

	REQUEST FOR QUOTATION	Form No: RW SCM 00016 F Revision No: 10 Effective Date: 1 Aug 2024
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BID NUMBER:	10411128	CLOSING DATE:	03 October 2024	CLOSING TIME:	23:59
DESCRIPTION:	Pilot project for use of a generative AI assistant to improve asset maintenance efficiency				
NON-COMPULSORY BRIEFING SESSION DATE AND TIME	N/A	BRIEFING SESSION VENUE	N/A		
ISSUE DATE	23 September 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." • <i>Rand Water will provide any clarifications / addenda / extension of closing date by no later than one (1) calendar day before the closing date.</i>

1. SCOPE OF WORK

1.1. DESCRIPTION

Rand Water is a bulk water distribution company situated in the Gauteng province, South Africa. Its distribution network consists of over 3500 km of pipeline network and supplies on average 4500 ML/day of purified water to its clients in Gauteng and surrounding areas. Zuikerbosch and Vereeniging pumping stations are the primary treatment plants with Eikenhof, Mapleton, Palmiet and Zwartkopjies being secondary pump head booster systems in the network.

Considering the large system of Rand Water and the growing field of artificial intelligence, assistive tools that are simple to deploy and can enhance operation efficiency (thereby reducing operational costs, interruption in supply and maintaining a reputation of reliable supply) should always be explored.

Rand Water is looking to drive change, and digital transformation of its operations, and in particular is focused on improvement of efficiency within Asset Management Life Cycle and Technical Manpower Competency.

2. PROBLEM STATEMENT

Asset management, maintenance and operations personnel are experiencing limitations on access to information when conducting their business on-site, resulting in a reduction of efficiency when conducting their work tasks.

In particular:

- During maintenance, personnel typically lose a large portion of their time looking for the right knowledge for performing asset maintenance tasks.
- Tacit & Field knowledge especially in the form of free text is poorly captured for future insights.
- Furthermore, a lack of knowledge guidance during maintenance can result in inconsistent performance, avoidable mistakes, and downtime.

3. PROJECT AIM

The pilot project aims to improve efficiency within the Asset Management, Operations and Maintenance areas through the use of a generative artificial intelligence (AI) assistant.

4. PROJECT OBJECTIVES

Rand Water intends to achieve the following objectives through this pilot project:

- Ability to capturing new knowledge from field operations in a meaningful way that can be analysed and used at a later stage.
- Ability to capture new knowledge from field operations through continuous learning field staff information and action, images, and audio.
- Eliminate (or optimise) the need of searching and reading through hundreds of pages of troubleshooting guides or years of asset history by human operators or even automated data systems.
- Deliver insights in real-time through the use of a mobile phone through a chat interface e.g., WhatsApp.
- Bring about a sustainable, resilient, and digitally enabled workforce, that ensures business continuity and productivity in the face of critical workforce challenges such as aging/retiring workforce, attracting/hiring and retention difficulties as well as the need for effective onboarding, upskilling, knowledge transfer and capacity building.
- Break the data silos in the organisation by seamlessly learning from all forms and sources of data in the organisation such as asset management systems, operational data stores as well as documents.
- To produce a cost benefit analysis for the user cases explored as well as others related that may be of benefit to the organisation.

5. SCOPE OF WORK

As part of the proof of concept, the initiative would be conducted to determine benefits to business for preventative asset maintenance and corrective asset maintenance within Rand Water's large potable water pumping system.

A. Technology Conceptualization report. The report needs to also describe the methodology to be used for ingestion of information within Rand Water's repositories/database and show scalability for implementation throughout the organization.

B. Set-up (including assessment of information needs and availability, for success) and deployment of the generative AI assistant for Rand Water's use (up to 10 users) during the pilot phase. The generative AI tool should contain the following functionalities and capabilities:

Preventative Asset Maintenance:

For regular routine maintenance works on treatment plants and pump stations, the generative AI should:

- Conduct necessary maintenance procedures as prescribed by Rand Water.
- Provide step-by-step guidance and tutorials where field teams need assistance
- Send reminders on safety concerns.
- Capture and send maintenance activities to supervisors to identify quality of maintenance, potential hazards faced by the team, and suggest ways to improve the safety and efficiency of maintenance routines.

Corrective Asset Maintenance -

For troubleshooting and delivering corrective maintenance insights, the generative AI should:

- Improve time taken to troubleshoot malfunctioning assets through learning from history of asset failures and manufacturer troubleshooting guides.
- Quickly identify the best course of action based on what worked in the past or as per manufacturer guidelines for technicians and field staff of all capability levels
- Learn new fault resolution procedures for future similar diagnostics when field teams resolve problems and teach the generative AI their observations

C. Solution to adhere to all Rand Water "Enterprise Architecture Principles" and "Data Management principles".

D. Require licenses (if applicable) shall be included for the duration of the pilot study.

C. Training Rand Water staff on the use of the assistant and provision of necessary telephonic or onsite support throughout the pilot duration.

D. Technical assessment of the pilot study and encapsulating the findings within progress reports.

F. A comprehensive and detailed close-out report (including cost savings)

E. Lastly, during the execution of the project, the service provider should prepare:

- Design an A0-size digital poster of the project, as per approved Rand Water index, Supply 10 A0-size poster print outs.
- Supply 10 high-resolution images of the project works
- Professional PowerPoint presentation of works completed.
- Provide a 2-min high-quality video of the project.
- Resolution & quality must be high quality for both posters and photographs ideally 2000 pixels wide.

6. PILOT ASSET AND LOCATION

The pilot host site, and asset class, shall be a single Engine Room (Pump Room) at one of the Pumping Stations (Vereeniging, Zuikerbosch, Zwartkopjies, Mapleton, Eikenhof or Palmiet) within the Gauteng Region of South Africa. The precise engine room will be finalised together with the successful service provider upon their assessment of required information and availability thereof.

7. DURATION OF PROJECT

Rand Water intends to execute the project within a period of 29 weeks comprising 8 weeks for set-up installation & deployment, followed by 20 weeks of usage, monitoring and evaluations, and lastly a week for presentation of the final report. 10 x biweekly progress reports on the performance of the system, post set-up shall be provided to the project stakeholders.

The piloted solution shall be surrendered to Rand Water post the successful pilot to pursue continuous usage of such or to permit future expansion/scale-up on such a system.

8. KEY PERFORMANCE INDICATORS

The following will be general measures of the successful pilot:

- A. Completion of Scope of Work within budget, time, and scope.
- B. Professional technology conceptualization and business case reports as per approved Rand Water index
- C. No disruptions to daily operations e.g., no shutdown shall be granted.
- D. No risk to Rand Water's cybersecurity and digital infrastructure.
- E. Project close-out report, and presentation, as per Rand Water approved index. The close-out report should include a feasibility study (as well as detailed cost savings to be realised for a solution of this nature) on full-scale implementation at Rand Water, and the envisioned cost-savings to Rand Water with the use of this technology.

The following will be specific measures of the successful pilot:

- F. Ability of the generative AI to be trained on historic Asset Maintenance records to discover failure patterns, best practices, and asset performance as well as to utilize information from sources beyond the database (internet and websites etc.).
- G. Ability of Asset history and performance data to be instantly accessible by field teams via text for quick guidance and insights such as: details on last operation, recent findings, recommendations for a specific asset maintenance, steps to diagnose a specific problem
- H. User friendliness and adoption of chat-like interface to capture richer field data related to assets, such as images, detailed text etc.
- I. Ability of AI to be successfully deployed to understand the field remarks such as problems identified, root causes and rectifications done.
- J. Safety check visibility: Ensure that potential risks and hazards are identified and addressed in a timely manner, leading to a safer working environment.
- K. Productivity improvements: Time savings on site with better context, visibility, and reporting.
Business continuity: Enable the organisation to access critical knowledge, even in the absence of personnel, and maintain seamless operations
- L. Greater consistency: Enable improved consistency and visibility of asset performance through higher uptime, reducing the likelihood of unexpected breakdowns or failures.
Adoption of automation: Enable select teams to work on higher-value activities by automating workflows with a focus on scheduling, data collection, analysis, and reporting

9. IMPORTANT REQUIREMENTS OF THE SERVICE PROVIDER

- A. The service provider shall inform the Rand Water Project Manager of all changes to this project for acceptance, prior to implementation.
- B. Establish and discuss any unknown risk associated with the implementation of the solution.
- C. Procures the required labour, services, plant, and material required to perform the required services.
- D. For this pilot, all IT, data acquisition any related matters to IT will be hosted by the contractor. No connection to Rand Water IT infrastructure. The contractor should provide all IT infrastructure and services.
- E. The service provider shall ensure and meet the SHEQ requirements of Rand Water whilst performing this service.
- F. The service provider must submit a comprehensive solution in the form of a detailed proposal to adequately demonstrate that the proposed solution will resolve the challenges experienced and meet the requirements of this pilot study.

10. AWARDING STRATEGY

The maximum number of suppliers to be awarded this RFQ is one (1).

11. EVALUATION CRITERIA

The RFQ will be evaluated based on the criterion below:

11.1. Test for Responsiveness/ Pre- qualification

- 11.1.1 Pricing schedule in 11.3.1 must be fully completed.
- 11.1.2. The method of deployment must be non-interruptive to Rand Water operations.
- 11.1.3. Provision of a comprehensive and detailed proposal for an innovative solution as part of quotation.

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

11.2. FUNCTIONALITY CRITERIA

11.2.1. The functionality evaluation criteria are as follows:

ADJUDICATION CRITERIA		WEIGHT
1.	Previous Related Experience (Similar to current RFQ Scope/Work) <i>The rating of this item is based on a four-point scale:</i> • None = 0 % - No submission. • Weak = 33.3% - 1 Company reference or previous case study. • Moderate = 66.7% - 2 Company references or previous case studies. • Good = 100% - 3 Company references or previous case studies.	25
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. <i>The rating of this item is based on a four-point scale:</i> • None = 0 % - No submission. • Weak = 33.3% - Company organogram not reflecting the resource needs for the scope of work. • Moderate = 66.7% - Company organogram partially addressing the resource needs for the scope of work. • Good = 100% - Company organogram adequately addressing the resource needs for the scope of work.	15
3.	Equipment Resource Capacity Adjudicated based on Equipment Resource Capacity (Plant, Equipment, vehicles, computers, software's etc.) The purpose is to establish an overall picture of the company's equipment resource capacity and ability to undertake the work and will therefore be services/goods specific. <i>The rating of this item is based on a four-point scale:</i> • None = 0 % - No submission. • Weak = 33.3% - Minimal capacity in relation to the scope. • Moderate = 66.7% - Capacity meets the scope requirements with some gaps. • Good = 100% - Capacity meets the scope requirements.	20
4.	Methodology Provision of a detailed methodology document (including specifications sheets, work breakdown structure and project schedule) which outlines the method of works to be conducted from start to completion. <i>The rating of this item is based on a four-point scale:</i> • None = 0 % - No submission. • Weak = 33.3% - The methodology is submitted but covers the scope partially. • Moderate = 66.7% - The methodology is submitted and covers the majority but not all aspects of the scope. • Good = 100% - The methodology is submitted and comprehensively addresses all aspects of the scope of works.	40
TOTAL		100

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

11.3. 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.

11.3.1. 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.	Preliminary and General (including project management/admin aspects and safety file)		SUM	1	
2.	Technology conceptualization / preliminary report		SUM	1	
3.	Mobilization + Full set-up installation/deployment of generative AI assistant		SUM	1	
4.	Technology piloting phase - testing, data collection, monitoring, analysis and results		SUM	1	
5.	Ten A0 size project poster + Twenty high resolution digital images + 2-minute video of project		SUM	1	
6.	Training to Rand Water personnel		SUM	1	
7.	Project closeout report + presentations		SUM	1	
TOTAL					
VAT					
TOTAL [VAT INCLUDED]					

Failure to price all items will result to disqualification

11.3.1. 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

B-BBEE Status Level of Contributor	Number of points
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.

12. RETURNABLE DOCUMENTS

4.1 Returnable Document/s Used for Scoring

Failure to provide all Returnable Documents used for purposes of scoring a RFQ, by the closing date and time of this RFQ will not result in a disqualification. However, Bidders will receive an automatic score of zero for the applicable evaluation criterion.

- 4.1.1 B-BBEE Status Level Verification Certificate (SANAS Approved) / Sworn Affidavit (For EMEs& QSEs)/ the dtic B-BBEE Certificate
- 4.1.2 Functionality evaluation supporting documents.

4.2 Essential Returnable Documents

- 4.2.1 Completed and signed SBD 4 Form (Declaration of Interest)
- 4.2.2 Company Resolution Letter (proof of authority).
- 4.2.3 Letter of Good Standing (COIDA) (where applicable)

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,

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.

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.

Full Name	Identity Number	Name of State institution

- 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.

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.

- 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 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

13. GENERAL TERMS AND CONDITIONS

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

13.1. DEFINITIONS

13.1.1. 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.

13.2. 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.

13.3. 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.

13.4. PURCHASE ORDER

13.4.1. 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.

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

13.5. CANCELLATION OF ORDER

13.5.1. 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.

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

13.6. 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.

13.7. SPECIFICATIONS

13.7.1. 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.

13.7.2. 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.

13.8. 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.

13.9. PAYMENT

Rand Water does not allow advance payments to the Supplier.

13.9.1. 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.

13.12. 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.

13.13. WARRANTY

13.13.1. 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.

13.13.2. 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.

13.13.3. 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.

13.13.4. 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.

13.14. TERMINATION FOR CONVENIENCE

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

13.15. 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:

- fails to deliver in terms of the Purchase Order or perform the services within the time specified;
- fails to make sufficient progress with the work, thereby endangering completion of performance within the time specified; or
- 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.

13.16. AMENDMENT OF ORDER

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

13.16.2. 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.

13.17. 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.

13.18. 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.

13.19. DOMICILIUM CITANDI ET EXECUTANDI AND NOTICES

13.19.1. The Parties hereto respectively choose as their *domicilium citandi et executandi* for all purposes of, and

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

13.9.3. 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.

13.10. 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.

13.11. PENALTY AND PERFORMANCE CLAUSE

13.11.1. 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.

13.11.2. 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.

in connection with this Agreement, the physical addresses as they appear on the Purchase Order.

13.19.2. 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.

13.20. 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: