of the rate obtained and furnish the CCT with a copy of the foreign exchange contract note.

(g) Based on the evidence provided in sub-paragraph (f) above, the value in Rand inserted in column (C) of on the schedule titled **"Price Basis for Imported Resources** "shall be recalculated using the forward cover rate obtained, and any increase or decrease in the Rand value defined in this clause shall be adjusted accordingly, subject to sub-paragraph (h) below.

(h) The adjustments shall be calculated upon the value in foreign currency in the Supplier's (or sub-contractor's) **forward cover contract**, provided that, should this value exceed the value in foreign currency inserted in column (A) of on the schedule titled **"Price Basis for Imported Resources"**, then the value in column (A) shall be used.

17.3.2 Adjustment for variations in customs surcharge and customs duty

(a) Any increase or decrease in the Rand value between the amounts of Customs Surcharge and Customs Duty inserted in on the schedule titled **"Price Basis for Imported Resources"** and those amounts actually paid to the Customs and Excise Authorities, which are due to changes in the percentage rates applicable or to the foreign exchange rate used by the authorities, shall be adjusted accordingly.

(b) The Tenderer shall state the Customs Duty Tariff Reference applicable to each item and the Supplier shall advise the CCT's Agent of any changes which occur.

17.3.3 Adjustment for variation in labour and material Costs

If the prices for imported Plant and Materials are not fixed, the Supplier shall in his Tender specify the formula for calculating Contract Price Adjustments normally used in the country of manufacture and the indices and relative proportions of labour and material on which his Tender prices are based. Evidence of the indices applicable shall be provided with each claim. The indices applicable 42 days before contractual dispatch date from the factory will be used for the purposes of Contract Price Adjustment.

Failure to specify a formula in the Tender shall mean that the prices are fixed or shall be deemed to be fixed.

18. Contract Amendments

Delete the heading of clause 18 and replace with the following:

18. Contract Amendments and Variations

Add the following to clause 18.1:

Variations means changes to the goods, extension of the duration or the expansion of the value of the contract that the purchaser issues to the supplier as instructions in writing, subject to prior approval by the purchaser's delegated authority. Should the supplier deliver any goods not described in a written instruction from the purchaser, such work will not become due and payable until amended order has been issued by the purchaser.

20. Subcontracts

Add the following after clause 20.1:

20.2 The supplier shall be liable for the acts, defaults and negligence of any subcontractor, his agents or employees as fully as if they were the acts, defaults or negligence of the supplier.

20.3 Any appointment of a subcontractor shall not amount to a contract between the CCT and the subcontractor, or a responsibility or liability on the part of the CCT to the subcontractor and shall not relive the supplier from any liability or obligation under the contract

21. Delays in the supplier's performance

Delete Clause 21.2 in its entirety and replace with the following:

21.2 If at any time during the performance of the contract the supplier or its sub-contractors should encounter conditions beyond their reasonable control which impede the timely delivery of the goods, the supplier shall notify the purchaser in writing, within 7 Days of first having become aware of these conditions, of the facts of the delay, its cause(s) and its probable duration. As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation, and may at his discretion extend the time for delivery.

Where additional time is granted, the purchaser shall also determine whether or not the supplier is entitled to payment for additional costs in respect thereof. The principle to be applied in this regard is that where the purchaser or any of its agents are responsible for the delay, reasonable costs shall be paid. In respect of delays that were beyond the reasonable control of both the supplier and the purchaser, additional time only (no costs) will be granted.

The purchaser shall notify the supplier in writing of his decision(s) in the above regard.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of goods from a national department, provincial department, or a local authority.

22. Penalties

Delete clause 22.1 and replace with the following:

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the approved Work Plan as prescribed in the specifications (clause 5. (e), the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum as stated herein for each day of the delay until actual delivery or performance.

The penalty for this contract shall be: **5% of the agreed Work Plan task price for each day of the delay.**

22.2 The purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, financial penalties as contained on the **Preference Schedule** relaying to breaches of the conditions upon which preference points were awarded.

23. Termination for default

Delete the heading of clause 23 and replace with the following:

23. Termination

Add the following to the end of clause 23.1:

if the supplier fails to remedy the breach in terms of such notice

Add the following after clause 23.7:

23.8 In addition to the grounds for termination due to default by the supplier, the contract may also be terminated:

23.8.1 Upon the death of the supplier who was a Sole Proprietor, or a sole member of a Close Corporation, in which case the contract will terminate forthwith.

23.8.2 The parties by mutual agreement terminate the contract.

23.8.3 If an Order has been issued incorrectly, or to the incorrect recipient, the resulting contract may be terminated by the purchaser by written notice

23.8.4 If a material irregularity vitiates the procurement process leading to the conclusion of the contract, rendering the procurement process and the conclusion of the resulting contract unfair, inequitable, non-transparent, uncompetitive or not cost-effective, provided the City Manager follows the processes as described in the purchasers Supply Chain Management Policy.

23.8.5 If the implementation of the contract may result in reputational risk or harm to the City as a result of (inter alia):

23.8.5.1 reports of poor governance and/or unethical behaviour;
23.8.5.2 association with known family of notorious individuals;
23.8.5.3 poor performance issues, known to the Employer;
23.8.5.4 negative social media reports; or
23.8.5.5 adverse assurance (e.g. due diligence) report outcomes.

23.9 If the contract is terminated in terms of clause 23.8, all obligations that were due and enforceable prior to the date of the termination must be performed by the relevant party.

23.10 Planning for this contract is based on a five-year budget which is subject to change. While the Purchaser has every intention to complete the full scope of works, the Purchaser reserves the right to reduce or increase the scope of works according to the dictates of the budget, to terminate this contract, and/or to review and terminate this contract as is contemplated in Section 116(1)(b)(iii) of the Local Government: Municipal Finance Management Act 56 of 2003, without adjustment to the agreed rates, sums or fees and without payment of any penalty or surcharge in this regard. The Supplier shall however be entitled to pro-rata payment for all services carried out in terms of any adjustment to the Scope of Work or, in the case of termination, remuneration and/or reimbursement as described in this Contract.

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26. Termination for insolvency

Delete clause 26.1 and replace with the following:

26.1 The purchaser may make either of the following elections to ensure its rights are protected and any negative impact on service delivery is mitigated:

26.1.1 accept a supplier proposal (via the liquidator) to render delivery utilising the appropriate contractual mechanisms; or

26.1.2 terminate the contract, as the liquidator proposed supplier is deemed unacceptable to the purchaser, at any time by giving written notice to the supplier (via the liquidator).

26.2 Termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

Amend clause 27.1 as follows:

27.1 If any dispute or difference of any kind whatsoever, with the exception of termination in terms of clause 23.1(c), arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve such dispute or difference amicably, by mutual consultation.

Delete Clause 27.2 in its entirety and replace with the following:

27.2 Should the parties fail to resolve any dispute by way of mutual consultation, either party shall be entitled to refer the matter for mediation before an independent and impartial person appointed by the City Manager in accordance with Regulation 50(1) of the Local Government: Municipal Finance Management Act, 56 of 2003 – Municipal Supply Chain Management Regulations (Notice 868 of 2005). Such referral shall be done by either party giving written notice to the other of its intention to commence with mediation. No mediation may be commenced unless such notice is given to the other party.

Irrespective whether the mediation resolves the dispute, the parties shall bear their own costs concerning the mediation and share the costs of the mediator and related costs equally.

The mediator shall agree the procedures, representation and dates for the mediation process with the parties. The mediator may meet the parties together or individually to enable a settlement.

Where the parties reach settlement of the dispute or any part thereof, the mediator shall record such agreement and on signing thereof by the parties the agreement shall be final and binding.

Save for reference to any portion of any settlement or decision which has been agreed to be final and binding on the parties, no reference shall be made by or on behalf of either party in any subsequent court proceedings, to any outcome of an amicable settlement by mutual consultation, or the fact that any particular evidence was given, or to any submission, statement or admission made in the course of amicable settlement by mutual consultation or mediation.

28. Limitation of Liability

Delete clause 28.1 (b) and replace with the following:

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the sums insured in terms of clause 11 in respect of insurable events, or where no such amounts are stated, to an amount equal to twice the contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

Add the following after clause 28.1:

28.2 Without detracting from, and in addition to, any of the other indemnities in this contract, the supplier shall be solely liable for and hereby indemnifies and holds harmless the purchaser against all claims, charges, damages, costs, actions, liability, demands and/or proceedings and expense in connection with:

a) personal injury or loss of life to any individual;

b) loss of or damage to property;

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arising from, out of, or in connection with the performance by the supplier in terms of this Contract, save to the extent caused by the gross negligence or wilful misconduct of the purchaser.

28.3 The supplier and/or its employees, agents, concessionaires, suppliers, sub-contractors or customers shall not have any claim of any nature against the purchaser for any loss, damage, injury or death which any of them may directly or indirectly suffer, whether or not such loss, damages, injury or death is caused through negligence of the purchaser or its agents or employees.

28.4 Notwithstanding anything to the contrary contained in this Contract, under no circumstances whatsoever, including as a result of its negligent (including grossly negligent) acts or omissions or those of its servants, agents or contractors or other persons for whom in law it may be liable, shall any party or its servants (in whose favour this constitutes a *stipulatio alteri*) be liable for any indirect, extrinsic, special, penal, punitive, exemplary or consequential loss or damage of any kind whatsoever, whether or not the loss was actually foreseen or reasonably foreseeable), sustained by the other party, its directors and/or servants, including but not limited to any loss of profits, loss of operation time, corruption or loss of information and/or loss of contracts.

28.5 Each party agrees to waive all claims against the other insofar as the aggregate of compensation which might otherwise be payable exceeds the aforesaid maximum amounts payable.

31. Notices

Delete clauses 31.1 and 31.2 and replace with the following:

31.1 Any notice, request, consent, approvals or other communications made between the Parties pursuant to the Contract shall be in writing and forwarded to the addresses specified in the contract and may be given as set out hereunder and shall be deemed to have been received when:

a) hand delivered – on the working day of delivery

b) sent by registered mail – five (5) working days after mailing

c) sent by email or telefax – one (1) working day after transmission

32. Taxes and Duties

Delete the final sentence of 32.3 and replace with the following:

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In this regard, it is the responsibility of the supplier to submit documentary evidence in the form of a valid Tax Clearance Certificate issued by SARS to the CCT at the Supplier Management Unit located within the Supplier Management / Registration Office.

Add the following after clause 32.3:

32.4 The **VAT registration** number of the City of Cape Town is

ADDITIONAL CONDITIONS OF CONTRACT

Add the following Clause after Clause 34:

<u>35. Reporting Obligations.</u>

35.1 The supplier shall complete, sign and submit with each delivery note, all the documents as required in the Specifications. Any failure in this regard may result in a delay in the processing of any payments.

Annexure B: Pricing Data

Item No	Description of Service Required	Unit	
1	Contract Team Leader	hr	
2	Senior Project Manager	hr	
3	Junior Project Manager	hr	
4	Project Management Support	hr	
5	Administrative Support	hr	
6	Technical Support	hr	
7	Legal Advisor (Professionally Registered)	hr	
8	Legal Specialist (Professionally Registered)	hr	
9	Candidate Attorney	hr	
10	Vehicle Operating Company Facilitator	hr	
11	Transport Liaison Specialists	hr	
12	Taxi Liaison Officers	hr	
13	Business Advisor	hr	
14	Public Transport Specialist	hr	
15	Minibus-Taxi Specialist	hr	

Item No	Description of Service Required	Unit	Rate per hour (R)
16	Minibus-Taxi Industry Transition Specialist	hr	[illegible]
17	Bus Operations Specialist	hr	[illegible]
18	Financial Specialist	hr	[illegible]
19	Mergers and Acquisition Specialist	hr	[illegible]
20	Public Transport Interchange Operational Management Specialist	hr	[illegible]
21	Public Transport Survey Design & Data Collection Specialist	hr	[illegible]
22	Independent Chair / Mediator	hr	[illegible]
23	Outreach Material - Production of 15 minute video with narration	Each	[illegible]
24	Other costs incurred on behalf of and with the approval of the Employer	Prov sum	[illegible]
25	Extra over item 24 above in respect of all other costs, overhead charges and profit.	%	[illegible]

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Annexure C: SPECIFICATIONS

1. Introduction

The lack of quality public transport services in Cape Town has a negative impact on the city's economic competitiveness, environmental well-being, and the realisation of social equity. The MyCiTi Integrated Rapid Transit (IRT) project was initially designed to transform the public transport sector by dramatically improving the customer experience. This overall initiative consisted of an integrated package of measures, including: Metrorail services, trunk road-based services, scheduled bus services, feeder bus services, improved pedestrian and bicycle access, metered taxi integration, and park-and-ride facilities.

The City of Cape Town's ("City") Transport Directorate's Integrated Public Transport Network (IPTN) is being planned to transform the public transport sector by improving the customer experience. The first leg of the IRT that the City rolled out was a Bus Rapid Transit ("BRT") service. The service is known as the MyCiTi service.

The implementation of Phase 1 and the N2 Express has highlighted the high infrastructure and operational costs of BRT, the lower than anticipated fare revenue and the importance of demand patterns for improving financial sustainability. The Directorate has acknowledged that there is a greater role for non-BRT services such as minibus-taxi services to take advantage of the comparative strengths of alternative public transport modes. This however, can only be achieved if the current shortcomings in the minibus-taxi industry is addressed.

The City's approach to integrated transport is multi-modal. The key modes are passenger rail, trunk bus, rapid transit (BRT), conventional bus services, combination of feeder and direct services and minibus-taxis envisioned to provide on-demand and demand-responsive services, both as feeders to trunk and direct services from origins to final destinations where appropriate. These modes will together form part of an integrated transport solution.
This tender is to offer support for the following:

a) Phase 2A of the implementation of the IRT project, in so far as this phase can be implemented within the tender period of this contract.
b) Professional Services still required for Phase 1 and N2 Express insofar as it relates to industry transition.
c) Dealing with other minibus-taxi operational challenges.
d) Minibus-taxi industry transformation related projects.

2. Background

Since 2009, the City engaged the affected minibus-taxi operators whose services were deemed to be affected by the introduction of the MyCiTi service. These engagements were primarily facilitated by the City, but professional services were provided to the industry parties to assist them with the engagement and negotiation processes with the City. It is still the City's intention to provide for the engagement of professional services to assist identified affected parties around the City's transport strategies. Through this tender, these resources and skilled service providers are sought to support the Industry Transition branch of the Transport department in its efforts to engage and transform the industry.

The full MyCiTi IRT System is expected to be developed over a 10 to 20-year period through four project phases. The industry transformation strategies are also expected to be developed within the same period and integrated into the IRT process.

The overall industry transition and transformation processes will include a range of activities required to achieve a technically, environmentally, and financially viable system. The elements of the full planning activities include five distinct groups of activities:

a) **Project Management Services:** General project management services requirements.
b) **Industry Transition Strategy:** Development of a new Transition and Transformation strategy, improving and building on the current strategies.
c) **Capacitation of the minibus-taxi industry towards formal bus/taxi operators:** Development of curricula for applicable training as well as facilitation of employability of existing operators into the new operating companies that include ownership, shareholding, senior management and all related positions.
d) **Surveys and Data Management**: the conducting and undertaking of all related surveys, analysis and the development of all the required financial models as it relates to compensation.
e) **Development of Transport Operating Companies (TOC) and Regional Taxi Companies (RTC):** In line with the City's approved strategy and outcomes of the pilot projects.

This project expects to take into consideration lessons learnt from the examples of BRT that have been implemented in previous phases, and well as from any minibus-taxi improvement initiative undertaken in the country and around the world today.

Background documents which can be made available to tenderers are as follows:

- MyCiTi Business Plan 2015 Update, which can be downloaded from https://www.tct.gov.za/en/resources/strategies-plans-and-frameworks/strategies-and-plans/, and then search "Business Plan".
- Minibus-Taxi Transformation Strategy

3. City's objective

a) The City's objective is to procure the provision of a panel of professional and related services required to undertake a range of services relating to the industry transition and transformation processes, including:
    (i) The Project Management Services for the provision of standard Project Management outputs, record-keeping, appointment of sub-contractors, through City agreed processes.
    (ii) Industry Transition Strategy for the development of an adapted Transition and Transformation strategy in line with new objectives.
    (iii) Training and Capacitation of the minibus-taxi industry operators including the development of acceptable curricula and training modules in line with the operation of large bus operations and the skills required to operate a TOC/RTC. In addition, it should also include a plan to incorporate the existing taxi industry employees into the formal operating companies.
    (iv) Surveys and Data Management component that sees to the collection of all relevant survey data, the analysis thereof as well as the development of the required financial models as it relates to compensation of existing operators.
    (v) Development of TOC and RTC in line with the City's approved strategies and pilot project outcomes.

b) The MyCiTi Phase 2A Business Plan is the principal planning document for the Transport Department and the outcomes of this tender is expected to input into this Business Plan. Based on the Business Plan, the City's objective is to design and contract a range of operational contracts / tenders, and to design and implement an industry transition and transformation strategy.

c) As the work required in terms of this tender is considered to be of a complex nature and requires considerable expertise and experience, it is essential that suitably qualified and experienced personnel be provided by the successful Tenderer. The Service Provider shall provide and maintain the involvement of Key Personnel and a Panel of Additional Specialists as and when required by the Project Manager for the work or segments of the work related to the scope for this tender.

d) A further component of this tender is that the Service Provider is responsible for the sub-contracting of dedicated facilitators, transport liaison specialists and taxi liaison officers to respective taxi associations in conjunction with the industry. The process of these appointments will occur strictly under the supervision and approval of the City.

e) While the City intends to use the professional services of the successful Tenderer to provide the Services, the awarding of this tender will not result in the successful Tenderer obtaining exclusivity regarding the tendered services, and therefore the City shall not be precluded from procuring services included in the scope of this tender from another service provider.

4. Use of reasonable skill and care

a) The City's current and planned investment represents a significant capital investment, which will have long term implications for residents of Cape Town, commuters, property owners and businesses. The Services will affect broader economic, spatial development and environmental processes. For these reasons the Service Provider is required to provide all aspects of the Services described within the parameters of this tender with all reasonable care, diligence and skill in accordance with generally accepted professional techniques and standards.

b) The Service Provider's attention is drawn to the fact that the project is being carried out within an operating transport system which not only affects the CCT's existing transportation infrastructure and other assets, but also its road users, pedestrians, commuters and current public transport operators i.e. both minibus-taxi and bus operators.

c) It should also be noted that the current and planned investment in the IRT system represents a huge capital investment to the City and has long term operating budget implications and the success of this phase will strongly influence the rollout of further phases across the City.

d) Safety of persons and property is of paramount importance, as is the minimisation of disruption and inconvenience to the traveling public and businesses.

5. Description of the services required

a) The Service Provider is required to provide the services as discussed from paragraph 6 onwards.

b) The geographic scope of this tender:

(i) It focuses primarily on Phase 2A of the MyCiTi system. It is noted that the extent, physical location and timing of these phases are potentially subject to substantial change during the currency of this tender.
(ii) The scope further extends to the transformation of minibus-taxi strategy towards the formation of TOCs and RTCs in the Cape Metropolitan Area, i.e. within the jurisdiction of the CCT

c) Regarding all areas of the services described below, the Service provider shall provide:
(i) The required legal advice, including drafting of legal opinions, contract drafting,

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legal input to all reports as required – as required by the City. Where appropriate the City will obtain legal input and / or sign-off from the City's Legal Services regarding all such legal advice.

(ii) The required staff to assist in implementation of recommendations (as accepted or amended by the City), in as far as the required staff is not available within the establishment of the Transport Regulations Department.

d) Regarding all the functional areas and activities below, the City at its own discretion shall direct which elements of these functional areas, activities and outputs the Service provider must deliver upon. Where the City does not direct that such work commences, the Service Provider shall have no claim against the City. Similarly, where work does commence but the City directs that work on a given functional area activity or output should cease, the Service Provider shall not have a claim against the City for work not yet done.

e) The City may at any time issue a sub-scope of work to the Service Provider falling within the Scope of Work, and the Service Provider must then issue the City with a Work Plan, indicating the methodology to be followed, and the category of resources and the time and disbursements permitted by the contract required to fulfil the sub-scope of work, for the City's approval. The Service Provider may only invoice for satisfactory progress regarding such work, based on the approved Work Plan, as approved by the City. The City may agree to an amended Work Plan, where appropriate.

f) The Service Provider shall maintain the involvement of the following personnel as the exigencies of this contract require, the roles of which should be read in conjunction with the 4 Functional Areas as described below:

- **Contract Team Leader** who has a qualification of NQF 8 or higher and at least 7 (seven) years' post graduate experience with infrastructure initiatives or operation of a business from the perspective of project management or transport planning or transport engineering or capital financing with a value of consulting fees worth R20 million or more. The Contract Team Leader will report to the City's Manager: Industry Transition or his authorised delegate. All professional service providers / consultants ("consultant") provided by way of this tender will report to the Contract Team Leader, who may also be appointed by the City as its agent regarding other contractors employed by the Regulations Department. The Contract Team Leader shall be the entity through which all communications and instructions between the City and any consultant employed through this tender shall occur.

- **Senior Project Manager** who has a qualification of NQF 7 or higher with at least 7 years' post graduate experience in providing project management services, including the development and updates of Gantt charts, product programming and progress. Senior Project Manager will be responsible for the appointment and management of service providers in consultation with the City, Contract Team Leader and the Industry to which the professional services relate. In addition, will also be responsible for the development of a Work Plan to be approved by the City as well as performing a governance function, in conjunction with the City, insofar as payments are made to Service Providers.

- **Junior Project Manager** who has a qualification of NQF 7 or higher and will be responsible to project manage smaller sub-projects within the overall project and must have at least 3 years' project management experience.

- **Project Management Support** who has a qualification of NQF 6 or higher with at least 3 years' general administrative experience and who will act as a main support to the senior and junior project manager. Main functions include financial administration, early project risk identification, establishment and maintenance of a professional service providers' database.

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- **Administrative Support** who performs photocopying, filing, scanning/emailing, document tracking and delivery of documents. Also assist with arranging meetings and venues for industry participants. Matric with at least 2 years' post matric administrative experience.

- **Technical Support** who actively works on a full time basis with industry individuals as support to the TLS and TLO. Functions include that of data capturing, liaising with the industry and the regulatory authority with regards to operating license issues and maintaining industry information databases. Minimum qualification: Matric with at least 2 years' post matric administrative experience.

- **Legal Advisor** who will advise on, and ensuring compliance with the relevant provisions of the National Land Transport Act and other applicable legislation. Furnishing legal opinions re the above and providing ad hoc legal advice to the industry. Must be professionally registered with the Bar Council of South Africa as an advocate or the applicable Law Society as a lawyer as required in South Africa, with at least 7 years' post registration experience in the field of public law.

- **Legal Specialist** who is professionally registered with the applicable law society as a lawyer as required in South Africa or the Bar Council of South Africa as an advocate and has at least 10 years' experience in establishing public companies and/or public administrative entities. Of the 10 years' experience, at least 5 years' experience should be in the law related to public transport (this individual must demonstrate exposure and work on a wide range of legal issues relevant to public transport) <u>OR</u> alternatively, must have participated in at least 3 projects involving the development of the institutional structure of public companies and/or public administrative entities. This individual must also possess actual experience in developing contracts between public sector organisations and private entities.

- **Candidate Attorney** who will assist the legal advisor in relation to all legal requirements.

- **Vehicle Operating Company Facilitator** who has a qualification of NQF 7 or higher and whose primary role includes providing guidance and assistance in the establishment of VOCs and TOCs, settling of compensation offers if applicable, the conclusion of contracting arrangements and to give effect to capacity building initiatives for the benefit of the industry. Vehicle Operating Company Facilitator should have at least 7 years' post graduate experience and must have experience in the establishment of vehicle operating companies.

- **Transport Liaison Specialists (TLS)** who has a qualification of NQF 7 or higher. TLS should have at least 5 years' experience in the minibus-taxi industry.

- **Taxi Liaison Officers (TLO)** to provide day-to-day support and capacitation to the industry. Assist in the transformation of existing taxi operators to new business models. Act as liaison between the Transport Liaison Specialist and the leadership of the industry as well as assisting the TLS in finding root causes for resistance to change. Must have at least a matric certificate and 7 years' experience in the operations of the minibus-taxi industry.

- **Business Advisor** who has a qualification of NQF 7 or higher in finance or economics with at least 5 years' post graduate business advisory experience and who will assist the industry in providing on-going advice regarding the implementation of changes to current systems of revenue flow, estimation and valuation of their existing businesses as well as negotiations on compensation pay-outs.

- **Public Transport Specialist** who has a qualification of NQF 6 or higher and with at

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least 5 years' specialist public transport experience such as assisting in vehicle scheduling and synchronisation, fleet procurement and maintenance as well as training for industry participants in bus and taxi maintenance.

- **Minibus-Taxi Specialist** who has a qualification of NQF 6 or higher and with at least 5 years' specialist minibus-taxi industry experience.
- **Minibus-Taxi Industry Transition Specialist** who has a qualification of NQF 6 or higher and with at least 5 years' specialist minibus-taxi transitional and transformation experience.
- **Bus Operations Specialist** who has a qualification of NQF 6 or higher and with at least 5 years' specialist scheduled bus operations experience.
- **Financial Specialist** who has a qualification of NQF 8 or higher in Finance or Accounting and who has at least 7 (seven) years' post graduate experience in formulating financing strategies for public sector infrastructure and operations projects, and experience in various grant funding options in provincial and national departments.
- **Mergers and Acquisition Specialist** who has a qualification of NQF 8 or higher and has at least 10 years' experience in the execution or management of Mergers and Acquisitions.
- **Public Transport Interchange Facilities Management Specialist** who has a qualification of NQF 6 or higher with at least 10 years' experience in the management of public transport facilities management.
- **Public Transport Survey Design & Data Collection Specialist** who has a qualification of NQF 7 or higher with at least 10 years' experience in the design, collection and analysis of transport survey data.
- **Independent Chair / Mediator** who will assist with disputes between the industry and the City in reaching mutual acceptable agreements regarding operating contracts. The mediator will identify pertinent issues, clarify any misunderstandings, explore solutions, and negotiate agreements. The independent chair/mediator will be appointed by the service provider after an agreed to nomination process between the disputing parties has been followed. Must have NQF 6 or higher qualification and at least 10 years' experience in mediation processes.

6. Functional Area 1: Project management services

The activities to be undertaken by the Service Provider include:

- The provision of standard services described in of Board Notice 167 of 2019: Guideline Scope of Services and Recommended Guideline Tariff of Fees for Persons Registered in terms of the Project and Construction Management Professions Act, 2000, (Act No. 48 of 2000) published in Government Gazette No. 42697 or later, or relevant standards applicable to project management of operations, as amended or amplified upon in the project brief below, including:
  - Overall project management services regarding this contract, including the development and regular updates of Gantt charts outlining project programming and progress, including monthly progress reports
  - Further professional project management services, as required.
  - Project risk management.

- Any or all of the Additional Services described in of Board Notice 67 of 2019: Guideline Scope of Services and Recommended Guidelines Tariff of Fees for Persons Registered in terms of the Project and Construction Management Professions Act, 2000, (Act No. 48 of 2000) published in Government Gazette No. 42697 or later, as amended, the cost of which will be covered by a contingency or time based allowance.

- Record-keeping of all relevant meetings (participation list and minuting) including meetings attended only for minuting purposes, as directed by the Project Manager.

The Service Provider shall ensure that each functional area of this tender will be conducted in an integrated and co-ordinated manner.

It is noted that the project management services required in terms of this tender will primarily focus on more detailed project management regarding this contract under the Regulations Department, within the context of any overall project management services that may be provided to the relevant branches within the department. The Service Provider will be required to report, regarding project management, to the IRT high-level project management contractor.

Outputs include:

- Monthly progress reports
- Effective project management, including regular Gantt charts
- Input on risk management to PMIRT
- Presentations
- Minutes

7. Functional Area 2: Industry transition – Strategy

a) Transition strategy assistance

Transitioning the existing operators into the new business model is perhaps the greatest challenge to successfully implement the IPTNs. While the new business structure offers the promise for greater efficiencies, profitability, and employee satisfaction, there are considerable challenges to moving the industry towards the new model. The phasing, communications package, and incentive structures will all play a role in convincing the industry of the new model's merits. There is a need to review the effectiveness of the strategy adopted for Phase 1A and assess its appropriateness for further phases of the project given the existing operators likely to be affected. In addition, in the review of the existing strategy, alignment with the transformation strategy for minibus-taxi operators must be ensured.

The activities to be undertaken by the Service Provider include:

- Development of step-by-step strategy and planning for transitioning existing operators (i.e. scheduled bus operators, and the minibus taxi industry) to the new business model;
- Assessment of each of the issues listed below.
- The outputs listed under paragraph 8.a).
- Ensure alignment between IRT and transformation strategies.

Based on lessons learnt in Phase 1A, some of the key decisions to be made within the transition strategy include:

- What are the most appropriate mechanisms for engaging the minibus-taxi and bus

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industry and other industry stakeholders in a manner that produces a positive result for both the City and the industry?

- To what extent will the new business model and previous business model co-exist (both spatially and temporally)?
- How will communications with the industry be managed?
- How will existing bus subsidies be restructured?
- What should the role of national, city-wide bodies, mother bodies and other regional structures be in this Phase(s)?
- How should the bus companies be treated with regard to VOC groupings?
- Inputs into how many VOCs are appropriate for this Phase(s)?
- Reassessment of the compensation policy used in Phase 1A, and development of a revised compensation policy or alternative strategy to deal with impact on existing services.
- How will existing licensing issues be addressed and integrated within this initiative?
- How will the taxi recapitalisation programme be integrated with the MyCiTi and transformation models?
- How will entrepreneurship be developed for operators taking compensation with the aim to build new business?
- Assessment of the establishment of TOCs as a precursor for participation in VOCs.

Outputs (which could be combined or subdivided as directed by the City):

- Transition Strategy reports will represent the principal plan for restructuring the industry. The Transition Strategy will particularly require co-ordination with the Provincial Government, and will be reassessed as further milestones or sub-phases of Phase 2A are rolled out.
- Assessment reports on the above or related issues.

b) Memorandum of Understanding with industry

The activities to be undertaken by the Service Provider, as directed by the City, including support to the City, in the following regard:

- Cultivation of a rapport with industry executives in order to jointly craft the wording of Memoranda of Understanding (MOUs) for a whole phase or different sub-phases or milestones as appropriate.
- Development of a model MOU document for City and Industry to review.
- Assistance in organising agreements over MOU wording.
- Launch of MOUs.

As an initial step to engaging the minibus-taxi industry, bus industry and other affected operators (if any), a Memorandum of Understanding (MOU) can be an effective mechanism to create the basis for a shared vision between the City, the Provincial Government, and the affected industry.

Some of the typical elements of an MOU would include the statement of common objectives between the City and the industry, such as:

- Statement of shared objective of service to the customer
- Development of priority infrastructure to improve operational efficiency (e.g. more exclusive lanes for operations)
- Target of improving operator profitability and market stability
- Intent to move more existing car users into public transport

- No loss of employment during transition.

Once a set of shared objectives can be developed in a participatory manner, then there will be a greater chance of success in transitioning the industry towards the new business structure.

Outputs:

- MOU(s) & possible MOA(s)
- Launch(es)

8. Functional Area 3: Industry transition – Capacitation of existing industry

a) Facilitation and professional support

The activities to be undertaken by the Service Provider include:

- Establish a database of experienced and professional facilitators, legal advisors and business advisors available to render services to the VOCs, TOCs and RTCs. Information of professionals listed in the database must include their charge out rates, qualifications, relevant experience, and availability. The relevant industry role-players may in due course nominate additional persons to be added to the database, subject to approval by the City, as regards to the relevant level of skill. The City may also nominate additional persons, who must also be added to the database. Companies or individuals (and their companies) providing such facilitation and related professional support are required to be independent of the tenderer who is awarded this tender.
- In consultation with the City and the affected association representatives, identify and select VOC Facilitators to manage the process of establishing VOC's, and facilitating the negotiations of the Vehicle Operator contracts.
- Pay the sub-contractors' invoices as approved by the City.
- In consultation with the City and the affected minibus-taxi industry, identify and select the required number of Transport Liaison Specialists and Taxi Liaison Officers who will provide day-to-day support and capacitation to the minibus-taxi industry.
- Procure, manage, and administer the Transport Liaison Specialists and Taxi Liaison Officers.
- Provide in-depth training on BRT and market transformation for the Transport Liaison Specialists and Taxi Liaison Officers
- Conduct audit of all minibus-taxi operations in Cape Town, including association structures, sub-structures, employment figures, and individual positions.
- Assist in the development of outreach materials and strategies.
- Conduct workshop sessions for the minibus industry.
- Engage all minibus taxi representatives on a one-on-one basis.

The support and participation of the bus and minibus-taxi industry in the Cape Town Integrated Rapid Transit System is essential to the project's development. For this reason, a full-time team will be dedicated to working closely with the industry on a day-to-day basis. This team will consist of Transport Liaison Specialists and Taxi Liaison Officers working closely with the VOC Facilitators and City officials.

The Transport Liaison Specialists will possess extensive experience in the industry as well as the aptitude to successfully engage the industry with the new business model.

The Service Provider is responsible to provide intensive training of the Transport Liaison Specialists to ensure that they understand how the Bus Rapid Transit (BRT) concept can be successfully applied as a transition for the existing bus and minibus-taxi industries in Cape Town. This training will include knowledge of the technical nature of BRT, the business structure of BRT, and contract structures for the industry. It must also include training on all the City's applicable strategies towards transformation.

During the appointment, the Transport Liaison Specialists will largely be working on a full-time basis with an approved Work Plan. The principal task of the Transport Liaison Specialists is to facilitate the transformation of the existing operators into the new business model. The success of this work will be determined by the number of minibus-taxi associations that have agreed to enter the new formalised system.

The Transport Liaison Specialists will be individuals who possess significant previous experience in interacting with the minibus-taxi industry in the Cape Town area, or will have worked directly with the minibus-taxi industry. At least one-half of the Transport Liaison Specialists should be fluent in the Xhosa language in addition to English. These individuals will possess excellent communications and interpersonal skills. These individuals must also possess good word processing skills and be able to draft quality written progress reports.

Outputs:

- Sourcing of professionals as required for activities to be undertaken.
- Fully trained Liaison Specialists and Officers

b) Industry outreach materials

The activities to be undertaken by the Service Provider may include:

- Determination of the form and language requirements of the outreach materials.
- Development of the outreach material content.
- Video targeted to minibus-taxi industry x 2 (one for the start of Phase 2A, another to be produced 3 years after the commencement of the service or as directed by the City)
  - Scripting of video
  - Procurement of background music to video
  - Production of simulation video targeted to minibus taxi industry
  - Duplication of video x 500 on appropriate storage devices that will allow for seamless playback.

An information package will be developed for the minibus-taxi and bus industry, which includes a range of distinct stakeholders, such as owners, directors, drivers, and other employees. Each stakeholder within the industry carries with him or her unique concerns and questions over a project of this type. Thus, the outreach materials must ideally be crafted to each stakeholders needs. Further, the form and type of outreach material must be appropriate to the audience. Materials shall also be produced in the isi Xhosa language commensurate with the demographics of the Phase 2A area. The form of the outreach materials may include flyers, talking points or Frequently Asked Questions (FAQs), and posters.

Regarding the Video: The Service Provider shall produce up to two videos describing the proposed system and providing a simulation of its operation. Each video will be 12 to 15 minutes in length. The Service Provider shall work closely with the City to develop a script for each video. The Service Provider shall then produce the full videos.

c) Industry training workshops

The activities to be undertaken by the Service Provider may include, as directed by the City:

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- Delivery of training and outreach courses to assist private scheduled bus companies to make the transition to the new business structure.
- Delivery of training and outreach courses to help the minibus-taxi industry make the transition to the new business structure.
- Delivery of specialist training, post contracting, to hone the skills of staff and managers of the new bus companies.

Formal workshops will be conducted with each major audience. These workshops will initially begin the process of building trust with the industry and then proceed to build-up additional detail for the projects. Ideally, the bus and minibus-taxi industry will join the process as full partners who will contribute to the actual system design.

Outputs:

- Facilitating workshops
- Preparing material to be used for workshops
- Identifying and booking suitable venues

d) Study tour for operators

The activities to be undertaken by the Service Provider may include:

- Assistance in the selection of an appropriate number of industry representatives for participation in up to 3 national study tours.
- Management and procurement of the logistical support to implementing the study tour (air flights, hotels, daily subsistence allowances, local support fees in the Cities to be visited, etc.)
- Assistance in the management of the actual study tours
- Assistance in the preparation of study tour summary reports.

As has been the case in other successful BRT cities, it is useful to expose industry representatives to actual system examples prior to full project commitment. Such visits help to build the confidence required, and help in team and relationship building.

However, if the City deems the selection process of participants to be too complicated, the City may request that the Study Tour involves officials and operators experienced in BRT systems visiting Cape Town. In this scenario, the Service Provider shall manage and procure the logistical support of bringing such officials to Cape Town for capacity-building sessions with the local industry.

e) Workshops

The activities to be undertaken by the Service Provider may include:

- Assistance in procuring suitable venues for up to week-long workshops for industry representatives
- Management and procurement of the logistical support to implementing the workshops (transport, accommodation, expert facilitators, team building events, etc.)
- Assistance in the management of the actual workshops
- Assistance in the preparation of workshop reports.

9. Functional area 4: Surveys and Data Management

Surveys:

- Design and undertake all public transport and related surveys
- Other surveys to obtain relevant operator information to input into compensation and other financial models
- Capturing of all surveyed data and analyses

The activities to be undertaken by the Service Provider include:

- Recruitment of survey and capturing staff
- Remuneration and transport provision for survey staff
- Quality control mechanisms
- Data storage facilities

Outputs:

- Captured data in accepted and agreed to formats
- Development of compensation and other financial models
- Liaison with Regulatory entity wrt operating licence issues

10. Project milestones, timeline and responsibility

The tenderer shall submit a provisional schedule for completion of each major project deliverable as part of the tender. If more than one entity is involved in the tender, the tender shall indicate which entity will be responsible for which functional area, function or activity, and such entity shall confirm acceptance of such responsibility.

11. Reporting requirements

Each of the expected outputs shall be presented by way of a report, a memo, a contract document, a prospectus or presentation, as stipulated above. Final reports shall be submitted in both hard copy and electronic forms. It is anticipated that 20 hard copies of each report will be required.

If mutually agreed upon by both the CCT and the Service Provider, the "draft plans" may be a PowerPoint presentation rather than a fully written report.

The Service Provider shall also be required to be available for regular report back sessions with staff of the CCT and must make allowance for at least two meetings per week with the City throughout all phases of this project, focusing on the functional areas, functions or activities active at the time.

12. Management meetings

Other than attendance at at-least two meetings a week during the planning stage, there are no requirements for a regular management meeting in respect of this project. The Service Provider shall however convene management meetings on an ad-hoc basis as and when necessary, and when called upon to do so by the City. The Service Provider shall be represented at these meetings by at-least one of the key personnel.

13. Trade names or proprietary products

Wherever this document refers to any particular trade mark, name, patent, design, type, specific origin or producer, such reference shall be deemed to be accompanied by the words "or equivalent"

14. Employment of security personnel

All security staff employed by the supplier on behalf of the CCT or at any CCT property must be registered with Private Security Industry Regulatory Authority (PSiRA). Proof of such registration must be made available to the CCT's agent upon request.

15. Forms for contract administration

The supplier shall complete, sign and submit with each invoice, the following:

a) Monthly Project Labour Report (Annex 3).
b) B-BBEE Sub-Contract Expenditure Report (Annex 4).
c) Joint Venture Expenditure Report (Annex 5).

The Monthly Project Labour Report must include details of all labour (including that of sub-contractors) that are South African citizens earning less than [illegible]y, as adjusted from time to time (excluding any benefits), who are employed on a temporary or contract basis on this contract in the month in question.

In addition to the Monthly Project Labour Report the Supplier shall simultaneously furnish the CCT's Agent with copies of the employment contracts entered into with such labour, together with certified copies of identification documents, proof of attendance in the form of attendance register or timesheets, as well as evidence of payments to such labour in the form of copies of payslips or payroll runs. If the worker is paid in cash or by cheque, this information must be recorded on the envelope and the worker must acknowledge receipt of payment by signing for it and proof of such acknowledgement shall be furnished to the CCT's Agent.

The Monthly Project Labour Reports shall be completed and submitted in accordance with the instructions therein.

The B-BBEE Sub-Contract Expenditure Report is required for monitoring the supplier's compliance with the sub-contracting conditions of the Preference Schedule.

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- The Joint Venture Expenditure Report is required for monitoring the joint venture's/consortium/partnership compliance with the percentage contributions of the partners as tendered, where the joint venture/consortium/partnership has been awarded preference points in respect of its consolidated B-BBEE scorecard.

Annexure E

Insurance Broker's Warranty

CERTIFICATE OF INSURANCE FOR THE CITY OF CAPE TOWN

TENDER NO.:

TENDER DESCRIPTION:

NAME OF TENDERER:

Dear Sir

I, the undersigned, do hereby confirm and warrant that the below insurances have been issued. I furthermore confirm that all premiums in the above regard have been paid.

CONTRACT REFERENCE:
TYPE OF COVER:
PERIOD of INSURANCE:
INSURER:
LIMIT of INDEMNITY:

OTHER TERMS:

Yours faithfully

CERTIFICATE OF INSURANCE FOR THE CITY OF CAPE TOWN

TENDER NO.:

TENDER DESCRIPTION:

NAME OF TENDERER:

Dear Sir

I, the undersigned, do hereby confirm and warrant that the below insurances have been issued. I furthermore confirm that all premiums in the above regard have been paid.

CONTRACT REFERENCE:
TYPE OF COVER:
PERIOD of INSURANCE:
INSURER:
LIMIT of INDEMNITY:

OTHER TERMS:

Yours faithfully

labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

CALL CENTER NO: 0860 105 350

REG NO :
FAX NO :
ISSUE DATE :
CERTIFICATE NO :

LETTER OF GOOD STANDING

COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT 130 of 1993 (AS AMENDED).

With reference to sections 80, 82, 86 and 89 of Compensation for Occupational Injuries and Diseases Act 130 of 1993 (As amended), I hereby certify that:

has complied with the requirement of the above Act and is at present in good standing with the Compensation Fund.

IMPORTANT NOTICE:

Any fraudulently obtained Letter of Good Standing shall constitute a criminal offence.

The Compensation Commissioner shall institute criminal proceedings against any perpetrators who unlawfully alter or deface this letter with intend to defraud or misrepresent facts contained therein.

PLEASE, use the Below link (Website Address) to check if the Letter of Good Standing is valid:
https://cfonline.labour.gov.za/VerifyLOGS

Yours faithfully

COMPENSATION COMMISSIONER

Compensation Fund
WORKING FOR YOU

JK