SERVICE LEVEL SCHEDULE

Contract RT 68/2015CV

THE PROVISION FOR THE PROVISION OF FINANCE AND ADMINISTRATION OF THE SUBSIDIZED VEHICLE FLEET TO THE STATE FOR THE PERIOD 1 OCTOBER 2015 TO 30 SEPTEMBER 2020

between

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

Physical Address	The Forum Building, 159 Struben Street, Pretoria, 0001		
Postal Address	Private Bag X193, Pretoria, 0001		
Signed at	PRETORIA	**Date**	08/08/2016
Name		who warrants that they are duly authorised to sign	
Office	Acting CEO		

and

Mmela Financial Services Pty (Ltd) ("Contractor")

Physical Address	85 Main Street, 1st Floor, Nedbank Building, Marshalltown, Johannesburg		
Postal Address	Po Box 2140 Saxonworld, 2132		
Signed at	Johannesburg	**Date**	12/08/2016
Name	Mohobi Ramatsitsi	who warrants that they are duly authorised to sign	
Office			

This Agreement comprises the Agreement and Schedules attached hereto.

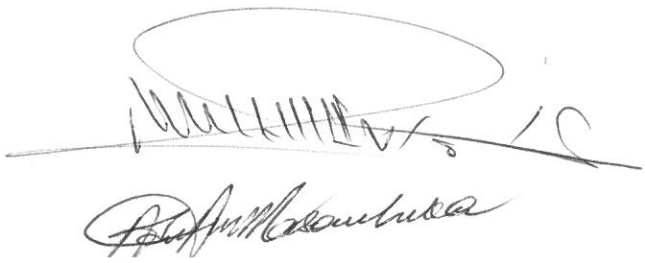

TABLE OF CONTENTS

TABLE OF CONTENTS *2*
SECTION I *4*
1. Definition and Interpretation 4
2. Participants to the Contract 5
3. Period of Contract 6
4. Pricing 6
5. Price Adjustments 6
6. Formula and Component Definitions 7
7. Introduction to requirements 10
8. Requirements of End User Departments 11
SECTION II *12*
CATEGORY A *12*
1. Capacity 12
2. Training 12
3. Consultancy Function 13
4. Copyright and Ownership of Documents 13
5. Security and Confidentiality of Data 14
6. Ownership of Data 15
7. Systems Enhancement 15
8. Implementation 15
9. Financial Considerations 16
10. Contracting Parties 18
11. User Satisfaction Survey 18
12. Equipment and Materials 19
13. Channels of Communication 20
14. Inspection and Audit 20
15. Insurance and Indemnity 20
16. Change Control 21
17. Risk Management 22
CATEGORY B *23*
1. Customer Support Services: Call Centre 23
2. Customer Support Services: Provincial Offices 24
3. Types of Reports / Information 25
4. Vehicle Ordering and Finance 29

5. Finance Inclusions 33
6. Capital Allowance Calculation 34
7. Capital to be collected 34
8. Accessories 35
9. Vehicle registration fee 35
10. Credit cover 35
11. Contract initiation fee / once of administration fee 36
12. Monthly administration fee 36
13. Finance exclusions 36
14. End user communication requirements 37
15. Management of information: RT58 Insurance 38
16. Management of information: RT62 Maintenance 39
17. Management of information: RT57 Vehicle Procurement 39
18. Contract Conclusion and Lead Out 40
Schedule 1: Pricing *42*

SECTION I

1. Definition and Interpretation

In this Service Level Schedule document, 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 PFMA/MFMA

1.2. BAC – Bid Adjudication Committee

1.3. BBBEE – Broad Based Black Economic Empowerment

1.4. BEC – Bid Evaluation Committee

1.5. Bid – a written offer in a prescribed or stipulated form, in response to an organ of State for the provision of services, works or goods.

1.6. Consortium / Joint Venture – 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. Contract- the agreement that results from the acceptance of a bid by any organ of State.

1.8. Contractor / Service Provider – the successful bidder who is awarded the contract to finance and administer the required and specified services to the State.

1.9. CPA – Contract Price Adjustment

1.10. CPI – Consumer Price Index

1.11. Driver – 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 licence which enables them to drive a specific category of vehicle.

1.12. Fleet Responsibility Manager / Fleet Manager – an official designated by the Accounting Officer or Chief Financial Officer to assume accountability for a fleet of vehicles.

1.13. GAAP – Generally Acceptable Accounting Practices

1.14. Government Payroll Systems- The Persol and Persal systems or the system of preference as used by the majority of government departments.

1.15. Merchant / Supplier – any legal entity which contracts with the Contractor to provide goods or services to the State.

1.16. ROE – Rate of Exchange

1.17. Subsidized Vehicle Owner- a government employee who was allocated a vehicle in terms of Scheme A of the Subsidized Motor Transport Scheme.

1.18. The State – for the purpose of this contract it refers to National and Provincial spheres of government who participate in this contract and that makes use of the government payroll systems Persal and Persol.

1.19. Transport Officer / Controller / Control Officer – 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.

2. Participants to the Contract

2.1. All National and Provincial Government Departments partakes 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.

2.2. 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 (2015/2020), only once formal requests have been submitted to, and formal approval has been obtained from Contract Management, National Treasury. Prior to placement of any orders, institutions will be required to obtain a written confirmation from the relevant suppliers indicating their willingness to provide the services in terms of the contract.

2.3. 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.

3. Period of Contract

3.1. The contract will be for a period of (5) five years, from 1 October 2015 to 30 September 2020.

4. Pricing

4.1. The pricing structure of this contract is based on the information as included in Schedule 1: Pricing Schedule.

4.2. All prices included in this bid are inclusive of 14% Value Added Tax.

5. Price Adjustments

5.1. Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

5.2. The following price adjustment formula will be applicable for calculating contract price adjustment (CPA) for the monthly life cover policy and contract administration fees only.

5.3. Any fee adjustments as being made under these specifications will only be applicable to all new vehicles entering into the Subsidized Motor Transport Scheme

from the date that such an increase has been approved.

6. Formula and Component Definitions

$$Pa = (1 - V)Pt\left(D1\frac{R1t}{R1o} + D2\frac{R2t}{R2o} + D3\frac{R3t}{R3o} + \ldots\ldots\ldots\ldots + Dn\frac{Rnt}{Rno} \right) + VPt$$

Pa	The new escalated 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 escalated price
(1-V)Pt	Escalatable 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.

6.1. Escalatable amount

The escalatable 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 (including VAT), then only R850 (incl. VAT) will be subject to adjustment

6.2. Fixed Portion

The fixed portion represents those costs, which will not change over the adjustment period, and DOES NOT represent 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.

6.3. Cost components and proportions

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%
D2- Other (Specify)	
TOTAL (Cost components must add up to 100%)	100 %

6.4. **Applicable indices / references**

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
D1- CPI Financial services	STATS SA Statistical release P0141 (CPI Publication)	Table E financial services
D2 – Other	Specify	Documentary evidence to accompany claim

6.5. **Base Index Date**

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 August 2015.

6.6. **End Index Date**

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 the next paragraph (Par. 14.2.7 – Price Adjustment Periods).

6.7. **Price Adjustment Periods**

Adjustments to contract prices may be applied for at the following dates:

Adjustment	CPA application to reach the office at the following dates	End Index Date	Dates from which adjusted prices will become effective	Dates until which adjusted prices will be effective
1st Adjustment	5 March 2016	January 2016	1 April 2016	31 March 2017
2rd Adjustment	4 March 2017	January 2017	1 April 2017	31 March 2018
3rd Adjustment	6 March 2018	January 2018	1 April 2018	31 March 2019
4 th Adjustment	5 March 2019	January 2019	1 April 2019	31 March 2020

6.8. **General**

6.8.1. Unless prior approval has been obtained from Contract Management, no adjustment in contract prices will be made.

6.8.2. Applications for price adjustment must be accompanied by documentary evidence in support of any adjustment.

6.8.3. CPA applications will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by the contractor in their bid document.

6.8.4. In the event where the supplier's CPA application, based on the above formula and parameters, differs from Contract Management's verification, Contract Management will consult with the supplier to resolve the differences.

6.8.5. An electronic price adjustment calculator will be available on request from Contract Management.

7. Introduction to requirements

7.1. The Contractor will need to ensure that it comply with the relevant Financial Service Board registration requirements as per the Financial Services Laws General Amendment Act 45 of 2013.

7.2. The Contractor will provide Finance and Administration services for all Subsidized Vehicles procured under Scheme A of the Subsidized Motor Transport Scheme.

7.3. In order for the appointed Contractor to execute the required services as set out in this contract they will need to share information with other service providers appointed in terms of Subsidized Vehicle Contracts. This includes, but is not limited to contract RT62 for the Maintenance of Subsidized Vehicles, contract RT57 for the procurement of Subsidized Vehicles and contract RT58 for the Insurance of Subsidized Vehicles. The same requirement for the sharing of information is applicable to other contractors appointed in terms of the Subsidized Vehicle Scheme.

7.4. 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 systems with the other service providers appointed in relation with the Subsidized Motor Transport Scheme in such a manner as to ensure the seamless flow of information between them and the relevant end users.

7.5. Other Subsidized Vehicle contracts are:

7.5.1. **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 RT62 for the administration of maintenance and fuel will need to establish relationships with the various suppliers in terms of the RT57 contract to ensure that all information in terms of warrantees, service intervals and all other maintenance related information is obtained. This contract is an annual contract and provision will therefore need to be made to accommodate changes in models and the possible addition of new suppliers.

7.5.2. **RT62 – Maintenance of Subsidized Vehicles**

The contractors appointed for the Insurance of Subsidized Vehicles and the Maintenance of Subsidized Vehicle obtains the information for their database from the appointed service provider for the Financing of Subsidized Vehicles. It is the responsibility of the contractor appointed in terms of Contract RT62 to maintain all subsidized vehicles on the scheme and administer all fuel claim processes.

7.5.3. **RT58 – Insurance of Subsidized Vehicles**

The Finance Service provider will be required to confirm insurance with the service provider appointed in terms of RT58 as well as provide this service provider with information to compile their database.

8. Requirements of End User Departments

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

8.1. The administration of the Subsidized Vehicle application process

8.2. To ensure that the affordability and National Credit Act requirements are met in terms of the official that applies for the Subsidized Vehicle.

8.3. To finance the Subsidized Vehicle

8.4. To ensure payment to the motor vehicle manufacturers and suppliers within a period of 30 days.

8.5. Ensure that the correct deductions and allowances are loaded for the officials on the government payroll systems and that these are managed.

8.6. Communication of the correct information to the various role players within the scheme including a SMS function to officials.

8.7. Apart from the above functions, the Contractor will need to assist government in the application and enforcement of the current Subsidized Motor Transport Policy.

SECTION II

CATEGORY A

1. Capacity

1.1. The Contractor will ensure that it will require the necessary human resources in terms of the number of staff employed to provide the services as was set out in the Special Conditions of Contract RT68/2015 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 document.

1.2. Should more than one company combine in the execution of this contract or where services are subcontracted, the services to be supplied under this contract by any one company should be clearly defined and provided to the State upon request.

1.3. The Contractor will need to ensure that it has the capability to collect the finance and insurance premiums on a monthly basis through the government payroll systems.

1.4. Should the service of submitting the payment files to payroll systems for the collection of the finance and insurance premiums be outsourced, the contractor must provide any such agreements that it may have or will enter into upon request from the National Department of Transport.

2. Training

2.1. During the period of the contract, the Contractor shall provide training on an ad-hoc basis countrywide, to mainly but not limited to, staff from Government Motor Transport sections or as recommended by these sections.

2.2. Training courses shall address all related systems and specifically the application and interpretation of management reports, the relevance and application of related legislation, the actions required from the end user department to rectify any areas of concern and all operational processes and areas of responsibility. It will furthermore cover at least the following:

2.2.1. The purpose and methods of accessing management reports;

2.2.2. The implications of any system changes;

2.2.3. Risk management.

2.3. The Contractor shall provide the State with a manual on all systems and procedures related to the contract.

2.4. 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, to nominated State officials on "best practices" within fleet management at no additional cost to the State.

2.5. The Contractor shall provide a proposed training program that will be finalized with the State, within three months of the commencement of the contract.

2.6. The contractor will not be required to pay for any refreshments during the duration of the courses or training sessions.

3. Consultancy Function

3.1. 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.

3.2. 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 total amount spend by the State, number of vehicles, total monthly deductions, vehicle selection, risk management, possible new technology and recommendations to improve the overall service.

3.3. The Contractor must provide an effective and efficient fleet finance consultancy service to ensure efficiency and the effective functioning of all processes.

4. Copyright and Ownership of Documents

4.1. All documents produced by the Contractor, including its employees and agents, in the fulfilment of the terms of this contract shall be and remain the sole property of

the State and all copyrights and ownership of documents shall vest with the State.

4.2. The Contractor, including its employees and agents, shall, on an email or written request from the State, submit any documentation and materials to the State within 24 hours of such request.

5. Security and Confidentiality of Data

5.1. The Contractor undertakes to disclose information relating to the contract only to the parties stipulated in the contract, both during the contract period and subsequently. Information may only be disclosed to outside sources with the prior, written approval from The National Department of Transport or the Provincial Transport Departments.

5.2. The Contractor shall 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 shall be borne by the Contractor.

5.3. The Contractor shall make available upon request from the National Department of Transport or a Provincial Department of Transport the disaster plan as maintained by the Contractor. Such a disaster plans shall ensure that all data will be protected and that sufficient measures will be taken to ensure that all data is backed up and that a recovery plan does exist. The Contractor shall in its disaster plan make reference to the time frames applicable from the recovery of data up to the time where the contract is fully operational, the off site storage of data, the operation of a duel system or any other system to be implemented by the contractor to ensure the Security and the Confidentiality of Data.

5.4. The Contractor will need to ensure that every agreement signed by any official partaking in the scheme will allow for the sharing of information submitted during the application process with other service providers and government for the single purpose of executing the contract.

6. Ownership of Data

6.1. The State is, and remains, the sole owner of all data generated by the execution of this contract. The Contractor shall 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.

7. Systems Enhancement

7.1. The Contractor shall constantly seek to enhance its systems and shall evaluate any new technology designed to curb fraud and abuse. The Contractor's management information systems shall throughout the contract period have the capability to be enhanced / customised or provide for newly specified reporting in order to accommodate the State's changing business requirements. The system enhancements or changes may include a transition from the current payroll systems in use to another or new payroll system.

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

7.3. 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.

8. Implementation

8.1. The implementation plan should not exceed a period of 3 months and will be linked to the lead-out of the current contract.

8.2. Upon completion of the implementation plan the full contract with the delivery of all the required services as set out in this document will need to commence.

8.3. The implementation plan of the successful bidder may be altered after consultation and agreement with the State.

8.4. The detailed implementation plan will include steps, timeframes and responsibilities of the various parties

8.5. The three month implementation plan should include reference to the physical presence required in all the provinces. The Contractor will be required to submit proof in the form of a municipal account or rental agreement after three months of the contract being awarded.

8.6. All vehicles where the applications were already received by the current contractor will not form part of the implementation of the new contract but will be finalized by the existing service provider

9. Financial Considerations

9.1. All pricing for the contract is set out in the pricing schedule attached hereto as Schedule 1. The State will not authorize any payments for any amounts other than those that are reflected in terms of the Schedule 1: Pricing Schedule.

9.2. All pricing applicable to this contract must at all times adhere to the requirements as set out in the National Credit Act.

9.3. The Contractor must at all times during the contract be in possession of the required BBBEE Rating certificate, theNational Credit Regulator certificates and that for the Financial Services Board, including proof of the registered administrators. The Contractor will need to supply the required documentation when requested to do so by the State.

9.4. In the event that the main contractor will not provide the funding the following will need to be submitted to the State upon request:

9.4.1. The signed agreement between the contractor and the subcontractor or other entity or entities that is providing the funding..

9.4.2. Confirmation that payments will be made to the RT57 service providers within the required 30 days as stipulated in the PFMA (Public Finance Management

Act)

9.4.3. Confirmation that the subcontractor or other entity or entities that is providing the funding take note of and concur with the contents of this contract, with specific reference to the reporting requirements, system development and the role that they will play in the execution of the ordering processes.

9.4.4. Confirmation that the total funds required for the execution of the contract are or will be available for the execution of the contract.

9.4.5. Confirmation that the funder will adhere to any credit requirements from the various suppliers on contract RT57.

9.5. ***Collection of Premiums***

9.5.1. The Contractor shall ensure that they have all the required IT systems in place or subcontract to a company that has the capability to collect through the government payroll systems under the correct Subsidized Motor Vehicle functions.

9.5.2. The Contractor shall not penalise or implement any measures against any official due to its failure to collect premiums. This includes listing officials at the National Credit Regulator.

9.5.3. The Contractor shall notify the National Department of Transport on a monthly basis of any over or under collections

9.5.4. ***Payment of RT57 service providers***

The contractor will be required to establish processes with each of the RT57 suppliers to ensure that:

9.5.4.1. The bidder should take note that not all the suppliers on RT57 follow the same processes for the issuing of invoices. Some of the OEM's issue invoices upon the vehicle being dispatched from the factory and others only when the vehicles are received by dealerships.

9.5.4.2. Payments to the suppliers are done within the required period of 30 days as per the PFMA.

9.5.4.3. That re-allocations are minimized by performing another credit check on the official prior to the vehicle being dispatched by the RT57 supplier.

10. Contracting Parties

10.1. The National Department of Transport will contract on behalf of the State.

10.2. Separate service level agreements schedules may be implemented for the State's User Departments with unique requirements upon approval of such a request by the National Department of Transport. However, a transversal contract will be entered into by the State stipulating common contractual requirements.

10.3. The Contractor shall be required to sign the Service Level Schedule upon completion of the required processes for signing agreements by the National Department of Transport This will include the attachments specifying the differences in services to be rendered to the different users on the contract as agreed to by the National Department of Transport.

11. User Satisfaction Survey

11.1. The Contractor must submit a proposed web based user satisfaction survey plan aimed at measuring the satisfaction of users with the services provided by Contractor for approval by the National Department of Transport. It must include a proposed user satisfaction index and a schedule of user satisfaction criteria. The survey will test user satisfaction levels in respect of the services provided via a representative sample and cross-section of users.

11.2. 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 specialising in user satisfaction surveys.

11.3. 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.

11.4. Should any sample group be used for the purpose of conducting the User Satisfaction Survey, such sample shall be randomly selected and previous objects that formed part of the previous sample group shall not be included.

11.5. The outcome of the survey needs to be made available to all Provincial Departments of Transport and the National Department of Transport.

11.6. The user satisfaction survey, which should be included in an six monthly report to the state and should be done in terms of: Motor Manufacturers or RT57 suppliers

11.6.1. Government user departments

11.6.2. Provincial Departments of Transport

11.6.3. Officials partaking in the Subsidized Motor Transport Scheme

11.7. The Contractor shall conduct the approved user satisfaction survey in writing annually during the contract period for at least 10% of the data base and geographically representative.

12. Equipment and Materials

12.1. The Contractor shall 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.

12.2. Equipment and materials of the contract will include a "drivers handbook" as compiled in cooperation with all service providers to the Subsidized Vehicle Scheme and is to be handed over to the officials at the time of signature.

1.

12.3. The "drivers handbook" are to be issued to all officials partaking in the Subsidized Motor Transport Scheme as well as all departmental transport officers.

12.4. Equipment can also include any stickers related to tow in service contact details and or maintenance call centres as supplied by the contractor appointed in terms of contract RT62 for the Maintenance of Subsidized vehicles or RT58 for the Insurance

of Subsidized Vehicles.

13. Channels of Communication

13.1. For matters having any potential financial impact to the contract, the Contractor shall communicate with the National Treasury. Prior to such communication the contractor will be required to consult The National Department of Transport.

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

14. Inspection and Audit

14.1. 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. The cost of inspections and audits shall be borne by the State.

14.2. 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.

14.3. Should any audit or inspection reveal that the Contractor has not complied with any of the terms of this contract, the Contractor shall be charged for the cost of the audit or inspection as well as the cost of any losses incurred by the State associated with such non-compliance.

15. Insurance and Indemnity

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

15.2. In the event that any legal action, based on the wilful 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.

16. Change Control

16.1. Should the State or the contractors as appointed in terms of this contract at any time require to amend any of the services as set out in these special conditions, 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.

16.1.1. 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 a or amend a required process.

16.1.2. 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 amendment in writing.

16.1.3. 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 or presentation to the Bid Adjudication Committee at National Treasury after consultation with The Department of Transport.

16.1.4. Once the Section: Contract Management at National Treasury approved the proposed changes, both The National Department of Transport and the appointed contractor will need to sign of the amendments prior to implementation.

16.2. All changes as agreed to in terms of this process will form part of the actual agreement.

17. Risk Management

17.1. The Contractor shall take adequate steps (including rotation of staff) to minimise the risk of collusion among its staff, merchants, and government officials The Contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.

17.2. Any fruitless expenditure as a result of irregularities involving the staff of the Contractor or merchant will be for the account of the Contractor or merchants and shall not be paid for by the State.

17.3. The Contractor shall report in writing by facsimile or electronic mail (e-mail) to the State any suspected irregularities involving an official, or any other person immediately upon the suspicion arising.

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

17.5. Where fraud can be proven, the Contractor has the right to recover any losses from individuals involved. Steps relating to the recovery of losses are outlined within Treasury Regulations 11 and 12 to which all State departments must conform.

CATEGORY B

1. Customer Support Services: Call Centre

A call centre facility shall be implemented and maintained by the contractor at no additional cost to the State for the logging, answering and resolution of queries. The call centre facility needs to fulfil the following requirements:

1.1. Operated on all business days from 07:30 to 17:00 (no cell phones allowed), excluding weekends and public holidays.

1.2. A shared call option will need to be made available for departments and officials contacting the Service Provider.

1.3. 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.

1.4. 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"

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

1.6. The call centre function must be performed to address the needs of each specific province / user that partakes in the contract. The call centre must be provided at no additional cost to the State. The Contractor shall establish provincial offices to support the call centre and would need to assist the provinces with the daily management of the contract. This includes applications, vehicle orders, payment inquiries and other matters related to this contract and the operations thereof.

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

1.8. 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.

1.9. Should the call centre function be outsourced to any other company, the outsourced agreement and the service levels contained therein must be in line with this agreement and must be supplied to the State upon request.

2. Customer Support Services: Provincial Offices

2.1. Within a period of three months from the commencement of the contract, the Contractor shall have established physical presence in all Provinces at the location agreed on with the province and a dedicated office for the National Departments at the cost of the contractor.

2.2. It will be the responsibility of the Contractor to ensure that all provincial offices has the required capacity to process all applications as received from the end user departments.

2.3. The number of individuals required per province will depend on the volume of applications within a province. At times, the Provincial Department of Transport can request the contractor to temporary avail a trained individual within the province to deal with possible back logs or large volumes. The service provider will be required to avail such an official at the required location within a period of 48 hours of such a request being made in writing by the Provincial or National Department of Transport.

2.4. Failure by the Contractor to appoint dedicated individuals for this contract per province can be construed as breach of contract and will allow the State to take the required action.

2.5. The dedicated service consultants, must at least be able to perform the following

tasks:

2.5.1. Assist departments and resolve issues that arise with the day-to-day operation of the contract;

2.5.2. Assist Departmental Transport Control Officers and Transport Officers on the reports generated;

2.5.3. Act as nodal point for the collection of all documents related to the finance function of the contract.

2.5.4. Obtain knowledge of the State's business principles and accordingly assist with the optimisation of its fleet. Consequently, the Contractor will be contractually required throughout the contract period to provide recommendations in order to optimally manage the fleet size and cost.

2.6. The Contractor must make available to the State a list of all functions that is performed within the Provincial offices as well as the number of staff at these provincial offices. As well their level of expertise.

2.7. Office will be required in Polokwane, Nelspruit, Mafikeng, Bloemfontein, Kimberley, Cape Town, Pietermaritzburg, East London, Johannesburg and Pretoria. The Contractor shall confirm the location of each provincial office with the relevant Transport Department.

2.8. The State retains the right to do conduct a due diligence at any time during the contract period.

2.9. The contractor must provide proof that they have established provincial offices within three months of the commencement of the contract.

2.10. The Contractor shall upon request from the State provide a breakdown of the staff employed per office, their level of expertise and functions performed by their office.

2.11. Office will be required in Polokwane, Nelspruit, Mafikeng, Bloemfontein, Kimberley, Cape Town, Pietermaritzburg, East London/ Bisho, Johannesburg and Pretoria)

3. Types of Reports / Information

3.1. 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.

3.2. 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.

3.3. The Contractor should upon request from The State be capable to alter, change or create new reports as and when requested.

3.4. 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.

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

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

3.6.1. The entire fleet.
3.6.2. The fleet per province.
3.6.3. The fleet per department.
3.6.4. The fleet per district or operating area,
3.6.5. Per category/ type of vehicle
3.6.6. Per vehicle and per end user/driver

3.7. The system shall allow for the printing of on-line reports by all parties who have authorised access to reports.

3.8. The user departments/provinces or divisions should first approve the electronic format of reports prior to implementation by the Contractor.

3.9. Should any other operational information as recorded by the Service Provider be required by the end user department a request can be made, through the National Department of Transport or the Provincial Departments of Transport to include the information in the reporting.

3.10. Reports and reporting systems shall be user friendly:

3.10.1. 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 District etc.)

3.10.2. 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;

3.10.3. The Contractor must supply the State with access to a system/application in order for the state to analyse electronic downloaded data where required;

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

3.10.5. 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;

3.10.6. Printed reports that are required monthly and shall be delivered within 7 (seven) working days of the cut-off date of that month;

3.11. The contractor is required to capture the following information on its system:

3.12. ***In terms of the official:***

3.12.1. Name and surname

3.12.2. Government payroll number (Persal or Persol)

3.12.3. Contact details of the official

3.12.4. Province or National government

3.12.5. End user department

3.12.6. Region / District

3.12.7. Contact details of the Departmental Transport Officer

3.12.8. Finance Service Provider account number

3.12.9. Contract start date

3.12.10. Contract end date

3.12.11. ID number

3.12.12. Contract early termination date

3.12.13. Reason for early termination

3.13. ***In terms of the vehicle:***

3.13.1. Vehicle registration number

3.13.2. Engine number

3.13.3. VIN number (Chassis Number)

3.13.4. Vehicle make

3.13.5. Vehicle model

3.13.6. Vehicle type

3.13.7. Approved accessories fitted to the vehicle

3.13.8. Non-approved accessories fitted to the vehicle

3.14. ***In terms of premium collection***

3.14.1. Government payroll centre

3.14.2. Government payroll centre number

3.14.3. Vehicle category as approved by end user department

3.14.4. Actual vehicle category

3.14.5. Approved rate for capital reimbursement

3.14.6. Approved amount for capital reimbursement

3.14.7. Total kilometres travelled to date

3.15. ***In terms of maintenance***

3.15.1. Approved vehicle maintenance category

3.15.2. Actual vehicle maintenance category

3.15.3. Billing amount

3.16. ***In terms of other information***

3.16.1. Any other operational information that may reasonably be required

3.17. The minimum required management reports as identified by the end users of the

contract must be provided by the Contractor 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 above as this information is essential for the deliverables stated in this contract.

4. Vehicle Ordering and Finance

4.1. The Contractor will be required to :

4.1.1. manage the vehicle ordering process,

4.1.2. ensure that all the requirements in terms of the National Credit Act for the financing of the vehicles are met,

4.1.3. that the supplier of the vehicles in terms of the RT57 vehicle procurement contract is paid within the required 30 days,

4.1.4. that the vehicle instalments are deducted from the government payroll system; and

4.1.5. that the allowances payable by government are loaded correctly onto the government payroll system.

4.1.6. ensure that all applications as received from the end user departments are verified against specimen signatures to ensure the authenticity of all vehicle applications.

4.2. The Contractor must ensure that their system is capable to accommodate the payment of the 70% capital allowance by the State, the deduction of the actual amount payable by the official as well as the other requirements defined herein and that it will furthermore make provision for the audit processes required by the government's payroll systems.

4.3. The Contractor must ensure that it has system's capability to interact/ interface with the government's payroll systems. Should this function be outsourced the agreement or possible agreement with such a company will need to be made available to the State upon request from the National Department of Transport.

4.4. The current processes have been implemented to manage the Subsidized Motor Transport Scheme. The contractor will need to fulfil their 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 remains intact. The typical life cycle of a vehicle ordered through the Subsidized Motor Transport Scheme can be summarized as follows:

Step 1. The official applies within his/her department for a subsidized vehicle through the government application form (Z81). 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. The end user department will approve such an application based on the fact that the official adheres to the minimum requirements for the participation to the scheme as well as the most economic solution for the provision of appropriate transport as set out in Transport Circular 5 of 2003. The approved vehicle category will form the basis for the payment of all allowances to the official. . To assist with this process, the contractor will have to provide a web based calculator and ordering system. This system should allow officials to:

1. Compare various vehicle options with each other, including the various government contributions and subsidies.
2. Provide an electronic Z81 application form that can be utilized by officials as part of their application process to indicate the contribution by government and by the official.
3. Include a list of accessories or make a provision for accessories to be included in the quotation

Step 2. After the department has approved the application for the subsidized vehicle, the application will be sent to Contractor. The official will select a vehicle of his/her personal choice from the RT57 contract that will need to be ordered by the Contractor. The contractor will do the credit and affordability checks as required by the National Credit Act prior to approving the application based on the actual vehicle selected by the official. For the purpose of the affordability check the amount to be contributed by government (the capital allowance) will need to be "ring fenced" and treated as additional income.

The Contractor will be required to add a disclaimer to the application form in which the official states that they will retain a good credit standing up until the vehicle is delivered.

Step 3. The 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. For the purpose of this contract, the contractor will apply for a vehicle in four colours as specified by the official in the application process, should a vehicle in any of these colours become available, the official will need to take delivery of the vehicle. Should the application not be approved, the Contractor will need to notify the official as well as inform the official of the steps to be taken to rectify the application should it be possible.

Step 4. Upon verification by the official of the make and model of the vehicle, the application will be send back to the Contractor that will place the vehicle order with the relevant supplier in terms of contract RT57 for the procurement of vehicles.

Step 5. The RT68 contractor will need to do an alternative credit check, prior to the vehicle being dispatched from the RT57 supplier to reduce any re-allocations of vehicles where a vehicle cannot be delivered due to an increase in the vehicle price or a change in the credit profile of the individual. The supplier in terms of contract RT57 will deliver the vehicle to the identified dealership and invoice the Finance Service Provider accordingly upon confirmation from the contractor that the delivery of the vehicle can proceed.

Step 6. The official will do an inspection of the vehicle and sign the finance agreement with the finance service provider. The RT68 contractor will need to ensure that the signing of the contract is convenient for the official and will need to either implement a system where the official can electronically sign for the vehicle or sign the agreement at the place and time that the vehicle will be delivered. The contractor cannot expect officials to travel in excess of 100km just to sign the finance agreement.

Step 7. When the officials signs the finance agreement and take delivery of the vehicle, the following processes are started:

1. The Finance Service Provider is required to pay the vehicle supplier as per contract RT57 within the required 30 days.

2. The Finance Service Provider needs to instate the monthly deductions from the official's salary for the payment of the capital of the vehicle.
3. The agreement to ensure cover for the amount in the event of the official passing away needs to be effected.
4. The vehicle is insured with immediate effect as per contract RT58.
5. The collection of the insurance premiums is instated.
6. The Maintenance Service provider appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles will be responsible for any maintenance required on the vehicle.
7. The Maintenance service provider needs to instate the deductions for the maintenance premiums through the government's payroll systems.
8. The Maintenance service provider needs to process all fuel claims and log the payments thereof through the government's payroll systems.

Step 8. Once the vehicle has reached the required kilometres (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.

Step 9. The contractor will need to ensure that processes are in place to deal with the early terminations of agreements such as may be required where the official resigns from government, the official passes away or for any other reason as allowed in the Subsidized Motor Transport Policy, Transport Circular 5 of 2003.

4.5. The Contractor will need to make available on request from the National Department of Transport or the Provincial Transport departments all process as set out in the Special Conditions and the control measures that will be implemented to ensure that the requirements as set out is met by making available the relevant process flows, indicating the forms of communication between the relevant role players and the regularity thereof.

5. Finance Inclusions

5.1. The Contractor shall ensure that the full amount of the vehicle including all accessories is financed. Such financing shall be done in line with the requirements as contained in the National Credit Act with the due considerations to the required ITC verifications as well as the affordability calculations.

5.2. The contractor shall ensure that all correct invoices as received from the various service providers under contract RT57 will be paid within the 30 days as prescribed in the PFMA.

5.3. The RT68 contractor will be responsible for any interest levied for late payments to the RT57 service providers in the event that:

5.3.1. Such late payments were caused by failure to inform the official in time that the vehicle needs to be collected.

5.3.2. Any delay in payments to the RT57 service provider due to faulty or insufficient processes of the RT68 contractor.

5.4. In the eventuality that a vehicle can not be delivered to the official that applied for the vehicle due to the official passing away, being transferred, promoted or any other reason, the contractor will be responsible for re-allocating the vehicle to any other official within the scheme that is willing to take delivery of the vehicle and that qualifies for the vehicle in terms of the Subsidized Motor Transport policy and the normal requirements for the financing of the Subsidized Vehicles.

5.5. The contractor will be responsible to ensure that this re-allocation is done within the required 30 days of the date of invoice. The contractor will be responsible for the payment of any interest incurred on such a vehicle.

5.6. Should the contractor not be in a position to re-allocate the vehicle 75 days after invoice, the specific case will be taken up with the relevant motor manufacturer and The National Department of Transport. Based on the outcome of this process the method of disposal will be determined to ensure that the disposal will happen within 90 days of the date of invoice. The contractor shall be responsible for any losses

incurred.

5.7. The contractor should make provision for the possible transport of vehicles within the relevant province in order to re-allocate the vehicles when the vehicle cannot be allocated at the initial place of delivery.

6. Capital Allowance Calculation

6.1. The Contractor will be required to load the calculated capital deduction onto the government payroll system. The capital allowance to be loaded on the government payroll system will be 70% of all approved accessories as well as 70% of the benchmark.

6.2. The benchmark is calculated by The National Department of Transport, based on the average vehicle price, per category of the RT57. The benchmark is updated periodically based on the increases and decreases of vehicle prices on contract RT57.

6.3. The Contractor, apart from ensuring that the correct amount is loaded on the government payroll systems for each official, will consider the amount of this capital allowance as additional income when calculating the affordability. Should the contractor appointed in terms of contract RT68 load the incorrect amount, all cost incurred to rectify the amount will be for the cost of the RT68 service provider.

7. Capital to be collected

7.1. The Contractor, along with the amount loaded on the government payroll system per official, will be required to load the actual amount to be deducted from the salary of the official towards the payment of the vehicle.

7.2. This capital to be collected will be based on the amount of the actual vehicle price and the actual cost of any accessories added by the official as well as all other costs specified within this document.

7.3. Once the Contractor has loaded the allowance onto the government payroll systems,

it will be the responsibility of the Contractor to ensure that the payment of the actual vehicle instalment is received on a monthly basis.

8. Accessories

8.1. Government will contribute 70% towards all approved accessories. The calculated 70% will need to be included in the allowance to be loaded onto the government payroll system. The full amount for the procurement of the approved accessory will need to be added to the amount to be deducted from the official through the government payroll system.

8.2. Should the accessory not be approved and therefore not be subsidized by the end user department, the cost thereof will be for the account of the official. Should the affordability of the official allow for it, the contractor can finance the accessory.

9. Vehicle registration fee

9.1. The once of vehicle registration fee of the new vehicle will be paid for by the contractor and the amount charged therefore financed over the contract period. The Contractor will not be allowed to add any profit margin to the registration.

10. Credit cover

10.1. As part of the finance agreement, the contractor shall provide credit cover insurance to an official that finance a vehicle through the Subsidized Motor Transport Scheme as specified in the National Credit Act.

10.2. Such cover shall be compulsory to the official and will be 100% subsidized by the State.

10.3. The RT68 Contractor will be required to collect an annual premium upfront at the start of the financial year. This premium will need to be calculated based on the principal debt and the amount quoted per R1, 000. 00 borrowed. This will be reduced annually, based on reduction of the principal debt.

10.4. A schedule of all calculations and amounts to be deducted needs to be submitted to the end user departments for record and audit purposes.

10.5. Should an official resign or a contract be terminated prior to the end of the financial year, a pro-rata repayment will need to be made for the remainder of the period, unless the policy needed to pay out.

11. Contract initiation fee / once of administration fee

11.1. In line with the requirements as set out in the National Credit Act, the contractor shall be allowed to add a once of initiation fee to the financed agreement at the start of the agreement.

12. Monthly administration fee

12.1. The Contractor will be allowed to claim a monthly administration fee in line with the provisions as made in the National Credit Act and as priced for in Schedule 1: Pricing Schedule.

13. Finance exclusions

The following, for the purpose of this contract does not need to be financed by the Contractor.

13.1. Any application where the official cannot afford the vehicle that he/she applied for in terms of the affordability calculation as required by the National Credit Act.

13.2. Any application that cannot be approved based on the results of the ITC enquiry due to non-payment or bad debt from the official.

13.3. Any transaction where the required authorization has not been granted by the end user department.

13.4. Any transaction or possible transaction where the contractor has reason to suspect any fraudulent activity.

14. End user communication requirements

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 and the Transport Officer via SMS or email in terms of the following:

14.1. Upon receiving the application from the official.

14.2. The Contractor shall communicate the results of the ITC and affordability checks to the official. Should the application not be successful because of the results of the ITC and affordability checks, the recourse to be taken by the official will need to be communicated.

14.3. When the vehicle order is sent back to the department for verification, the official needs to be notified.

14.4. Upon receiving the rectified/verified order back from the end user department the actual vehicle to be ordered needs to be communicated to the official as well as the recourse to be taken by the official should the vehicle order not be correct.

14.5. Once the vehicle order has been placed with the vehicle manufacturer or supplier in terms of contract RT57, the official need to be notified.

14.6. The Contractor will need to notify the official for the duration of the manufacturing process by making reference to the various vehicle-manufacturing phases. (See Management of information: RT57 Vehicle Procurement Contract). Such communication shall include whether the vehicle order can still be cancelled or not, if it is delivered or any other action that may be required from the official or in what phase of the manufacturing process the vehicle is.

14.7. The official will be notified of the vehicle delivery at the dealership and request the official to inspect the vehicle as well as the relevant details to ensure that the vehicle finance contract is signed.

14.8. Should the interest rate change during the contract period, the official will need to be notified, including the revised amount to be deducted via the government's payroll system.

14.9. All above communication will need to be done in accordance with the applicable legislation and the official need to have the option not to receive the SMS's.

14.10. Should the contractor outsource this function a copy of the any agreement entered into must be submitted to the National Department of Transport upon request.

14.11. The Contractor shall ensure that their systems are capable to communicate the requirements as set out.

15. Management of information: RT58 Insurance

15.1. The Contractor will need to obtain and provide information to and from the contractor appointed in terms of contract RT58 for the insurance of Subsidized Vehicles. The current contract expires in 2017. It is therefore possible that the Contractor will need to engage or implement a new system should a new contractor be appointed.

15.2. The Contractor will need to ensure that confirmation of insurance is received from the RT58 service provider. Such a confirmation can be electronically or as otherwise agreed to but needs to be documented for audit purposes.

15.3. The amount of the vehicle to be insured and all other vehicle related information as well as the personal details of the official, department and contact details should be provided to the RT58 service provider on a regular basis and in the file format as required by the RT58 service provider of otherwise agreed to prior to the official taking delivery of the vehicle.

15.4. The RT58 service provider needs to be notified within 24 hours of any terminations of agreements that the Contractor may be aware of. Such notification shall be in the prescribe format as required by the RT58 service provider or as otherwise agreed to. As per the contract RT58 for the Insurance of the Subsidized Vehicle, the vehicle will remain insured for the remainder of the calendar month in which the agreement was terminated.

15.5. The RT58 service provider will communicate any information related to vehicles written of to the Contractor as well as ensure that the outstanding amount is settled.

15.6. The Contractor shall provide the service provider appointed in terms of the RT58 Insurance Contract with the correct reference or account number for the settlement of the vehicle account should the vehicle be written off.

16. Management of information: RT62 Maintenance

16.1. The Contractor needs to provide the following information to the service provider appointed in terms of contract RT62 for the Maintenance of Subsidized Vehicles.

16.1.1. All vehicle related information as captured through the execution of this contract.

16.1.2. All information related to the official

17. Management of information: RT57 Vehicle Procurement

17.1. The suppliers in terms of contract RT57 for the procurement of vehicles can change on an annual basis due to the contract period of one year (1 April to 31 March). The Contractor need to obtain the following information from suppliers on contract RT57, the government vehicle procurement contract:

17.2. The Financial Service Provider appointed in terms of contract RT68 will be required to verify the prices invoiced by the suppliers appointed in terms of contract RT57 for the supply of motor vehicles prior to drawing up the financial agreement with the official. Should a financial agreement be drawn up at the incorrect invoice price, the RT68 service provider will be responsible for the cost that will be incurred in redrawing the financial agreement.

17.3. All relevant banking details and account information for the payment of vehicles as supplied under the Subsidized Motor Transport Scheme and financed by the Contractor appointed in terms of this contract.

17.4. All vehicle types, models and accessories available from the suppliers on contract

RT57, vehicle procurement contract, the prices thereof and the subsequent price adjustments on a quarterly basis as managed by the Section: Contracts Management at National Treasury.

17.5. The dealership networks of all suppliers on contract RT57 where vehicles are to be delivered.

17.6. The process for the placement of a vehicle order and the method thereof such as email or fax.

17.7. The process for the confirmation of a vehicle order by the supplier on contract RT57 once the vehicle order has been placed stipulating whether such confirmation shall be done via fax or email The contractor needs to ensure that the process is at all times documented

17.8. The number of phases that needs to be completed by the manufacturer to build the vehicle. These phases do not need to be the same number of phases for the relevant suppliers but must be numbered. For example: A vehicle in phase 4 of a 12 phase manufacturing process will therefore be communicated as phase 4 of 12, should the vehicle be in phase 4 of a 16 phase manufacturing process it will be communicated as phase 4 of 16. The Contractor will need to ensure that the various suppliers in terms of contract RT57 notify them within at least 24 hrs of a vehicle moving from one phase in the manufacturing process to the next.

17.9. The last phase in which a vehicle order can be cancelled or amended.

17.10. Anticipated time frames for the vehicle to be transported from the manufacturing or assembly plant to the relevant dealerships.

17.11. Arrival of the vehicle at the dealership

18. Contract Conclusion and Lead Out

18.1. The contractor will need to ensure that all services as set out within this contract are rendered to all officials for the full duration of every individual finance contract. Even if such a contract commences on 30 June 2020.

18.2. The contractor will be required to do a full audit at the end of the contract period to ensure accurate collections were made throughout the contract period.

18.3. The contractor will upon request from the National Department of Transport provide any information that was collected or generated in the execution of the contract in the agreed format.

Schedule 1: Pricing

Interest rate	Prime -1.1%
Life cover policy (fee per month)	R1.75 per R1000.00
Contract initiation fee/ Once of admin fee	R1,140.00
Monthly contract administration fee	R259.87