




**SERVICE LEVEL SCHEDULE**  
**Contract RT58/2019CV**

**INSURANCE AND ADMINISTRATION OF THE SUBSIDIZED MOTOR TRANSPORT  
SCHEME AND THE VIP VEHICLE FLEET OF THE STATE FOR THE PERIOD  
1 JANUARY 2020 TO 31 DECEMBER 2025**


between

**THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA**  
acting through its National Department of Transport ("the State")

<b>Physical Address</b>	The Forum Building, 159 Struben Street, Pretoria, 0001		
<b>Postal Address</b>	Private Bag X193, Pretoria, 0001		
<b>Signed at</b>	PRETORIA	<b>Date</b>	04/11/2020
			
<b>Name</b>	ADV H. M. MHAMBULA	<b>who warrants that they are duly authorised to sign</b>	
<b>Office</b>	Acting COO		

and

**MMELA FINANCIAL SERVICES PTY (LTD) ("Contractor")**

<b>Physical Address</b>	85 Main Street, Nedbank Building, Marshalltown, Johannesburg, 2108		
<b>Postal Address</b>	P O Box 2140, Saxonwold, 2132		
<b>Signed at</b>	Johannesburg	<b>Date</b>	13/11/2020
			
<b>Name</b>	Mohobi Wilson Ramatsetse	<b>who warrants that they are duly authorised to sign</b>	
<b>Office</b>	Managing Director		

This Agreement comprises the Agreement and Schedules attached hereto.



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## Category A: Subsidized Vehicles

### 1. Definitions and Interpretation


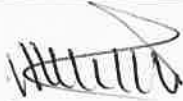
In this Contract, the following words or expressions shall have the meanings hereby assigned to them, except where the context otherwise requires.

- 1.1. **Accounting Officer** – bears the same meaning as defined in the Public Finance Management Act or the Municipal Finance Management Act;
- 1.2. **BAC** – Bid Adjudication Committee
- 1.3. **BBBEE** – means Broad Based Black Economic Empowerment
- 1.4. **BEC** – Bid Evaluation Committee
- 1.5. **BEE** – means Black Economic Empowerment
- 1.6. **Consortium / Joint Venture** – means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;
- 1.7. **Contingency Policy** – means an insurance policy that covers specified risks
- 1.8. **Contract**- means the agreement that results from the acceptance of a Bid by any organ of State;
- 1.9. **Contractor** – the successful bidder who is awarded the contract to administer the insurance for the Ministerial and Subsidized vehicle fleet of the State as specified in the special conditions.
- 1.10. **Contract Management** – The unit within National Treasury that is responsible for the management of the procurement process.

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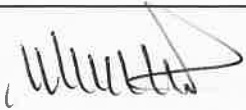


- 1.11. **Driver** – means an Official / employee that has qualified for and partakes in the Subsidized Motor Transport Scheme and is in possession of a valid unendorsed driver's license which enables them to drive a specific category of vehicle;
- 1.12. **Fleet Responsibility Manager / Fleet Manager** – means an Official designated by the Accounting Officer or his/her delegate to assume responsibility for the management of the Subsidized Vehicle fleet of the relevant department;
- 1.13. **FSCA** – means the Financial Sector Conduct Authority
- 1.14. **GAAP** – Generally Acceptable Accounting Practices
- 1.15. **Government Payroll Systems**- means The Persol and PERSAL systems or the system of preference as used by the majority of government end user departments as identified in the special conditions of the contract;
- 1.16. **Maintenance** - means all work undertaken in terms of a vehicle that is included in the normal service plan of the vehicle and as set out in the manufacturers manual/ owner manual or vehicle service handbook or any other repairs as required due to normal wear and tear;
- 1.17. **Merchant / Supplier** – means any legal entity which contracts with the Contractor to provide goods or services to the State;
- 1.18. **National Credit Act** - means National Credit Act 34 of 2005 as amended.
- 1.19. **Official** – an employee of the State that is an authorized Subsidized vehicle user
- 1.20. **Rent A Captive** - Renting insurance service meaning obtaining insurance from another source which cover high intensity, low frequency
- 1.21. **RT57** – means the contract between the State and various vehicle manufactures for the procurement of vehicles annually.

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- 1.22. **RT62** – means the Subsidized Vehicles Maintenance Contract
- 1.23. **RT68** - means the Vehicle Finance and Administration Contract
- 1.24. **SASRIA Cover** - a standard inclusion in most insurance policies and covers the holder of the policy against any damage that may occur in terms of “any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about riot, strike or public disorder.”
- 1.25. **Service Plan** – means a service that is procured during the purchasing of the vehicle, where the service plan is included in the RT57 Contract price and will cover all cost in terms of normal services as set out in the vehicle’s owner manual or handbook up until specified kilometers or time period;
- 1.26. **SMS**- Short Message Service or a cellular phone text message.
- 1.27. **Spares** – means any parts fitted to a vehicle ensuring that the vehicle is fully operational and functional and from time to time requires replacement due to the damage incurred during an accident or incident;
- 1.28. **Subsidized Vehicle** – means a vehicle procured from the RT57 vehicle contract, financed by the Contractor as appointed under Contract RT68 and maintained through Contract RT62;
- 1.29. **Subsidized Vehicle Owner**- means a government employee who was allocated a vehicle in terms of Scheme A of the Subsidized Motor Transport Scheme;
- 1.30. **The State** – means for the purpose of this Contract the National and Provincial government departments and institutions participating in this Contract and that make use of the Government Payroll Systems Persal and Persol;



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- 1.31. **Transport Officer / Controller / Control Officer** – means an officer appointed by the Accounting Officer in writing to, inter alia, administer the department's State vehicles either at a sub-office within a region, within a region or within a department;
- 1.32. **VIP vehicle** – A vehicle procured by the end user department to be used by the appointed Political Office Bearer, Judge or any other Senior Government official where the vehicle's ownership remains with the department.

## 2. Abbreviations

- 2.1. **BAC** – Bid Adjudication Committee
- 2.2. **B-BBBEE** – Broad- Based Black Economic Empowerment
- 2.3. **CCGMT** – Coordinating Committee of Government Motor Transport
- 2.4. **CPA** – Contract Price Adjustments
- 2.5. **CPI** - Consumer Price Index
- 2.6. **OEM** – Original Equipment Manufacturer
- 2.7. **PPI** – Producer Price Index
- 2.8. **SBD** – Standard Bidding Document
- 2.9. **STATS SA** – Statistics South Africa
- 2.10. **VAT** – Value Added Tax
- 2.11. **CSD** - Central Supplier Data Base
- 2.12. **FSCA** - Financial Sector Conduct Authority

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2.13. **FSRA** – Financial Sector Regulation Act



2.14. **PA** – Prudential Authority

### 3. Legislative and Regulatory Framework

- 3.1. This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).
- 3.2. The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. However, where, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 3.3. Financial Advisory & Intermediary Services Act (Act 37 of 2002) and also Short-term Insurance Act (Act 53 of 1998).
- 3.4. Financial Sector Regulation Act 9 of 2017.

### 4. Participants to the Contract

- 4.1. All national and provincial government departments partake in the Contract with the exception of the South African Police Services. The system requirements of the Contract require that the participants to the Contract make use of the Government Payroll Systems as per the definition.
- 4.2. Constitutional institutions as per Schedule 1 of the PFMA, national and provincial public entities as per Schedule 3A and 3C of the PFMA and Local Authorities e.g. municipalities that makes use of the Government Payroll Systems as per the definition are permitted to participate in this Contract, only once formal requests have been submitted to, and formal approval has been obtained from Contract Management, National Treasury.

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## 5. Roles and Responsibilities

### 5.1. Contract Administration

- 5.1.1. The administration and facilitation of the contract will be the responsibility of National Treasury, Contract Management and all correspondence in this regard must be directed to the following address:

The Chief Directorate: Contract Management,  
National Treasury,  
Private Bag X115,  
Pretoria, 0001



- 5.1.2. Contractors must advise the Chief Directorate: Contract Management, National Treasury and the Directorate: Government Fleet, National Department of Transport immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

### 5.2. Supplier Performance Management

- 5.2.1. Supplier performance management will be the responsibility of end-user departments and the National Department of Transport and where supplier performance disputes cannot be resolved between the Contractor and the relevant purchasing institution, National Treasury: Contract Management must be informed for corrective action.

### 5.3. Placement of Orders and Payments

- 5.3.1. Orders will be placed by participating department through the RT68 Finance Service provider who will be responsible for the notification and transfer of information to the RT58 Insurance Service Provider.
- 5.3.2. It will be the responsibility of the RT58 contractor to collect the premiums electronically through the government payroll systems, Persal and Persol.

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## 6. Period of Contract

- 6.1. The Contract will be for a period of (5) years commencing on the 1st of January 2020 and end on 31 December 2025.

## 7. Value Added Tax



- 7.1. The Contract price as included in Schedule 1 is inclusive of 15% Value-Added Tax.

## 8. Pricing

- 8.1. The pricing for this Contract is contained in Schedule 1 as approved by the National Treasury in the award of the Contract.

## 9. Contract Price Adjustments

- 9.1. Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.
- 9.2. Any fee adjustments as being made under these specifications will only be applicable from the date that such an increase has been approved as set in the table for the price adjustment periods.
- 9.3. The following price adjustment formula will be applicable for calculating contract price adjustment (CPA) for all fees contained in the pricing schedules submitted as part of the bid.

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$Pa = (1 - V)Pt \left( D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$	
Pa	The new adjustable price to be calculated
V	Fixed portion of the bid price (15% or 0.15)
Pt	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	Adjustable portion of the bid price (85% or 0.85).
D1 – Dn	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%).
R1t – Rnt	End Index. Index figure obtained from the index at the end of each adjustment period.
R1o–Rno	Base Index. Index figure at the time of bidding.
VPt	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment.

**9.4. Formula Component Definitions**

**9.4.1. Adjustable amount**

The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid, the escalatable amount is 85% of the original bid price. For example, if the bid price is R1000 then only R850 will be subject to adjustment.

**9.4.2. Fixed Portion**

The fixed portion represents those costs, which will not change over the adjustment period, and DOES NOT represents the profit margin. In this bid the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract period.

**9.5. Cost Components and Proportion**

The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and



those other costs which are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid the following cost components will be used to calculate contract price adjustments.

Cost Component	% Contribution
D1- CPI Financial services	100%
TOTAL (Cost components must add up to 100%)	100 %

**9.6. The Applicable Indices / References**

9.6.1. The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid the following indices or reference will be applicable:



Cost component	Index Publication	Index Reference
Financial Services	STATS SA Statistical release P0141 (CPI Publication)	Table E financial services

9.6.2. The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid the base index date is **March 2019**.

9.6.3. The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in terms of the Price Adjustment Periods.

**9.7. Price Adjustment Periods**

9.7.1. The application for a price adjustment must be submitted two months prior to the commencement date of the increase. The submission needs to be made to the Section: Contract Management at National Treasury, with the Department of Transport being copied on the submission.

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- 9.7.2. The price adjustment will be applicable to all items as specified in the Pricing Schedule to this bid (Addendum A). The State in turn shall claim a decrease in rates should the CPI decreases under the same conditions as applicable to the Contractor.
- 9.7.3. Adjustment to contract prices may be applied for at the following dates: The Contractor will be allowed to apply for an annual CPI (All items) adjustment as per the index listed under Historical metropolitan areas (Statistical Release P0141.1, table E), which will come into effect on the 1st of April yearly as from 2020. (Base month as per Special Conditions).

Adjustment	CPA application to be submitted	End Index Date	Adjustment Effective Date	Date until which adjustment will be effective
1	1 November 2020	October 2020	1 January 2021	31 December 2021
2	1 November 2021	October 2021	1 January 2022	31 December 2022
3	1 November 2022	October 2022	1 January 2023	31 December 2023
4	1 November 2023	October 2023	1 January 2024	31 December 2024
5	1 November 2024	October 2024	1 January 2025	31 December 2025

## 10. Participating Government Departments / Institutions

### 10.1. Users to the contract

- 10.1.1. All National and Provincial Government Departments partake in the contract with the exception of the South African Police Services. The system requirements of the contract require that the participants to the contract make use of the government payroll systems as per the definition.
- 10.1.2. Constitutional institutions as per Schedule 1 of the PFMA, national and provincial public entities as per Schedule 3A and 3C of the PFMA and Local Authorities e.g. municipalities that makes use of the government payroll systems as per the definition are permitted to participate in this contract (2020/2025), only once

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formal requests have been submitted to, and formal approval has been obtained from Contract Management, National Treasury.

## 10.2. *Post award participation*

10.2.1. In terms of Treasury Regulation 16A6.6 and Municipal Supply Chain Management Regulation 32, an Accounting Officer/Accounting Authority may, on behalf of the department, constitutional institution, public entity, Municipality or Municipal Entity, request to participate in transversal term contracts contract arranged by means of a competitive bidding process by National Treasury, subject to written approval by the BAC for Transversal Contracts and relevant contractors.

## 11. Service Requirements

11.1. The Contractor is required to manage and administrate insurance for Subsidized Vehicles under Scheme A of the Subsidized Motor Transport Scheme and VIP vehicles.

11.2. The Contractor will be required to share information with other Contractors appointed to manage other aligned or related vehicle contracts. The sharing will be done as agreed between the parties involved in consultation with the National Department of Transport.



11.3. The functions required from the Contractor in terms of this Contract can be summarized into the following functions:

11.3.1. All processes related to the collection of insurance premiums through the Government Payroll Systems.

11.3.2. The management of all insurance related claims processes.

11.3.3. The compilation and distribution of management reports.

11.3.4. Communication of the correct information to the various role players within the scheme including a SMS or text message.

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- 11.3.5. Any other electronic means of communication that may be required to participants to the scheme or to transport officers.


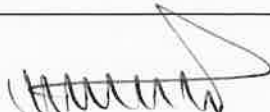
## 12. Background

### 12.1. Insurance Background

- 12.1.1. Government is utilizing a Contingency Policy to insure their Subsidized and VIP Vehicle fleet.
- 12.1.2. The premiums are determined annually based on the actuarial analysis of the performance of the fund in the previous Contract year (1 April to 31 March). This process is done in consultation with the National Department of Transport preceding the commencement of new Contract year.
- 12.1.3. A number of risks are re-insured through the Contingency Policy as well as the payment of all annual fees such as SASRIA cover and the underwriter's fees.
- 12.1.4. The actual requirements of the cover, the amounts thereof and the determination of the premiums will be done in consultation with the Contractor appointed in terms of contract RT58/2019.
- 12.1.5. The Contractor will be required to provide the State with a comprehensive insurance solution for the Subsidized and VIP Vehicle fleet.

### 12.2. Related Contracts

- 12.2.1. The effectiveness and efficiency of the Subsidized Motor Transport Scheme requires the Contractor to work together in the sharing of information and the development of their own internal management systems. Government does not have its own system for the administration of the Subsidized Motor Transport Scheme but are reliant on the various Contractors appointed for the various related contracts.

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12.2.2. The various related Contractors need to ensure the seamless flow of information between them and the relevant end users. Other contracts in terms of the Subsidized Vehicle Scheme are:

12.2.2.1. **RT57 – Vehicle procurement contract** - Vehicles are procured directly from the motor manufacturers and delivered to the dealership as identified in the application process. The Contractor appointed in terms of Contract RT58 for Insurance of Subsidized Vehicles must establish relationships with the various suppliers in terms of the RT57 Contract to ensure that all information in terms of the warranties of the vehicles and the other relevant information can be obtained. Contract RT57 is an annual Contract and provision will therefore need to be made to accommodate changes in models and the possible addition of new suppliers.

12.2.2.2. **RT68 – Financing of Subsidized Vehicles** - The Contractor appointed for the Financing of Subsidized Vehicle manages the ordering process of the vehicles from the suppliers on Contract RT57 after the application was received from the end user department. The information collected during the application process also forms the basis of the database to be used by the Contractors appointed in terms of contracts RT62 for the Maintenance of the Subsidized Vehicles and Contract RT58 for the Insurance of the Subsidized Vehicles. The insurer will need to confirm the insurance cover of a vehicle prior to the delivery of a vehicle to an Official through an automated process as mutually agreed to with the Finance Contractor. The Contractor will be required to set up a standard process with the Finance Contractor (RT68) for the settlement of accounts where a total loss occurs.

12.2.2.3. **RT62 – Maintenance of Subsidized Vehicles** – The Contractor will be required to communicate with the Maintenance Contractor as appointed in terms of contract RT62 related to repairs of vehicles as maintained by the RT62 Maintenance Contractor as it may effect warranties of vehicles or future maintenance claims.

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**12.3. VIP vehicle requirements**

12.3.1. VIP vehicles are procured through the RT57 contract or through the Supply Chain Management processes. The contractor appointed in terms of contract RT58/2019 will be required to provide a comprehensive insurance solution for VIP vehicles. This will include additional services specified in the Special Conditions of Contract RT58/2019. (Please refer to Category B)

**13. Subsidized Vehicle Procurement Processes**


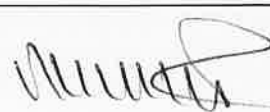
13.1. The processes have been implemented to manage the Subsidized Motor Transport Scheme. The Contractor will need to fulfil its role in terms of these processes as well as introduce modifications and improvements on the current systems whilst at the same time ensuring that all control measures as implemented remain intact. The typical life cycle of a vehicle ordered through the Subsidized Motor Transport Scheme can be summarized according to the following steps:

- 13.1.1. **Step 1:** The Official applies within his/her department for a Subsidized Vehicle. This application is not vehicle specific but for a certain type of vehicle such as a sedan or a light delivery vehicle with a specific engine category (Approved Benchmark). The end user department will approve such an application based on the fact that the Official adheres to the minimum requirements for the participation in the scheme as well as the most economical solution for the provision of appropriate transport as set out in Transport Circular 5 of 2003.
- 13.1.2. **Step 2:** After the department has approved the application for the Subsidized Vehicle, the application will be sent to the Finance Contractor appointed in terms of Contract RT68. The Finance Contractor will do the credit and affordability checks as required by the National Credit Act.
- 13.1.3. **Step 3:** The Finance Contractor, once the applications has been approved will send the application back to the end user department for verification of the vehicle make and model as ordered by the Official.

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- 13.1.4. **Step 4:** Upon verification the application will be send back to the Finance Contractor that will place the vehicle order with the relevant supplier in terms of contract RT57 for the procurement of vehicles.
- 13.1.5. **Step 5:** The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Contractor accordingly.
- 13.1.6. **Step 6:** The Official will do an inspection of the vehicle and sign the finance agreement with the finance Contractor after a confirmation of insurance was received from the insurance Contractor appointed in terms of contract RT58.
- 13.1.7. **Step 7:** When the Officials signs the finance agreement and take delivery of the vehicle, the following processes will commence:
- 13.1.7.1. The Finance Contractor is required to pay the vehicle supplier as per contract RT57.
  - 13.1.7.2. The Finance Contractor needs to instate the monthly deductions from the Official's salary for the payment of the capital of the vehicle.
  - 13.1.7.3. The vehicle is insured with immediate effect as per Contract RT58.
  - 13.1.7.4. The collection of the insurance premiums is instated. All premiums are collected upfront for the full financial year.
  - 13.1.7.5. The Maintenance Contractor is responsible for any maintenance required on the vehicle.
  - 13.1.7.6. The Maintenance Contractor needs to instate the deductions for the maintenance premiums through the Government's Payroll Systems.
  - 13.1.7.7. The Maintenance Contractor needs to process all fuel claims and log the payments thereof through the Government's Payroll Systems.
  - 13.1.7.8. The Insurance Contractor will be required to cover any damage to the vehicle and settle the Finance Contractor in case of total loss.
  - 13.1.7.9. Once the vehicle has reached the required kilometers (160 000km), or the required time period elapses as set out in the finance agreement (32/36/42/48/60 months) or for any other reasons such as the resignation from government by the Official, the Official passing away or the Official being promoted, the vehicle is withdrawn from the scheme.

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13.1.7.10. The insurance Contractor as appointed on contract RT58 will be required to make a pro-rata refund of the insurance premium to the end user department.

13.1.7.11. Insurance cover for the vehicle needs to remain intact until the last calendar day of the month that the Official's Contract was terminated.

13.1.8. Apart from the above functions, the Contractor will need to assist government in the application and enforcement of the current Subsidized Motor Transport Policy. (Transport Circular 5 of 2003) that is subject to amendments by the national Department of Transport.

#### 14. VIP vehicle procurement

14.1.1. VIP vehicles are procured through the RT57 contract or through the Supply Chain Management processes of the various end user departments.

#### 15. Capacity


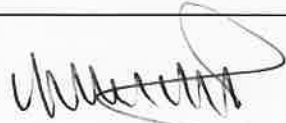
15.1. The Contractor must ensure that it has the necessary human resources in terms of the number of staff employed to provide the services that falls within this Contract and that the appointed staff will have the required levels of knowledge and skills to ensure that government's fleet is managed effectively and efficiently in terms of the services as set out in this Contract.

15.2. The Contractor will be required to submit the documentation as set out in Schedule 2 of the Service Level Schedule within one month of the signing of the Service Level Schedule.

#### 16. Copyright and Ownership of Document

16.1. All documents produced by the Contractor and its agents, in the fulfilment of the terms of this Contract shall be and remain the sole property of the State.

16.2. All copyright and ownership of documents shall vest with the State. The Contractor, including its employees and agents, shall, on an email or written request from the State,

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submit any documentation and materials to the State within 24 (twenty four) hours of such request.

## 17. Security and Confidentiality of Data

- 17.1. The Contractor must undertake to disclose information relating to the Contract only to the parties stipulated in the contract, both during the Contract period and subsequently.
- 17.2. Information may only be disclosed to outside sources with the prior, written approval from the National Department of Transport or the Provincial Transport Departments.
- 17.3. In the event that any information is requested from the Contractor in terms of the Promotion of Access to Information Act (PAIA) Act 2 of 2000, the Contractor shall notify the National Department of Transport in writing of such a request, within 48 hours of receiving it.
- 17.4. To protect the database relating to State's fleet contract, the Contractor must have in place, and shall maintain, suitable back-up procedures and disaster plans to protect data. The Contractor shall back-up all electronic data on a daily basis. Any costs associated with the recapture and processing of data for whatever reason will be borne by the Contractor.

## 18. Ownership of Data

- 18.1. The State is, and remains, the sole owner of all data generated by the execution of this contract. The Contractor is required to provide the data to the State or a third party only upon written request in paper and/or electronic format, upon approval from the National Department of Transport or the Provincial Transport Departments.
- 18.2. All data generated through the execution of the contract remains the property of the State. The Contractor shall endeavor to make all data available to the state upon conclusion of the contract. Such data should be made available in the prescribed format and if requested to do so, transfer all data to an independent or any other third party as nominated by the State.

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18.3. The Contractor will under no circumstances be permitted to make use of personal information of Officials obtained through the execution of the Contract for any other purpose than the execution of the Contract including but not limited to any marketing during or after the Contract has expired.

### 19. System Enhancements

19.1. The Contractor shall constantly seek to enhance its systems and shall evaluate any new technology designed to curb fraud and abuse.

19.2. The Contractor's management information systems shall throughout the Contract period have the capability to be enhanced / customized or provide for newly specified reporting in order to accommodate the State's changing business requirements. This may include a transition from the current Payroll Systems in use to a new system during the Contract period.

19.3. The costs associated with such systems enhancement shall be borne by the Contractor.



19.4. The State shall be consulted before any significant changes to systems are effected and such enhancements should furthermore not change any of the requirements of the State.

19.5. Should the State at any time require the use of any new technology in the market that has not been included within this specification, such can be sourced on the request of the State in line with the Change Control procedures as set out in this specification.

### 20. Implementation

20.1. The State reserves the right to approach the second bidder and subsequently the third bidder in the event that the Contractors as awarded do not fulfill the requirements of the contract during the contract implementation period, including the transfer of all information.

20.2. All contractor will be required to submit its implementation plans with clearly indicated milestones and timeframes, including the responsibilities of all parties involved in the

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implementation of the contract based on the implementation date of the contract. The anticipated start date of implementation is on 1 January 2020 with the contract being fully implemented by the commencement date 1 April 2020.

20.3. The implementation plan is to start on the 1 January 2020 to 31 March 2020 after which the full contract and all the services as set out therein will need to commence. Should circumstances permit, the implementation processes may commence after the award of the contract even if such a date is earlier.

20.4. The implementation plan of the Contractor may be altered after consultation and agreement with the State.

## 21. Contracting Parties


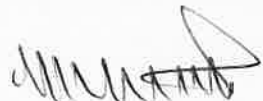
21.1. Separate service level agreement schedules may be implemented for the State's User Departments with unique requirements.

21.2. A transversal Contract will be entered into by the National Department of Transport on behalf of the State stipulating common contractual requirements.

21.3. Only after consultation and approval by the National Department of Transport will end users be allowed to enter into separate Service Level Schedules. The Service Level Schedules with the identified end users will need to include the attachments specifying the differences in services to be rendered to the different users on the Contract as Schedules to the Contract.

## 22. Channels of Communication

22.1. For matters having any potential financial impact to the administration fee of the Contract, the Contractor should communicate with the National Treasury. Prior to such communication the Contractor will be required to consult the National Department of Transport.

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22.2. For operational queries, the Contractor shall communicate with the relevant department, the provincial departments of transport or if necessary, the National Department of Transport.

### 23. Inspection and Audit

23.1. The State reserves the right to inspect and audit any document pertaining to this Contract within five years of the date of expiry of the contract. This may also include queries and complaints. The Contractor shall provide any assistance free of charge that may be required in this regard.

23.2. The cost of inspections and audits shall be borne by the Contractor.

23.3. The State reserves the rights to conduct performance and financial audits on the status of the Contract and the Contractor shall provide any assistance free of charge that may be required in this regard.


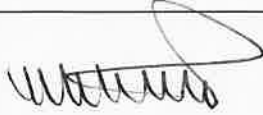
23.4. Should any audit or inspection reveal that the Contractor has not complied with any of the terms of this contract; the Contractor shall be responsible for the cost of any losses incurred by the State associated with such non-compliance.

### 24. Insurance and Indemnity

24.1. The Contractor must obtain sufficient professional indemnity insurance whereby the State is indemnified against any claim of whatever nature and however arising out of any willful or negligent action or omission of the Contractor, its employees, subcontractors, and assignees.

24.2. In the event that any legal action, based on the willful or negligent action or omission of the Contractor, its employees, subcontractors and assignees, is brought against the State, the State shall be entitled, inclusive, to recover from the Contractor the legal fees and disbursements on an attorney-client scale.

24.3. The contractor must provide documentary proof of existing Professional Indemnity and Fidelity Guarantees.


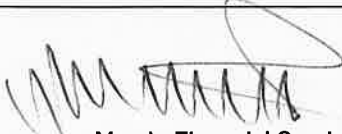
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## 25. Training

- 25.1. During the period of the contract, the Contractor shall provide training on an ad-hoc basis countrywide to government officials as per consultation with the National Department of Transport or Provincial Transport departments.
- 25.2. Continuous training will need to be provided at different levels to accommodate administrative, operational staff and managers.
- 25.3. Regular training courses shall address all related systems, processes and fleet management principles and procedures, which have bearing on this contract and can include the following:
- 25.3.1. General fleet management concepts;
  - 25.3.2. The purpose and method of accessing management reports;
  - 25.3.3. The implications of any system changes;
  - 25.3.4. Risk management
- 25.4. The training programs will be finalized with the successful Contractor within 3 months post award.
- 25.5. The Contractor shall provide the State with a manual on systems and procedures relating to the contract.
- 25.6. Where required, the training shall be provided onsite or remotely, after consultation with the Department of Transport or the relevant end user department.
- 25.7. This training shall be provided to the State as part of the contract and at no additional cost to the State.
- 25.8. The Contractor shall provide a competent dedicated training officer to facilitate and provide training at the premises of the various users of this contract on a continuous basis from the commencement of the contract. This shall be provided for all nominated State officials on the “best practices” within the practice of fleet management at no additional cost to the State.

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25.9. The Contractor shall provide detailed reporting on all training undertaken. This will include information such as the type of training provided, names of the officials trained, dates of training and venues.

## 26. Consultancy Function

26.1. The Contractor must participate in State forums held on a monthly basis as coordinated by the provincial transport department or when requested to do so. Pro-active participation and reporting at these sessions is required.

26.2. The Contractor shall present a critical evaluation of the State fleet on at least a quarterly basis. The presentation, in a format and manner to be agreed with the respective organ of the State must deal with and shall not be limited to aspects such as loss ratio's, accident prevention, payment of claims, claims administration or any other recommendations to improve the overall service.


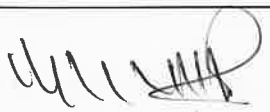
26.3. The Contractor must provide an effective and efficient fleet management consultancy service to reduce losses and ensure vehicle availability.

## 27. Risk Management

27.1. The Contractor's systems and procedures should incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions related to claims registered with the Contractor as well as merchants that it does business with.

27.2. The Contractor is required to report in writing by facsimile or electronic mail (e-mail) to the National Department of Transport and the respective end user department any suspected irregularities involving an Official, a merchant or any other person immediately upon the suspicion arising.

27.3. Information provided by the Contractor shall be sufficient to enable the State to institute investigations and / or take corrective action or institute disciplinary action against employees in the employment of the State.

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27.4. The Contractor will need to avail any of its staff at no additional cost to the State to assist in any investigations.

27.5. Where fraud related to a claim or the repair of the vehicle can be proven, the Contractor has the right to recover any losses from the companies or individuals involved. Steps relating to the recovery of losses are outlined within Treasury Regulations 11 and 12 to which all State departments must conform with.

27.6. Should fraud of any kind against any merchant as utilized by the Contractor be proved, the Contractor shall:

27.6.1. Remove such a merchant from the database of approved merchants.



27.6.2. The merchant shall remain suspended until a full report is received from the Contractor that addresses all corrective and preventative measures that was taken.

27.6.3. All corrective and preventative measures must be approved by the National Department of Transport in consultation with the end user department / Provincial Department of Transport prior to the implementation thereof.

## 28. Equipment and Materials

28.1. The Contractor will provide all equipment, materials, sundry items stationery, incur any delivery charges, postage, telephone, facsimile, photocopy costs and the like that may be required for purposes of the contract, as part of the cost of the Contract and will not be able to claim any of these costs against the fund.



28.2. Equipment and materials of the Contract will include a handbook setting out all the processes related to any insurance claims. For this purpose, the Contractor will be allowed to compile such a handbook in conjunction with the Contractors appointed on Contract RT68 for the Financing of Subsidized Vehicles and the Maintenance Contractor appointed in terms of RT62 and share the subsequent cost thereof.

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## 29. User Satisfaction Survey

- 29.1. To enable the Contractor to provide an efficient service to the end user departments of this Contract and to identify shortcomings in any service deliveries, the Contractor will be required to conduct a user satisfaction survey at their cost.
- 29.2. The contents of the user satisfaction survey can be altered after consultation with the National Department of Transport or the end user departments.
- 29.3. The user satisfaction survey can be done telephonically after consultation with the National Department of Transport and may be outsourced to an independent third party specializing in user satisfaction surveys.
- 29.4. The State can also require the user satisfaction survey to be done manually should the impression exist that the user satisfaction survey as was conducted on the web base system or telephonically is not representative.
- 29.5. The outcome of the survey needs to be made available to all Provincial Departments of Transport and the National Department of Transport to ensure that the shortcomings as identified in the survey are addressed.
- 29.6. The Contractor shall conduct the approved user satisfaction survey in writing annually or as otherwise agreed during the Contract period for a sample size of the data base as agreed with in consultation with the State and needs to be geographically representative.
- 29.7. The user satisfaction survey, which should be included in a six monthly report to the State and should be done in terms of:
- 29.7.1. Merchants
  - 29.7.2. Government user departments
  - 29.7.3. Provincial Departments of Transport
  - 29.7.4. Officials partaking in the Subsidized Motor Transport Scheme

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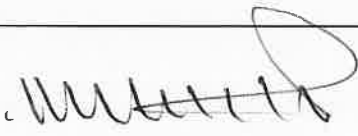


### 30. Provincial Representation

- 30.1. The contractor will not be required to have provincial offices.
- 30.2. The contractor will however need to ensure that all end users receive adequate customer services, which includes:
  - 30.2.1. The attendance of provincial transport meetings as scheduled by the provincial departments of transport or the National Department of Transport for national departments.
  - 30.2.2. Monthly meetings with all end user departments where required or requested.
  - 30.2.3. A specific individual assigned to the province or department that can assist with any queries from the end user department.
  - 30.2.4. Assist departments and resolve issues that arise with the day-to-day operation of the contract.
  - 30.2.5. Assist Departmental Transport Control Officers and Transport Officers on the reports generated.

### 31. Financial Considerations

- 31.1. The State will not authorize any payments for any amounts that are not reflected in terms of the pricing schedule included hereto as Schedule 1.
- 31.2. The Contractor cannot in the execution of the Contract make use of any additional pricing or fee structures that are not included in Schedule 1.
- 31.3. In the event that the contractor subcontracts the function of the billing and collection to a third party, the contractor as part of their bid needs to include a session agreement where all the rights for billing and collection is ceded to a third party.
- 31.4. The State will not accept any charges for items that are not reflected in the pricing schedules submitted during the bidding process.
- 31.5. To ensure that the Contractor can bill and report correctly per cost center, all information per vehicle needs to be captured in the following levels:


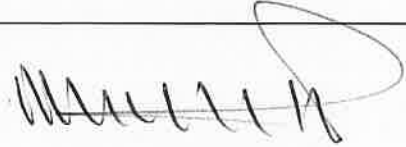
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- 31.5.1. Field 1: National Department, Name of Province, Municipality or Entity
- 31.5.2. Field 2: Name of National Department, Name of provincial department
- 31.5.3. Field 3: Name of Region or District
- 31.5.4. Field 4: Name of Office or Location
- 31.5.5. Field 5: Unit

**32. Insurance Cover and Structure**

- 32.1. The State requires the contractor appointed in terms of to set up a Rent-a-captive or contingency insurance policy and manage the policy in consultation with the State. This policy shall constitute of a government owned fund that will need to be managed in line with all norms and standards of the insurance industry as well as those set out in the bid specifications for contract RT58/2019. All money remaining in the fund at the end of the contract period, once all obligations have been met, will be returned to the state as set out in the specifications of contract RT58/2019.
- 32.2. As part of the Rent-a-captive or contingency insurance policy, the contractor appointed on contract RT58/2019 will be responsible to ensure that the requirements as set out in the Special Conditions, related to the cover are met. The State retains the right to adjust the cover required based on the consultation with the appointed contractor for contract RT58/2019 and any trends related to the expenditure from the insurance fund.
- 32.3. The contractor will be responsible to source the required cover as agreed to between the contractor and the state during its consultation in the most economical and efficient manner.
- 32.4. All money remaining in the fund at the end of the Contract period, once all obligations have been met, will be returned to the state as set out in this Contract.

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### 33. Re-insurance Cover

#### 33.1. Single Event Catastrophe Cover

33.1.1. Should the damage incurred during a single event exceed R1 million, all damage exceeding the amount of R1 million will be covered by the single event catastrophe cover including third party liability in excess of the R5 million limit.

33.1.2. The first million will be payable from the fund.

#### 33.2. Own Damage Self Retention Protection

33.2.1. The Contractor will be responsible to source self-retention protection as the fund will only cover the specified risks as follows:


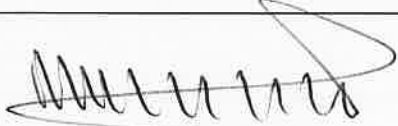
33.2.2. Own damage self-retention to a single event is currently set at R300 000, 00. Should the loss in one incident or accident exceed the amount of R300 000, 00 the difference must be covered by the own damage self-retention protection policy as sourced by the Contractor.

33.2.3. The current own damage self-retention protection includes a total protection of R10 million on the overall fund. Therefore, should the total expenditure against the fund, exceed the total amount of R110 million for which the premiums were collected an additional R10 million must be available to service claims up to the amount of R120 million

33.2.4. Should the risk exceed this specified risk, the own damage self-retention policy will cover the additional cost incurred.

#### 33.3. Third Party Liability

33.3.1. The Contractor will be responsible to source on behalf of government third party liability ground up cover with no excess to the amount of R 5 Million per incident.

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### 34. Standard Industry Cost

#### 34.1. Insurers or Underwriters Fees

34.1.1. The Contractor will be responsible to ensure that an underwriter's fee that will be in the best interest of government is negotiated. This underwriter's fee will need to be based on the total premiums payable into the fund and not per unit.

#### 34.2. SASRIA Cover



34.2.1. SASRIA cover is a standard inclusion in most insurance policies and covers the holder of the policy, in this case, all Subsidized Vehicle owners against any damage that may occur in terms of "any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about riot, strike or public disorder."

34.2.2. The government will require standard SASRIA cover that is set as a standard requirement within the insurance industry. The amount will include a standard broker fee of 7.5% that will need to be deposited into the fund as well as the commission to the insurer. The SASRIA fee will be based on a per unit price.

### 35. Insurance Cover and Inclusions

35.1. The following services will be included as part of the insurance function required by end user departments at no additional cost to the State in the structure and format of a contingency or rent-a-captive policy.

35.2. The vehicle as it was ordered from the RT57 contract vehicle procurement or through the supply chain of the department for VIP vehicles will need to be insured. This will include any factory fitted standard accessories that the vehicle was issued with or that was added on by the official that was either fitted by the manufacturer of the vehicle or has been financed as part of the finance agreement with the service provider of contract RT68 for the Financing of Subsidized Vehicles or has been approved by the end user department as a requirement for the official to execute his/her duty.

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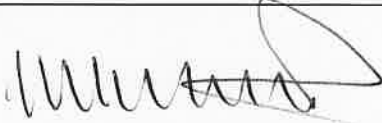
35.3. The cover required will be for the entire Subsidized Motor Transport fleet and will not only be limited to the new vehicles on the scheme.

35.4. The insurance cover needs to make provision for covering the vehicle within the borders of the Republic, Namibia as well as out of the borders of the Republic including, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia.

35.5. The state requires comprehensive motor insurance cover that conforms to the following requirements:

- 35.5.1. Loss of or damage to the vehicle or spare parts caused by accidents or incidents;
- 35.5.2. Theft, hijacking and/or total loss;
- 35.5.3. Vandalism, explosions, riot damage, fire;
- 35.5.4. Falling objects (from buildings, other vehicles or otherwise);
- 35.5.5. Damage to third party property;
- 35.5.6. Liability to third parties resulting in death or injury to third parties;
- 35.5.7. Accessories as financed through the Finance Contractor as appointed in terms of contract RT68 or as otherwise specified or declared.;
- 35.5.8. Hail, snow or any other damage caused by natural disasters termed as “acts of God”;
- 35.5.9. Towing and storage cost to the approved repairer;
- 35.5.10. Loss or damage caused by or in connection with war, civil war and/or martial law;
- 35.5.11. Loss or damage caused by, or in connection with, civil commotion, labour riots strikes and/or mutiny;
- 35.5.12. Loss or damage caused by or in connection with politically inspired uprising, riots and terrorism;
- 35.5.13. Radio/CD/Hands free car kits covered up to a limit of R3000.00 with a maximum excess of R500.00.

35.6. The vehicle shall be insured for the full period that the vehicle forms part of the Subsidized Vehicle fleet of the State. The vehicle will need to be covered for a period of 60/48/42/36/32 months or 160 000km whichever comes first. The cover for the last month of the Contract shall be up to the end of the calendar month in which the Official's Contract expires.


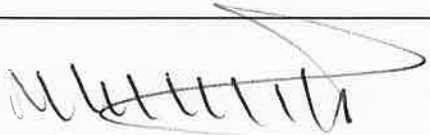
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- 35.7. Windscreen cover with the Official paying the excess per event as determined by the National Department of Transport and the Contractor.
- 35.8. Cover is required for any lost or stolen keys but will not include any broken keys or any part thereof such as remotes etc.
- 35.9. Passenger liability cover with a limit of R2.5 million
- 35.10. The Contractor is required to implement an automated system in consultation with the National Department of Transport and the Finance Contractor in terms of Contract RT68 for the Financing of Subsidized Vehicles to ensure that confirmation of cover can be provided prior to the delivery of the vehicle. This process needs to be structured in such a manner as to ensure that this will not delay the delivery of the vehicle.
- 35.11. In the event of a total loss, the Contractor shall calculate the amount payable out of the fund to either the Official or the finance Contractor on:
  - 35.11.1. The vehicle purchase price (Not RT57 price) and the market value needs to be used to calculate the percentage depreciation of the vehicle value up to the time of the total loss occurring.
  - 35.11.2. This % depreciation will then be applied on the initial RT57 purchase price of the vehicle to calculate the amount to be paid out in the event of total loss.
  - 35.11.3. Any amount to be paid out should at least cover the financial shortfall of the Finance Contractor.
- 35.12. Additional cover up to market value is required as an optional for Officials that select to purchase this cover for the vehicle replacement at market value.

**36. Insurance Exclusions**

- 36.1. All costs related to any of the following would need to be covered by the Official and will not be paid out of the fund.



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- 36.1.1. A vehicle that is not roadworthy
- 36.1.2. Any misrepresentation, incorrect description, by the Official or individual that was driving the vehicle at the time of the incident/accident or time of total loss.
- 36.1.3. Should the Official or driver of the vehicle not be in possession of a valid driver's license or where the licence has been endorsed.
- 36.1.4. The vehicle be used outside the borders of South Africa with the exception of Namibia, Botswana, Lesotho, Mozambique, Swaziland, Zimbabwe, Malawi and Zambia.
- 36.1.5. Items covered under the Road Accident Fund
- 36.1.6. Where the driver of the vehicle was driving under the influence of alcohol or drugs.
- 36.1.7. Any claims related to the maintenance of the vehicle will not be the responsibility of the Contractor and will be covered by the Contractor appointed for contract RT62. This includes damage to the wheels, rims, tyres and driving shaft of the vehicle that can be contributed to road conditions, such as potholes.
- 36.1.8. Consequential damage unless covered under the provisions for non-standard insurance requirements.

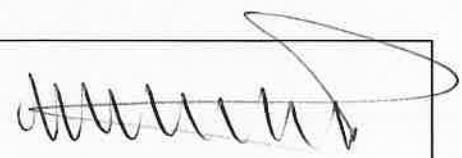
### 37. Car Hire

37.1. The Contractor will be required to source car rental for Subsidized vehicle users at a discounted rate. Such rate will need to be negotiated by the Insurance Service Provider appointed in terms of contract RT58 and will need to be revised at least annually or as and when requested by the State.

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- 37.2. The Insurance Service provider as appointed in terms of contract RT58 will not be allowed to add any mark-up, handling fee, administration fee or any other additional charges to the amount invoiced by the supplier of the rental car.
- 37.3. The Contractor will need to source car rental at the best possible price per event or incident as per the required minimum requirements for the required relief.
- 37.4. The contractor shall ensure that the rate at which the vehicle is rented will automatically adjust to the most economical billing category should the timeframe that the vehicle is required for, reduce the price of the car rental. All car rental must be inclusive of an average of 250 kilometers per day. Any cost for additional kilometers above the provided 250 will need to be paid by the official.
- 37.5. The stand in or relief vehicle for a Subsidized vehicle owner should adhere to the following minimum requirements:
- 37.6. The vehicle for Subsidized vehicle owners must be the same type of vehicle that the official procured under the scheme. For example: Should the official drive a sedan, a sedan must be supplied as a replacement vehicle, should the official drive a LDV, a LDV should be supplied as a relieve vehicle.
- 37.6.1. Even though the vehicle must be the same type of vehicle, the engine category of the vehicle does not need to be the same.
- 37.6.2. A minimum of a 1400 sedan with air-conditioning and a 2l LDV with air-conditioning will be required.
- 37.6.3. A maximum period of 2 calendar months, unless the repairs of the vehicle was delayed through inefficiencies by the contractor in which case the contractor will be responsible for any additional cost for the provision of the stand-in or relief vehicle.

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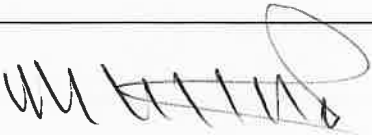
### 38. Premium Determination, Collection and Refunds

#### 38.1. Premium Determination

- 38.1.1. One set premium will be determined for all vehicles partaking in the Subsidized Motor Transport scheme, irrespective of the vehicle make, model or purchase price.
- 38.1.2. This premium will be negotiated between the National Department of Transport and the appointed Contractor and will be based on the actuarial analysis of the previous Contract year and other historical data.
- 38.1.3. The premium will be determined prior to the start of the collection process.
- 38.1.4. An additional fixed fee will be applicable to all end users that opted to procure a vehicle that is in a different (higher or more expensive) category than was approved by the end user department. (buy-up) or that opt to ensure the vehicle at the market value.

#### 38.2. Collection of premiums

- 38.2.1. The Contractor will need to ensure that the full premium per annum can be collected through the Government's Payroll Systems and that it will conform to the audit processes as determined through the Government Payroll Systems.
- 38.2.2. Premiums cannot be collected at the end of the previous financial year for the new financial year. The Contractor will only be able to collect premiums for the new Contract year after agreement with the National Department of Transport.
- 38.2.3. The Contractor will need to make provision for the payment of any claims prior to the collection of the premiums during the inception of the contract.


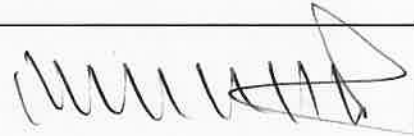
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- 38.2.4. Should the compilation of the payment files be outsourced to an independent third party, the details of any such agreements will need to be provided to the State upon request.
- 38.2.5. The Contractor will be allowed to submit a new payment through the Government Payroll Systems for any vehicle that will start on the scheme throughout the Contract year. The premiums for these vehicles will be calculated proportionally to the number of months remaining in the contract year.
- 38.2.6. The State will not authorize or allow any other method of the collection of premiums for the Subsidized Vehicle Scheme other than through the Government Payroll Systems due to the tax implications on the Officials partaking in the scheme.
- 38.2.7. The Contractor will be required to report on the collection of all premiums under the scheme with reference to the number of premiums that was collected, the total number of premiums to be collected as well as the value of these premiums.

**38.3. Refunds**

- 38.3.1. The Contractor will be required to reimburse the State for any vehicle that did not partake in the Subsidized Motor Transport Scheme for the full financial year. This will include officials resigning from their positions, vehicles that were written off or any other reason that prevents the Official from partaking in the scheme for the full contract year.
- 38.3.2. The Contractor will ensure that the vehicle remains covered till the last day of the calendar month in which the cover of the Subsidized Vehicle was terminated.
- 38.3.3. The Contractor will be required to make any payments to the end user department preferably by electronic fund transfer or should it be required by cheque.

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38.3.4. The Contractor will need to, at the times of the payment being made, supply the end user department with the exact details of the payment. This must included reference to the vehicle, the Official, the Official's payroll number and the period for which the payment was made.

### 39. Customer Support Services: Call Centre

39.1. A call centre facility must be established by the Contractor at no additional cost to the State for the logging of claims and the answering and resolution of queries.

39.2. The call centre facility needs to fulfil at least the following:

39.2.1. Operated 24 hours a day, 7 days a week (no cell phones allowed)

39.2.2. A toll-free line will need to be made available to all end users of the Contract to request road side assistance or to log a claim.

39.2.3. A shared call option will need to be made available for departments contacting the Contractor.

39.2.4. Shared call option will need to be made available for all suppliers and merchants contacting the Contractor.


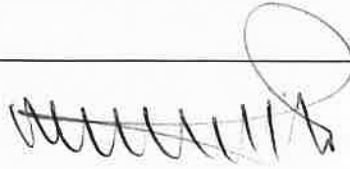
39.2.5. All calls between the State and the Contractor will need to be recorded for quality and training purposes and the State should have access to such recordings within 48hrs of an incident occurring.

39.2.6. The Contractor shall ensure that 98% of all calls be attended to within 1 (one) minute in person. An automated telephone answering service does not constitute a call being "attended to".

39.2.7. Call centre operators must at least be conversant in English and in at least one of the other Official languages.

39.3. The call centre must be provided at no additional cost to the State.

39.4. The Contractor will need to establish a strategy to support the call centre and would need to assist the provinces with the daily management of the contract. This includes the administration of claims, feedback related to the repairs of a vehicle, the collection of

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premiums, the refund of premiums and other contract administration as required and needs to fulfil the needs of the relevant end user departments.

39.5. The call centre will need to be fully functional at the time of the commencement of the contract.

39.6. The Contractor shall be capable of generating meaningful electronic call centre reports for feedback to the State (this will include, but are not limited to average call waiting time, call duration, calls dropped etc.) – This information will need to be available per province and for the country as a whole and would need to be reported on, on a monthly basis within the first seven days of the month either in electronic or in hard copy format as preferred by the individual clients and should only be relevant to calls logged by users of this contract.


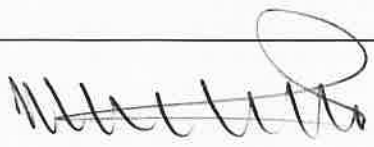
#### 40. End User Communication Requirements

40.1. The State requires continuous communication to the following stakeholders within the Subsidized Motor Transport Scheme to ensure efficiencies. The Contractor is required to communicate to the Official via SMS in terms of the following:

40.1.1. Once the details of the Official has been loaded onto the system of the Contractor an SMS needs to be sent to the Official indicating the call centre numbers to be used should the Official be involved in an accident or for any other administrative query.

40.1.2. In the event that the Official contacts the call centre and a claim was registered on the system of the Contractor, an SMS should be sent to the Official that contains the claim reference or tracking number as well as the time and date of the claim being logged.

40.1.3. Another SMS should be sent to the Official indicating the requirements of the Contractor that needs to be fulfilled by the Official, such as the filling in of claim forms or the submission of any documents required from the departmental transport officer.

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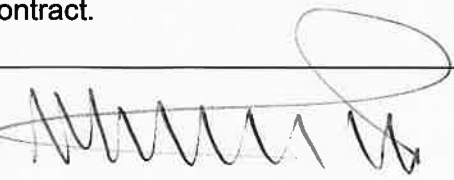




- 40.1.4. An SMS needs to be sent to the Official during the repair process of the vehicle to inform the Official of any other developments on the claim such as the amount of the excess, the anticipated repair date of the vehicle or any delays experienced in the repair process.
- 40.1.5. The Contractor will be required to follow up with the merchant that repairs the vehicle on at least a weekly basis and communicate the progress to the Official via SMS.
- 40.1.6. Once the Official has received back the vehicle from the merchant responsible for the repairs of the vehicle, an SMS needs to be sent to the Official to ensure that the vehicle has been satisfactory repaired.

**41. Types of Reports / Information**

- 41.1. The Contractor is required to have Help manuals on the purpose and use of reports.
- 41.2. It is the responsibility of the Contractor to supply accurate and relevant management information on a continuous basis to allow for the management of the fleet's requirements. Given this fact, the Contractor shall have and maintain an IT system that allows the State to access and retrieve accurate and relevant management information from the Contractor within 24 hours.
- 41.3. In the event of termination or breach of contract, the Contractor shall provide its entire database containing the up-to-date information in respect of the State's fleet contract, in electronic format, within 24 (twenty-four) hours of such termination or breach, to the State. The cost of such transfer of information will be for the account of the Contractor.
- 41.4. The Contractor should upon request from the State be capable to alter, change or create new reports as and when requested.
- 41.5. The Contractor must have proven IT capability to provide management reports in hard copy and electronically from the date of the award of the Contract.

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41.6. The Contractor shall ensure that vehicle history and transaction data relating to any vehicle is retained for the period of the contract even in the case where the agreement for the individual has been terminated or cancelled.

41.7. The Contractor's information system shall have the facility to provide information relating to the fleet at various levels, and needs to make provision for reporting on the following levels:

- 41.7.1. Field 1: National Department, Name of Province, Municipality or Entity
- 41.7.2. Field 2: Name of National Department, Name of provincial department
- 41.7.3. Field 3: Name of Region or District
- 41.7.4. Field 4: Name of Office or Location
- 41.7.5. Field 5: Unit

41.8. The system shall allow for the printing of on-line / electronic reports by all parties who have authorized access to reports.

41.9. The user departments/provinces or divisions should first approve the electronic format of reports.



41.10. Reports and reporting systems shall be user friendly:

41.10.1. Each report shall have a narrative heading which indicates the nature of the report and clearly identifies the information required and for which level it is applicable. (province, department etc.)

41.10.2. The reports / data required in an electronic format and hard copy shall be easily accessible through an efficient, user friendly menu system compatible with at least Microsoft Windows operating system;

41.10.3. The Contractor must supply the State with a system/application in order for the State to analyze electronic downloaded data where required;

41.10.4. All reports must be exportable to at least a Microsoft Windows application;

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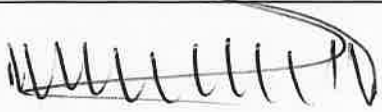


- 41.10.5. The purpose of, and suggested usage for, each report shall be documented in “help” manuals and shall be addressed during training sessions conducted by the Contractor throughout the contract;
- 41.10.6. Electronic reports that are required monthly shall be provided within 7 (seven) working days of the cut-off date of that month;
- 41.10.7. Electronic reports that are required weekly shall be made available within 24 hours of the cut-off date for that week.
- 41.10.8. The minimum required management reports that must be provided by the Contractor are required at the stated frequency, in the stated form and to the stated parties. Information supplied in the relevant reports should be sufficient to enable the State to institute investigations or take corrective action. The user departments can request a report on any combination of the following information as set out below as this information is essential for the deliverables stated in this Contract.

41.11. The Contractor is required to capture the following information on its system:

***In terms of the Official:***

- 41.11.1. Name and surname
- 41.11.2. Government payroll number (Persal or Persol)
- 41.11.3. Contact details of the Official
- 41.11.4. Province
- 41.11.5. End user department
- 41.11.6. Contact details of the Departmental Transport Officer
- 41.11.7. Finance Contractor account number
- 41.11.8. Contract start date
- 41.11.9. Contract end date
- 41.11.10. ID number
- 41.11.11. Contract early termination date as provided by the end user departments or generated from the Government Payroll System or as informed by the Finance

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Contractor appointed in terms of Contract RT68 or the Maintenance Contractor in terms RT62.

41.11.12. Reason for early termination (where applicable)

***In terms of the vehicle:***


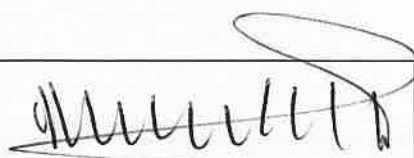
- 41.11.13. Vehicle registration number
- 41.11.14. Engine number
- 41.11.15. VIN number (Chassis Number)
- 41.11.16. Vehicle make
- 41.11.17. Vehicle model
- 41.11.18. Vehicle type
- 41.11.19. Approved accessories fitted to the vehicle
- 41.11.20. Non-approved accessories fitted to the vehicle

***In terms of fuel administration***

- 41.11.21. Government payroll centre
- 41.11.22. Government payroll centre number
- 41.11.23. Vehicle category as approved by end user department
- 41.11.24. Actual vehicle category
- 41.11.25. Approved rate of insurance allowance
- 41.11.26. Approved rate for insurance deduction

***In terms of insurance***

- 41.11.27. Warrantee of vehicle
- 41.11.28. Warrantee on replaced parts
- 41.11.29. Serial numbers of fitted parts
- 41.11.30. Kilometer reading at time of accident/ incident
- 41.11.31. Vehicles standing at a merchant for longer than a specified period
- 41.11.32. New and old engine numbers where engines have been replaced
- 41.11.33. Preferred supplier listings
- 41.11.34. Description of work undertaken
- 41.11.35. Total amount paid for repairs
- 41.11.36. Details of repair cost for labor and parts

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***In terms of the Merchant and other information***

- 41.11.37. The merchant name
- 41.11.38. A list of all merchants
- 41.11.39. The number of transactions per merchant
- 41.11.40. The value of the transactions per merchant
- 41.11.41. The BEE status of the merchant
- 41.11.42. Report in terms of all storage fees
- 41.11.43. Reports in terms of all tow inn or road side assistance
- 41.11.44. Any other operational information that may reasonably be required

**42. Dispute Resolution Process**

42.1. The Contractor must have a process to resolve any disputes that may arise in the payment of insurance repairs required for a vehicle. Such disputes can be categorized into a dispute between the Official and the merchant undertaking work on the vehicle, between the maintenance and insurance Contractor, between the Official and the Contractor or between the Contractor and the merchant. It is imperative that the down time of the vehicle be reduced to the minimum irrespective of the dispute that exists.

42.2. The dispute resolution processes need to address the following matters:

42.2.1. The cause of the damage to the vehicle or part thereof needs to be established. This can include but is not limited to; neglect from the Official, the wrongful application of the vehicle, a warrantee claim, poor workmanship on a previous repair, damage resulting from an earlier accident or incident, parts failure or neglect from the merchant.


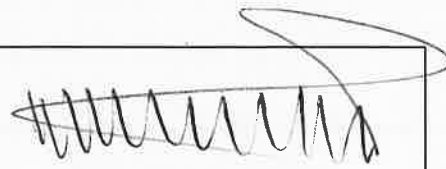
42.2.2. Depending on the cause of the damage, the responsible party will need to pay for the damage incurred. Should the Contractor and the Official, the insurance and maintenance Contractors or the merchant and the Contractor not agree on the cause of the damage, the Contractor shall at its cost appoint an independent third party in consultation with the Official or the merchant to inspect the vehicle and establish the cause of the damage to the vehicle.



- 42.2.3. The entire dispute resolution process should be completed within a maximum period 15 working days.
- 42.2.4. Should the Official or the merchant not be satisfied with the outcome or report from the independent third party, the Official or the merchant could in consultation with the Contractor and at his or her own cost appoint another independent party to supply a report.
- 42.2.5. Should the second independent report be different from the first independent report, both the independent reports, the report from the merchant and that of the Contractor will be provided to the National Department of Transport for a final decision.
- 42.2.6. In extreme circumstances and depending on the cost of the repairs, the National Department of Transport can request one of its other Contractors to inspect the vehicle or request a third and final independent report, of which the outcome will be final.
- 42.2.7. The Contractor will need to ensure that the process is monitored and that the Official is continuously informed of the progress via SMS.

**43. Non-Standard Insurance Requirements**

- 43.1. The State requires the following services that are not standard in terms of insurance. The following circumstances have caused delayed downtime in terms of the Subsidized fleet and therefore needs to be addressed as the State is required to pay the maintenance, capital and insurance on the vehicle even though it is not operational.
- 43.2. Damage to any wiring of a vehicle due to rodent damage.
- 43.3. Consequential damage to any vehicle will need to be covered if the vehicle has broken down in a location or at a time that might result in a security risk to the occupants of the vehicle.

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43.4. The Official should be provided with an option to insure the vehicle at market value compared to the RT57 replacement value formula as set out in the special conditions of the Contract for a minimal fixed amount.

43.5. The payment of claims for vehicles on the dealership floor where delivery has not been taken by the government Official through circumstance beyond the control of the Official where the cover as required from the manufactures under Contract RT57 has lapsed.

**44. Accident Repairs and Related Processes**

**44.1. Authorization Procedures**


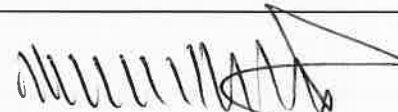
44.1.1. For an Official partaking in the Subsidized Motor Transport scheme, the Contractor shall upon receiving a call from an Official or the driver or someone on the scene of an accident of a Subsidized Vehicle ensure that the Official does partake in the Subsidized Motor Transport Scheme.

44.1.2. The Contractor shall ensure that the Official is assisted in line with the specifications set out for road side assistance.

44.1.3. The Contractor shall, upon ensuring that no further damage will be done to the vehicle should it be driven, instruct the Official to take the vehicle to the closest authorized/approved repair merchant. Should such an instruction be given to the Official, the Official will not be held responsible for any subsequent damage to the vehicle.

44.1.4. The Contractor shall ensure that the vehicle is towed in/moved to an authorized/ approved merchant and will ensure that the minimum cost is spent on tow in and storage fees.

44.1.5. In the case of body repairs, the Contractor shall invite three merchants to quote for the repair of the vehicle. Where the Contractor has appointed an assessor or makes use of an accredited system to assist in the determination of vehicle part and labor pricing, only one quotation is required.


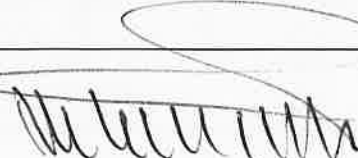
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- 44.1.6. The Technical Inspector(s) and assessors as employed by the Contractor must be prepared to sign a Damages Affidavit (DA) at no additional cost, if necessary.
- 44.1.7. The Contractor will be responsible to verify the correctness of all invoices received and to ensure that all invoices are received and included in the statement to government within 30 days after completion of the work.
- 44.1.8. The Contractor must pay the lower of the quoted price or invoiced price.

**44.2. Control Over Merchants that Repair Vehicles**

- 44.2.1. The Contractor needs to ensure that Service Level Agreements are signed with all merchants that provide repairs to the State in terms of the Subsidized Motor Transport Scheme. The Contractor is required to have a pro-forma merchant agreement.
- 44.2.2. The Contractor shall maintain an approved list of merchants, and in this regard shall undertake to regularly update the list and distribute it to all the end user departments or make such a list available electronically via a website.
- 44.2.3. The applicable payment terms need to be specified in the Service Level Agreements. Such terms shall be of such a nature that a preferred rate is obtained for the early settlement of the repairs undertaken on the vehicle.
- 44.2.4. The Service Level Agreement should stipulate the turnaround times of vehicles for specified repairs.
- 44.2.5. The Service Level Agreements shall stipulate the service levels of the services to be rendered.
- 44.2.6. At non-dealership merchants' warrantees on work undertaken and parts will need to be specified as well as the remedial action that will be taken should the services that was rendered and the parts that was used failed to have met the warrantee.

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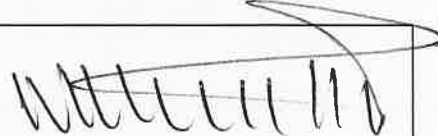




- 44.2.7. The Contractor will carry any additional cost where a technical inspector is required, should any disagreement between the Contractor and the merchant exist in terms of the work that was required or the work that was undertaken.
- 44.2.8. The Contractor shall ensure that delays related to the repairs of any vehicles are minimized and that any progress related to the repair of the vehicle be communicated to the Official via SMS.
- 44.2.9. The Contract will require the merchant to indicate their BEE or BBBEE status as required by the State. Such figures will need to be reported on by the insurance Contractor as well as proportional expenditure in terms of the shareholding.
- 44.2.10. The Contractor shall ensure that there are approved merchants located throughout the country, to allow convenient access by the State. All merchants should be approved based on certain minimum standards and are members of the Retail Motor Industry (RMI) and the South African Motor and Body Repairers' Association (SAMBRA).

**44.3. Suspension of Merchants**

- 44.3.1. The Contractor shall take appropriate action (including but not limited to the removal from the approved merchants list) should any merchant:
  - 44.3.1.1. Not comply with industry norms and standards
  - 44.3.1.2. On receiving complaints from the State regarding the level of service or quality of services.
  - 44.3.1.3. When merchants are suspected of being involved in fraud or irregularities
  - 44.3.1.4. The Contractor shall ensure that merchants that have been removed from the approved list for any reason shall not be allocated or paid for any work whatsoever in terms of this contract
  - 44.3.1.5. Monitor merchants' compliance with standards on a regular basis.
  - 44.3.1.6. Merchant shall take full responsibility for damages that may occur to vehicles whilst at the premises of the merchant including theft of vehicle parts or accessories.

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- 44.3.1.7. Merchants shall provide a 12-month warranty on all workmanship.
- 44.3.1.8. Merchants shall not hold vehicles pending payment for the repairs affected.
- 44.3.1.9. The Contractor shall be responsible for resolving disputes with merchants, irrespective of the nature of the dispute. The State undertakes to support the Contractor in dispute resolution by providing the Contractor with any information or evidence that the State may possess.

**44.4. Parts to be Used for the Repair of Vehicles**

- 44.4.1. The Contractor should ensure that all parts fitted to vehicles are authorized parts from the manufacturer of the vehicle.
- 44.4.2. Should the fitment of any other parts ensure a shorter repair period and turnaround time, the Contractor can negotiate with the Official prior to the fitment of any such parts.
- 44.4.3. The fitment of any nonstandard parts should not in any way affect the safety of the Official or the performance of the vehicle.
- 44.4.4. The Contractor as far as is possible will need to ensure that any fitment of parts will not jeopardize the warranty of the vehicle, unless such repairs were approved by the official against the advice of the Contractor.

**45. Payment of merchants that repair vehicles**



- 45.1. All merchants that repaired vehicles as authorized by the Contractor will need to be paid within 30 days of the vehicle being repaired.
- 45.2. The Contractor will need to ensure that the release of the vehicle from the merchant is not delayed due to the merchant not being paid.
- 45.3. The Contractor will need to ensure that all work paid for was carried out and that it conforms to the required standards.

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## 46.Recoveries


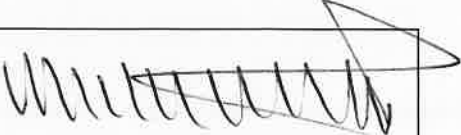
- 46.1. The Contractor is required to ensure that the efficient processes are in place to ensure the recovery of funds from third parties that were involved in accidents or incidents with the Subsidized Vehicles that form part of the scheme.
- 46.2. The Contractor must set up processes that must be administered separately to make provision for claims from and against third parties involved in incidents or accidents with vehicle that form part of the Subsidized Motor Transport Scheme.
- 46.3. Should the Contractor opt to outsource the services of recoveries to a sub-Contractor all information related to such agreements must be provided as part of the Contract submission.
- 46.4. The Contractor will be required to recover at least 10% of the amount claimable from a third party over the full Contract period.
- 46.5. The Contractor will share 50% of any additional recoveries achieved above the required 10% at the end of each financial year.
- 46.6. The Contractor will be required to deduct all legal costs where possible as part of the recovery process.
- 46.7. The Contractor will be required to deduct all administration fees as part of the recovery process.
- 46.8. Any claims that have not be finalized after the one year run of period of the Contract will need to be handed over to the next Contractor as appointed by the state in a format that will be determined through consultation with the Contractor, the possible new Contractor and the National Department of Transport.

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## 47. Salvage Management

- 47.1. The Contractor is to be responsible for the salvage management process and will need to negotiate with a salvage Contractor to ensure free storage up to 90 (ninety) days and transport for up to 300 (three hundred) kilometers.
- 47.2. The Contractor shall be responsible for any costs related to the movement/ tow in of the vehicle to a salvage yard and any storage fees should it not be rendered as a free service by the salvage contractor.
- 47.3. Any vehicle that has been written off needs to be de-registered by the Contractor within a period of no longer than 30 (thirty) days from date of receipt of documentation.
- 47.4. The Contractor will appoint an evaluator on the same basis and principles used for an assessor at the cost of the fund to do an evaluation on the vehicle.
- 47.5. The evaluator that will need to evaluate the vehicle into one of the following categories:
- 47.5.1. Code 2- A vehicle that is not economically viable to be repaired even though it can still be repaired.
  - 47.5.2. Code 3- A stolen vehicle that is de-registered six weeks after the vehicle was reported stolen.
  - 47.5.3. Code 4- A vehicle that is a total wreck and needs to be sold of a scrap metal.
- 47.6. The Contractor will be required to negotiate the salvage payment with the salvage Contractor for the various codes of vehicles. The Contractor will need to indicate that the current percentages as obtained by the State can be achieved and/or what the maximum percentages is that can be negotiated by the Contractor.
- 47.6.1. Code 2- 27 % of the market value of the vehicle
  - 47.6.2. Code 3- 22 % of market value
  - 47.6.3. Code 4- A competitive process should be followed to ensure that the best price is received.

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47.7. The Contractor will need to inform the National Department of Transport at any given time during the Contract should they not be able to meet the minimum salvage percentages.

47.8. Any funds received by the Contractor related to salvage of the vehicle will need to be returned to the government owned fund.

#### **48. Towing Services, Road Side Assistance and Storage Fees**

48.1. The Insurance Contractor as appointed in terms of the RT58 contract will be required to provide all Subsidized users with roadside assistance in all instances where a vehicle was involved in an accident or incident that is not maintenance related. This assistance will include at least the following:

48.1.1. The call centre should be able to arrange for the towing or road side assistance of a government vehicle 24 hours a day, 7 days a week including public holidays.


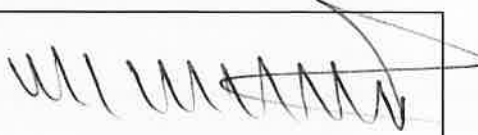
48.1.2. On receiving a call from the Official or any other Official, the Contractor shall verify that the Official belongs to the Subsidized Motor Transport scheme prior to dispatching a tow in vehicle to the scene of the accident or incident.

48.1.3. The Contractor, through the fund shall be responsible for the payment of all storage cost and the cost of the tow in service or any other cost associated with roadside assistance.

48.1.4. Vehicles shall be towed to the closest approved merchant with consideration of the capacity of the merchant.

48.1.5. The Contractor shall ensure that the best tow in solutions, flat bed or otherwise are provided as dictated by the circumstances.



48.1.6. Records of full processes and timelines to be tracked and reported on: the time that the call was logged, the official that logged the call, the response time on when it was confirmed that the tow in service is on site, the location of the

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accident or incident, the location on where the vehicle will be moved to, the contact details of the merchant where the vehicle was moved to.

- 48.1.7. In an urban area the Contractor will have a maximum of 1 hour to ensure that the tow in or road side assistance service are on site. In a rural area a maximum of two hours to be on site and in a remote area, 3 hours.
- 48.1.8. The Contractor must advise the official that owns the vehicle of the details of the approved merchant that the vehicle was towed to via SMS.
- 48.2. A summary report must be available to the State of all towing services on a monthly basis as well as all storage costs.
- 48.3. Road side assistance will not be required where the reasons for the towing or road side assistance are not insurance related.
- 48.4. Should circumstances be of such a nature that it cannot be confirmed if the claim is accident related or not, the Contractor shall be responsible for the payment of the towing. Should a maintenance claim be registered in terms of the particular incident the cost of the tow in will be paid by the Maintenance service provider as appointed in terms of contract RT62. At no time should an official not be assisted due to the fact that it is not clear which service provider should be responsible for the cost.
- 48.5. The Contractor shall be held liable for any additional damage to the vehicle that might have been caused during the towing of the vehicle. The contractor will be required to pay for any such repairs without any delays even if the contractor still needs to recover the money from a third party.
- 48.6. The Contractor will need to provide assistance to the driver of the Subsidized vehicle irrespective of the reason for the breakdown including instances where the official made himself / herself guilty of negligence or the wrongful application of the vehicle.

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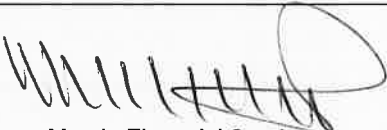
## 49. Change Control

49.1. Should the State or the Contractor as appointed in terms of this Contract at any time require to amend any of the Services as set out in this contract, add an additional related service or need to establish or specify the levels of a required service or need to make any other arrangement to streamline the deliverables as set out in terms of this Contract the following process will apply:

- 49.1.1. A request shall be made by either the State, through the National Department of Transport or the Contractor through the individual appointed as the Contract manager to include or amend a required process.
- 49.1.2. Should such a proposed process have no financial impact to the State, the process will be finalized after both the National Department of Transport and the appointed Contractor have agreed to the required amendments in writing.
- 49.1.3. Should the requested changes have any financial impact in terms of the pricing as included in the pricing schedule attached to this Contract a submission shall be made to the Section: Contract Management at National Treasury for approval and/or presentation to the Contract Adjudication Committee at National Treasury.
- 49.1.4. Once the Section: Contract Management at National Treasury approves the proposed changes, both the National Department of Transport and the appointed Contractor will need to sign off the amendments prior to implementation.
- 49.1.5. All changes as agreed to in terms of this process will form part of the actual Contract.

## 50. Measurement of Preferential Procurement

50.1. The Contractor shall ensure that the requirements as set out in the Broad Based Black Economic Empowerment Act, Act no 53 of 2003 as amended. (BBBEE Act, as amended) is implemented as part of the contract.

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50.2. The Change Control procedures as set out in this document will be followed in the event that there is a substantial change to the current requirements as legislated.

50.3. The State can at any time during the contact period request a full audit to be done on the requirements for BBBEE expenditure and reporting as set out in this contract. The cost of the audit will be carried by the Contractor.

50.4. The Contractor shall be required to ensure the following:

50.4.1. That all service providers on the contract obtain a BBBEE certificate as issued by a SANAS (South African National Accreditation System) accredited verification agency or in the event of an SMME, as issued by the accountant.

50.4.2. The Contractor shall ensure that service providers rendering services under the contract are at all times in possession of a valid BBBEE certificate.



50.4.3. The Contractor shall keep a database containing the details of BBBEE accreditation certificates. This will include the date of the certificate being issued, the company that issued the certificate, the BBBEE level obtained as specified on the certificate, the certificate number, a breakdown of the BBBEE points scored in terms of employment equity, skills development, preferential procurement, ownership and the expiry date of the certificate.

50.5. The Contractor shall report to the State on a monthly basis or when requested on the following information:

50.5.1. The number of service providers per level in terms of their BBBEE accreditation certificate.

50.5.2. The total expenditure per level in terms of the BBBEE accreditation certificate. This information will also need to be available per province, per department or per vehicle make or type.

50.5.3. The expenditure per category (EME's, QSE's and large) in terms of ownership

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50.5.4. Ensuring B-BBEE targets are met in accordance to the DTI Generic Codes especially procurement and enterprise development elements.

## 51. Penalties

51.1. Failure to render the services as set out in this contract to the acceptable levels, will either constitute a breach in contract that will lead to termination of the contract or the levying of penalties for the rendering of substandard services.

51.2. The acceptable level for all services in the contract are set out in Addendum A, also referred to as the penalty schedule.



51.3. The feasible time frames will be negotiated with the Contractor, prior to signing the Service Level Schedule, but not the penalty amount.

51.4. The following process will be applicable for departments to levy penalties for the non-delivery of services or the delivery of substandard services to the end user departments as per penalty schedule:

51.4.1. The end user department shall send a letter to the Contractor, copying the National Department of Transport, quoting the relevant clause of the Service Level Schedule, the service that was not rendered along with all supporting documentation substantiating the claim.

51.4.2. The Contractor will have seven (7) working days to respond to the claim in writing should they not be in agreement of the service failure and provide any substantiating documents in their response.

51.4.3. The end user department will have 7 working days to either agree with the claim of the Contractor that the penalty should not be levied or confirm the penalty in writing. Any disputes will be referred to the National Department of Transport or any committee or any other party nominated by them.



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- 51.4.4. Upon agreement of the penalty, the Contractor shall make payment to the end user department or the department of Transport within 30 days. Failure to do so will attract interest on the outstanding amount, until such an amount is paid.
  - 51.4.5. In addition, the end user department and the National Department of Transport shall be provided with a full report on all penalties where the process was concluded.
  - 51.4.6. In the event that the Contractor provide information in which it claims that the service was delivered, the end user department will have 7 working days to either agree with the claim of the Contractor or issue a letter to the Contractor that the service failure needs to be rectified in line with the requirements of the Service Level Schedule.
  - 51.4.7. Should the Contractor not rectify the service failure within the required time frame, the end user department shall confirm the penalty in writing. Any disputes will be referred to the National Department of Transport who will be regarded as the mediator/arbitrator of such disputes or any committee or any other party nominated by them.
- 51.5. Consistent or continuous failure by a Contractor to rectify specific service failures can constitute a breach of contract and can lead to contract termination.
- 51.6. No penalties payable will be paid out of the insurance fund.

**52. Contract Lead Out Processes**

- 52.1. The Contractor shall make at least the following data as generated during the execution of the contract or as received from previous contractors available to the State or any other third party as nominated by the State in the agreed upon format:
- 52.1.1. All data shall be made available electronically in a mutually agreed format.
  - 52.1.2. Detailed transaction data per vehicle
  - 52.1.3. All Life to Date data per vehicle to be made available to the new contractor or any other party as nominated by the state, with clear explanations of every data field.

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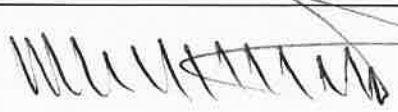


- 52.1.4. List of all user departments, including contact details
- 52.1.5. All process flows as developed by the Contractor during the contract period as approved by the Department of Transport.
- 52.1.6. All information and data transfer needs to be done within a period of 30 days.

52.2. At the end of the contract period, the Contractor shall assist the State by providing all information that will assist in the transition between the current contractor and the new contractor.

### 53. Contract Conclusion and Fund Surpluses

- 53.1. Any surplus amount in the fund at the end of the Contract period will be paid back to the State in line with the requirements as set out in the Special Conditions of Contract RT58/2019 and in line with the provisions of the Public Finance Management Act.
- 53.2. The Contractor will be responsible to honor all claims registered against the fund during the Contract period for a period of one year after the termination of the contract.
- 53.3. A full audit of the fund will need to be conducted prior to the payment of any surpluses to the State. The cost of such an audit will be paid for through the fund and the supplier of audit services will need to be appointed in line with the supply chain management prescripts.
- 53.4. All income derived by the fund prior to the final payment will accrue to the fund and will be paid over to the State along with the initial surplus.
- 53.5. Upon termination of this Contract, the Contractor will provide required information to any other Contractor as appointed by the State in the prescribed format.
- 53.6. Throughout the process of the conclusion of the insurance contract and the finalization of all payments to the state, the Contractor will need to consult with the National Department of Transport to ensure compliance to all the required processes.

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
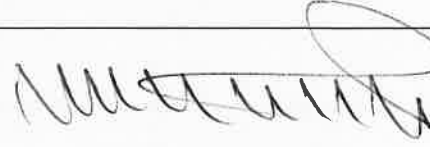
## 54. Contract Cancellation or Breach of Contract

- 54.1. The State reserves the right to cancel the contract at any time during the contract period.
- 54.2. The State will need to provide reasons for such a cancellation. This can include but is not limited to non-performance by the Contractor.
- 54.3. The State will be required to provide at least three months' notice of the intention to cancel the contract or any category thereof unless cancellation is done due to a lack of service delivery.
- 54.4. All clauses related to the transfer of information as per the contract termination and any other provisions contained therein will be applicable.
- 54.5. In the event of termination or breach of contract, the Contractor shall provide its entire database containing the up-to-date information in respect of the State's fleet contract, in an electronic format within 24 (twenty-four) hours of such termination or breach to the State. The cost of such transfer of information will be for the account of the Contractor.
- 54.6. All information to be provided will need to be provided in the requested format with clear headings indicating the relevant fields.

## Category B: VIP vehicles

### 1. General

- 1.1. All the Special Conditions as set out above will be applicable of the insurance of the VIP vehicle, unless otherwise specified in Category B of this document.
- 1.2. Category B is only applicable for VIP vehicles.
- 1.3. The insurance cover for VIP vehicles will form part of the fund but will be administered separately.

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- 1.4. Due to the nature of the VIP vehicles, the insurance cover will need to make provision for multiple drivers.
- 1.5. End user departments may insure VIP vehicles through another supplier, where the cost for
- 1.6. the same cover is lower than that specified in this contract.


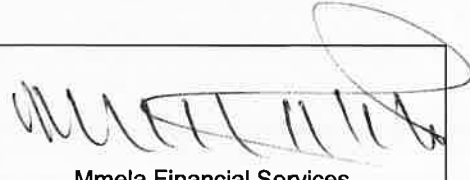
## 2. Cover

- 2.1. When requesting cover for a VIP vehicle, the end user department will need to specify whether the vehicle was purchased through RT57 or through normal Supply Chain Management Processes.
- 2.2. In the event that the vehicle as purchased through the normal Supply Chain Management processes, the vehicle will be insured at market value. Where the vehicle was purchased through the RT57 vehicle procurement contract, the amount will be determined through the same methodology used for the Subsidized vehicles as specified in Category A.
- 2.3. In the event of a total loss, payment will be made to the end user department.

## 3. Premiums

### 3.1. Determination of premiums

- 3.1.1. Premiums for VIP vehicles will be determined by the type and make of vehicle or the price of the vehicle and will not need to be a fixed premium for all VIP vehicles. A fixed premium, based on certain price categories may be implemented.
- 3.1.2. The premium determination will form part of the annual review of the fund, the actuarial analysis and the consultation between the Department of Transport and the contractor.

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3.1.3. No excesses will be payable for any incidents related to VIP vehicles.

**3.2. Payment of premiums**


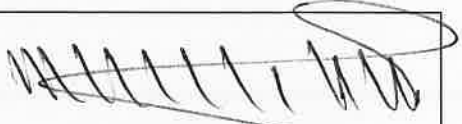
3.2.1. Premiums will be paid annual upfront by the end user departments. The contractor will need to allow for a one month grace period where the payment of the annual premium is delayed, without the department for-fitting the cover on the vehicle.

**4. Exclusions**

4.1. The provision of a relief or stand in vehicle is not required as departments will make their own arrangements for the provision of a stand in vehicle.

**5. Communication**

5.1. Where the vehicle of a Political Office Bearer has been involved in an accident or incident, the contractor shall in consultation with the staff in office of the Political Office Bearer ensure that the required assistance is provided and that the scene of the accident or incident are managed.

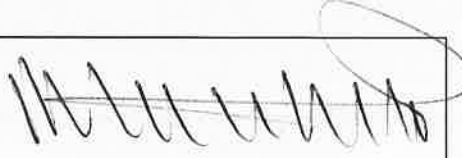
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## Schedule 1: Pricing

Period	Service	Price
1 January 2020 to 31 December 2025	<p style="text-align: center;"><b>Total amount to include:</b></p> <p>All administration of contract RT58 per annum for all vehicles</p>	R3,8m per annum

Pricing to be adjusted on an annual basis upon approval from National Treasury in accordance with the processes set out for price increases in the Contract

<p style="text-align: center;">AM</p> <p>National Department of Transport</p>	<p style="text-align: center;">Page 62 of 65</p> <p style="text-align: center;">Contract end date: 31 December 2025</p>	 <p style="text-align: center;">Mmela Financial Services</p>
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## Schedule 2: Compulsory Documentation Submission

No	Condition	Description
1	Special Conditions applicable to Underwriters	<ul style="list-style-type: none"> <li>As per the Special Conditions of Contract</li> </ul>
2	Special Conditions applicable to Brokers	<ul style="list-style-type: none"> <li>Brokers must be registered with the FSCA – FSP registration certificate needs to be submitted.</li> </ul>
3	Requisite Contractor Experience	<ul style="list-style-type: none"> <li>The contractor must have managed or administered a rent-a-captive fund or more than one fund exceeding at least R50 million per annum – to be included in the reference letter.</li> <li>The contractor must show evidence that they have insured at least 5,000 vehicles per annum over a minimum period of three (3) years - to be included in the reference letter.</li> </ul>
4	Professional Indemnity	<ul style="list-style-type: none"> <li>Contractor to provide professional indemnity cover policy proof for at least R50 million</li> </ul>
5	24/7/365 Road Side Assistance	<ul style="list-style-type: none"> <li>Contractor to provide proof of 24 hour comprehensive road side assistance – either by submitting copies of the relevant subcontractor agreements or providing confirmation letter that services are rendered in-house covering the entire country.</li> </ul>
6	24/7/365 Contact Centre	<ul style="list-style-type: none"> <li>Contractor to provide proof of 24/7/365 contact centre either by submitting copies of the relevant subcontractor agreements or providing confirmation letter that services are rendered in-house.</li> </ul>





## Schedule 3: Penalties

Ref no	Contractors Responsibility	Penalty Applicable	Category
Section 17	Security and Confidentiality of Data	An amount equal to the average monthly admin charges will be payable should operational capability not be restored in 12 hours and full operations within 48 hours	National Department of Transport
Section 20	Call centre needs to be available 99% of the time.	R5000 for every percentage or part thereof below the 99% threshold	National Department of Transport
Section 20	The contractor shall ensure that 95% of all calls be attended to within 1 (one) minute in person.	R5000 for every percentage or part thereof below the 95% threshold	National Department of Transport
Section 20	The Contractor will be penalized for every call not answered within 5 minutes.	R1000 for every call not answered within 5 minutes	National Department of Transport
Section 41	Non-availability of monthly report indicating the status of the fleet at that specific date and time	R1000 for every report not available by the 7th of each month	End user department
Section 41	Unavailability of scheduled reports	R1000 for every report not available or received due to failures by the service providers where it is not rectified within 3 days of an end user notifying the contractor of the reports being unavailable.	End user department
Section 41	Unavailability of online reports	R1000 for every report not available or received due to failures by the service providers where it is not rectified within 3 days of an end user notifying the contractor of the reports being unavailable.	End user department
Section 41	Development of any new report as required, excluding data dumps, be developed, tested and implemented within a period of two months	R10000 per month for any period exceeding two months	National Department of Transport

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Section 48	In an urban area the contractor will have a maximum of 1 hour to ensure that the tow in or road side assistance service are on site. In a rural area a maximum of two hours to be on site and in a remote area, 3 hours.	The contractor will be penalized R1000 per hour exceeding the limit	End user department
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