

**THE MSUNDUZI MUNICIPALITY
FINANCE BUSINESS UNIT
SUPPLY CHAIN MANAGEMENT SUB-UNIT**

333 Church Street
PIETERMARITZBURG
3201

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PIETERMARITZBURG
3200

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Enquiries: MISS D. N. NDLOVU

Our Ref: 52/SCM-1/12-13

21 December 2012

PK Valves cc
142 Greyling Street
PIETERMARITZBURG
3201

Attention: Mr Pranosh Bhagwandeem (Fax. 086 611 3729)

Dear Sir

SPECIALISED CONTRACT No. SCM 1 OF 12/13

**EDENDALE PROPER: CONSTRUCTION OF NEW WATER MAINS AND RETICULATION
PHASE 3 – WARDS 11 AND 12**

In connection with the above contract, I am pleased to advise you of the Msunduzi Municipality's acceptance of your tender dated 31 August 2012, at the terms and conditions stated therein, at the total tendered price of R 2,115,600.10 excluding VAT, Contingencies and Escalation.

The Provisional Letter of Acceptance dated 19 November 2012 forms part of this contract.

Please note that your attention is specifically drawn to the provisions of Regulation 44 of the Municipal Supply Chain Management Regulations and the Msunduzi Municipality's Supply Chain Management Policy which prohibits any award to a person:-

- "(a) Who is in the service of the state;*
- (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or*
- (c) Who is an advisor or consultant contracted with the municipality or municipal entity."*

You are expressly advised that any award in contravention of the above would be in direct conflict with the aforesaid Legislation and shall be deemed void and without any legal effect.

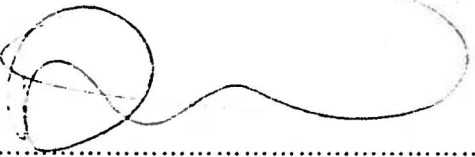

The Msunduzi Municipality, its Officials and Agents therefore accept no liability whatsoever for any damages or losses you may suffer as a result of the cancellation, withdrawal, setting aside or as a result of any other steps taken by the Municipality to ensure compliance with the aforesaid provisions.

In addition, this award is made on the strict understanding, condition and agreement that you undertake to indemnify the Municipality against any and all direct or indirect damages, expenses and losses it may suffer or incur in enforcing compliance with the aforesaid provisions. Furthermore, this award is made on the understanding, condition and agreement that you undertake to indemnify and hold the Municipality harmless against any and all claims and demands from any Third Party whatsoever arising from or related to any award in contravention of the aforesaid regulations.

It must be noted that this Letter does not constitute an official Order. Your Company is to only effect delivery of any works once in possession of an official Order issued by the Msunduzi Municipality.

Please liaise further with Mr Brenden Sivparsad on direct Telephone No. 033 – 392 2129 or e-mail brenden.sivparsad@msunduzi.gov.za.

Yours faithfully

Recommended  Head: Supply Chain Management (Acting)	Approved  Municipal Manager <i>Act</i> 27/12/2012
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cc Process Manager: Water & Sanitation
(Attention: Mr Brenden Sivparsad)

Liebenberg Jenkins & Partners Inc.
(Attention: Mr Leon van der Linde)