

THE ADMINISTRATOR



10705272



**SERVICE LEVEL AGREEMENT ENTERED INTO  
BY AND BETWEEN**

**SEDIBENG DISTRICT MUNICIPALITY, herein represented by  
STANLEY KHANYILE in his capacity as the Municipal Manager, duly authorised  
thereto, (hereinafter referred to as “the Municipality”);**

**AND**

**QUIDITY CC, hereinafter represented by NIK KLOPPER, ID  
No: 591231 5124 082 in his capacity as the Managing Member duly authorised  
thereto, (hereinafter referred to as “Quidity”).**

*Handwritten signatures and initials:*  
S.K. N.T. B. M.

## INTRODUCTION

Support services will be provided to the Municipality in accordance with the Service Levels and the processes described in this document. This agreement ratifies and makes effective the acceptance of the Quidity products by the Municipality if not done in another agreement. This agreement will prevail in the event of a License Agreement clause or other agreement being disputed.

### 1. MANAGEMENT OF CALLS TO QUIDITY

All calls and requests to Quidity will be based on the premise that the Quidity software is operational and functioning on the user's machine, and that the Municipality has acquired sufficient expertise to keep the Quidity software functional. The expertise required is to perform the following tasks:

- Give users access to the system via their passwords, and managing it accordingly; and
- Making sure the servers where the system is residing on are operational and functioning to its optimum.

Unless the Quidity appointed systems administrator to be present at the site or forms part of this service level agreement, then *all time and materials expended will be billable*, whether the time or material is expended at the client site or not. The Municipality will manage all calls and requests for support according to this agreement. New requirements must be specified in a user requirement document which must be forwarded to Quidity.

### 2. SOFTWARE DEVELOPMENT

The software enhancements, which are general enhancements that can and will be used by the Quidity software for upgrading, which are specific only to a certain client's requirements, will be supported as specified by written agreement between the Parties entered into at the time of the licensing of such enhancements, failing which it shall be treated as separate billable service from this agreement by Quidity to the Municipality, at Quidity's then prevailing service.

### 3. CALL CENTRE

Full use of the Quidity Licensed Software help-line to log calls at the following contact details:

HELP LINE NUMBER : (021) 873-0546 – ask for Help Desk  
E-MAIL ADDRESS : admin@lmap.co.za

The Municipality shall appoint 2 (two) named contacts as the primary contacts between the Municipality and Quidity for all support services and to receive telephone support (one of whom shall be the appointed Systems Administrator from the Information Management Directorate). These named contacts are also referred to as the "SUPPORT CONTACT" in this document.

The expertise required is to perform the following tasks:

- Give users access to the system via their passwords, and managing it accordingly
- Making sure the servers where the system is residing on are operational and functioning to its optimum.

The call centre will include remote support should the Municipality so desire and the Municipality will either provide Virtual Private Network (VPN) access to Quidity Support Services or, at its own cost, install an auto dial-back modem facility, as specified by Quidity from time to time, for this purpose.

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J.M. AB  
S-K N.T  
J.N.

Quidity understands that VPN access will be given in accordance with the Municipality Policies and Quidity must agree to comply with the said policy and procedure to ensure security requirements are met.

#### **4. HOURS OF OPERATION**

The hours of operation for *all services* shall be Normal Business Hours, being between 08H00 and 16H00 hours excluding Saturdays, Sundays and Public Holidays, through Quidity's offices.

#### **5. ON-SITE ASSISTANCE**

On-site assistance is limited to isolating, identifying, verifying and reporting problems associated with the Quidity Licensed software. As an interim solution until the reported problem is solved, the Quidity consultant will assist the Municipality in finding an alternative for the Municipality that allows utilisation of the Quidity software system. The implementation of the Quidity consultant's recommended alternative solution is the responsibility of the Municipality. This will only take effect if both parties agree that the course of action recommended is appropriate.

During On-site support, the Municipality's contact person(s) must be available and attend to the problem with the Quidity Consultant.

Changes that will be effected by the Municipality on the Procurement scanners, must be communicated to Quidity prior to the changes taking effect to see if there could be any problem that may arise from the change.

Quidity will supply the Municipality's IT with the standard requirements of the day to day scanner and/or server maintenance in order to assist the Municipality in identifying and preventing the possibility of a system breakdown due to files/patches that could be run for maintenance purposes

#### **6. VERSIONS SUPPORTED**

This maintenance service covers the current version under the latest License Agreement of the Quidity Licensed Software. If the Municipality chooses to remain on an older version by not invoking their right to upgrade the Quidity Licensed Software, support will be given for a period specified by Quidity from time to time. A prior release will be supported for the duration of the paid up maintenance period of 1 (one) year after Quidity has released an upgrade which has not been implemented or paid for by the Municipality.

The license fee entitles the Municipality to the upgraded software versions that have to be deployed with the Municipality's own labour resources. Quidity shall provide the Municipality with the best practice procedure that fully describes the process in order to enable the Municipality to perform the upgrade. Neither this agreement nor the License Agreement entitles the Municipality to use Quidity's labour resources to perform the upgrade which will be billable under this agreement.

Any future version upgrades on the web based version of the Quidity, will be able to be performed by merely applying web page changes and running of mysequel (SQL) scripts, all of which will have release notes and procedure statements. These updates / patches can be executed provided that the Municipality has the capacity to do so.

#### **7. DEFECTS OR ERRORS**

A software defect in the Quidity will be the common term used to describe an error, flaw, mistake, failure, or fault in the Quidity software program or component that produces an incorrect or unexpected result. Any other defect or error over and above what was described in the paragraph above, which may result in Quidity's defective performance, will be the sole responsibility of the Municipality to rectify. The Municipality shall have the onus of proving a defect in the Quidity software.

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The Municipality shall promptly notify Quidity of any defect or error in Quidity Licensed Software or the Materials, and Quidity shall, subject to the following provisions, use its best and reasonable endeavours to correct the defects or error, and to send a correct version or portion, or Module, or whole of the Quidity Licensed Software or the Material in question, to the Municipality within a period of three (3) days, after being notified.

Quidity shall not be obliged to correct any defects in the Quidity Licensed Software or the Material which arises from:-

- (i) Any improper or unauthorised use or operation of Quidity Licensed Software or the Quidity System on which it is operated;
- (ii) The adaptation, modification or alteration in any way of any part of the Quidity Licensed Software or the Materials without Quidity's prior consent, or the merger or combination of any part of the Quidity Licensed Software or the Material with any other computer software or material;
- (iii) The use of any part of the Quidity Licensed Software or the Materials otherwise than on the Quidity System;
- (iv) Any failure by the Municipality to comply with any advice or instructions given by Quidity with regard to the use of the Quidity Licensed Software or the Materials;
- (v) Any failure by the Municipality to install any corrected version of any Software Update or Software Upgrade supplied by Quidity.

## **8. CALL LOGGING PROCESS**

Calls can be logged at the Quidity Call Centre via e-mail, or via telephone at the numbers and addresses provided in clause 3 above.

The call centre will track calls by the Municipality, response time and priority. The SUPPORT CONTACT placing a support call is given a unique reference number to be quoted in any correspondence related to the original call. The following process will apply:

- 8.1. The Municipality user experiencing a problem will report it to the Municipality's Help Desk, which will notify the Municipality's SUPPORT CONTACT. The SUPPORT CONTACT will then follow the internal Municipality support process to determine the cause of the problem and attempt to resolve it. If the problem is resolved through this primary action, the user should be informed and the call closed.
- 8.2. If the problem cannot be resolved, a call must be logged with the Quidity Call Centre and a Problem Report must be forwarded to the Quidity Call Centre.
- 8.3. Upon receipt of a logged call, the Call Centre will record the details, issue the reference number, determine the cause of the problem and attempt to resolve it.
- 8.4. If the problem is resolved by the Call Centre, the Municipality's SUPPORT CONTACT will be notified who in turn will implement the solution and inform the user and the call will be closed at the Quidity Call Centre.
- 8.5. If the Call Centre cannot resolve the problem, the problem will be forwarded to the Technical Support Division in Quidity.

Call logging Criticality / Priority

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1/3, J.R., S.K., M.T., J.A.

Priority	Criticality/Priority	Description
1	URGENT	System is not functioning – high impact on business
2	HIGH	Processing can continue – circumvention acceptable in the short term
3	MEDIUM	Processing can continue – acceptable circumvention
4	LOW	No impact on Processing
5	ENHANCEMENT	Request for additional functionality

### Response Times

Priority	Description	Quidity Response
1	URGENT	Respond within eight (8) working hours. Best effort to resolve within two (2) working days. The Municipality and Quidity will focus resources on a continual basis to restoring functionality to the business. Demoted to the relevant priority in accordance with type of solution or circumvention provided
2	HIGH	Respond within sixteen (16) working hours. Best effort to resolve within three (3) working days. Demoted to the relevant priority in accordance with type of solution or circumvention provided.
3	MEDIUM	Respond within twenty four (24) working hours. Best effort to resolve within fourteen (14) working days. Demoted to the relevant priority in accordance with type of solution or circumvention provided
4	LOW	Solution may be implemented in future releases
5	ENHANCEMENT	Quotation will be supplied with mile-stone dates for additional functionality or at Quidity’s discretion provided as part of future release.

## 9. CALL ESCALATION PROCESS

### 9.1. Escalation within Quidity.

When Quidity fails to keep the Municipality informed with call status updates as specified above ‘Response Times’ and attempts to contact the Quidity support contact proves unsuccessful, the Municipality contact person may proceed to escalate to the next person listed in sequence in the ‘Escalation Channels’ table below.

### 9.2. Escalation within the Municipality

If the time to resolve cannot be achieved, Quidity Support will contact the Municipality to provide possible temporary alternative solutions and a newly estimated resolution time. Where additional information is needed from the Municipality, Quidity will provide the Municipality with a list of additional information needed.

Quidity will then inform the Municipality and await acknowledgement from the Municipality that the call is in ‘wait time’ as specified in the table ‘Status report times’.

### 9.3. Automated escalation

Built into the help desk system is an automated escalation procedure. The priority of the call will determine the escalation times as follows:

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Priority	Response Time (RT)	Municipality & Quidity CC Level 1	Municipality & Quidity CC Level 2
1	8 hours	RT + 2 hours	RT + 8 hours
2	16 hours	RT + 8 hours	RT + 24 hours
3	24 hours	RT + 24 hours	RT + 48 hours
4	N/A	-	-
5	N/A	-	-

#### 9.4. Escalation Channels

ESCALATION SEQUENCE	PERSON	ROLE	CONTACT NO.
<i>Quidity personnel</i>			
Level 1	Pam Buttle	Support Function	021 873 0546 / 0834154875
Level 2	Nik Klopper	Managing Member	0218730546

### 10. DURATION AND LICENCE FEE

- 10.1 The licence agreement shall be effective from the 1 July 2017 and shall remain in force until terminated by the Municipality or Quidity in terms of Clause 14.
- 10.2 The Municipality shall pay to Quidity a total amount of R11 365.40 (Eleven Thousand, Three Hundred and Sixty Five Rand and Forty Cents) Vat excluded per month for the first year cycle and thereafter shall not be more than the Consumer Price Index (CPI) rate every year.
- 10.3 Payment shall be effected within 30 days of presentation of a payment certificate duly signed by the Managing Member and certified by the Project Manager as a true account of goods satisfactorily delivered or a service properly rendered.
- 10.4 All payments will be made by the Municipality directly into the bank account of Quidity, the particulars of which are as follows:

Account Holder : Quidity CC  
Bank Name : Standard Bank  
Branch code : 050710  
Account number : 072238062

### 11. INDEMNITY

Quidity indemnifies the Municipality from any liability for any damages that may arise as a result of any omission or negligent act on the part of Quidity or any person acting on behalf of Quidity.

### 12. CONFIDENTIALITY

Quidity shall not divulge any information obtained in the execution of any of the terms and conditions of this agreement to any third parties under any circumstances except with the express written consent of the Municipality.

### 13. SETTLEMENT OF DISPUTES

- 13.1 Any dispute which may arise out of the operation of this agreement shall be referred to a joint committee comprising of the duly authorised representatives of the Municipality and the Service Provider, who will use their best endeavours to urgently resolve the dispute between the parties of it having been referred to them.

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AB, J.P. S.K., N.T., SA

- 13.2 In the event that the dispute fails to be resolved as envisaged in 13.1 above, the matter shall be referred to a mutually acceptable suitably qualified third party for arbitration.
- 13.3 The arbitration shall be held at a mutually agreed venue by the parties;
- 13.4 The costs occasioned by the arbitration shall be borne by both parties jointly and equally;
- 13.5 The law of the agreement shall be the law of the Republic of South Africa;
- 13.6 The award of the Arbitrator shall be final and binding upon the parties and may be made an order of any court of competent jurisdiction

#### **14. BREACH AND CANCELLATION**

14.1.1 The Municipality and the Quidity may terminate the agreement for the following reasons:

14.1.1 at the expiry of the contract term;

14.1.2 if the parties agree thereto in writing;

14.1.3 due *vis major*;

14.1.4 by reason of an unremedied material breach and in such event either party shall be entitled, without prejudice to any of its rights, to cancel this agreement forthwith and to claim damages from the other party; and

14.1.5 The Municipality may terminate for any reason.

14.2 In the event of a breach of any of the provisions of this Agreement by either party, the party in default shall give five (5) working days written notice to the other party, calling upon such party to rectify the breach.

14.3 Should the party in default fail, refuse or neglect to rectify the breach within the specified time, the other party shall have the rights to:

14.3.1 Resile from the contract with immediate effect;

14.3.2 Institute action for specific performance.

#### **15. CESSION**

Quidity shall not cede or assign any of its responsibilities in terms of this agreement without the express written permission of the Municipality.

#### **16. ENTIRE AGREEMENT AND VARIATION**

16.1 This agreement constitutes the entire contract between the parties hereto regarding the subject matter of this agreement. Neither party hereto has been induced to enter, or influenced in entering into this agreement by any undertaking, warranty, representation or statement not recorded herein.

16.2 No variation, addition to or consensual termination of this agreement shall be of any force or effect unless it is expressly recorded in writing and signed on behalf of the parties hereto by their duly authorised representatives, which in the case of the Municipality it will be the Municipal Manager and in the case of Quidity it will be the Managing Member of Quidity.

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N.J.  
N.J.

16.3 This agreement will automatically renew itself on the signed date unless notice of cancellation is received one calendar month in advance of the anniversary date of this agreement.

**17. LITIGATION**

For purpose of litigation, both parties agree to submit to the jurisdiction of the Magistrate Court of Vereeniging.

**18. DOMICILIUM AND NOTICES**

Each of the parties hereto chose *domicilium citandi et executandi* at the addresses below mentioned:

18.1 Municipality : Cnr Leslie & Beaconsfield  
Vereeniging  
1939

18.2 Quidity : 26 Richter Avenue  
Wellington  
7655

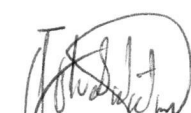
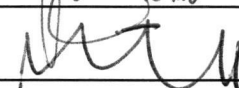
Tel : 021 873 0546

THUS DATED AND SIGNED AT VEREENIGING ON THIS THE 06 DAY OF February 2018



STANLEY KHANYILE

AS WITNESSES:

1   
2 

THUS DATED AND SIGNED AT VEREENIGING ON THIS THE 12 DAY OF FEB 2018

  
NIK KLOPFER

AS WITNESSES:

1   
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