

THE MSUNDUZI MUNICIPALITY

FINANCE BUSINESS UNIT

SUPPLY CHAIN MANAGEMENT SUB-UNIT

333 Church Street
PIETERMARITZBURG
3201

Private Bag X205
PIETERMARITZBURG
3200

Tel: 033 – 392 2597

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Enquiries: MISS D. N. NDLOVU

Our Ref: 52/SCM-26/12-13

06 February 2013

Siyazi Transportation Services Development (Pty) Ltd
29 West Street
PIETERMARITZBURG
3201

Attention: Mr R. Rajoo (siyazi@mweb.co.za)

Dear Sir

SPECIALISED CONTRACT No. SCM 26 OF 12/13

PROPOSAL CALL FOR THE PROVISION OF INTEGRATED RAPID PUBLIC TRANSPORT NETWORK (IRPTN) TECHNICAL SUPPORT TO THE TAXI INDUSTRY WITHIN MSUNDUZI MUNICIPALITY

In connection with the above contract, I am pleased to advise you of the Msunduzi Municipality's acceptance of your tender dated 27 December 2012, at the terms and conditions stated therein, at the total tendered price of R 16,358,802.00 excluding VAT, as follows:-

ITEM	DESCRIPTION	AMOUNT (EXCLUDING VAT)
1	Administration	R 1,633,600.00
2	Project Management	R1,633,600.00
3	Meetings and Workshops (Provisional Sum R495,000.00)	R 495,000.00
4	Legal and Contractual Services	R 2,450,000.00
5	Taxi Industry Capacitating (Provisional Sum R500,000.00)	R 500,000.00
6	Technical Advice	R 3,267,200.00
7	Financial Advice	R 3,267,200.00
8	Business Advice on Formation and Functioning of BOC	R 2,042,000.00
9	Disbursements (7% of above total)	R 1,070,202.00
TOTAL (EXCLUDING VAT)		R 16,358,802.00

The period of contract shall be for thirty six (36) months commencing on 06 February 2013 and terminating on 05 February 2016.

The tendered rates shall remain firm for a period of twelve (12) months and thereafter be subject to escalation based on the Consumer Price Index (CPIX).

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 Mrs Lindelwa Mhlomi on direct Telephone No. 033 – 392 2152 or e-mail lindelwa.mhlomi@msunduzi.gov.za.

Yours faithfully

Recommended  Head: Supply Chain Management	Approved  06/02/2013 Municipal Manager
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cc Process Manager: Roads & Transportation
(Attention: Mr Sithembiso Mbimbi)

Manager: Transportation
(Attention: Mrs Lindelwa Mhlomi)