

MEMORANDUM OF UNDERSTANDING

Entered into by and between:

ZF MGCAWU DISTRICT MUNICIPALITY

(Hereinafter referred to as "THE DISTRICT MUNICIPALITY")
(herein represented by DANIEL JACOBUS VAN ZYL, being duly authorised thereto)
and

DAWID KRUIPER MUNICIPALITY

(Hereinafter referred to as "THE LOCAL MUNICIPALITY")
(herein represented by ELIAS NTOBA in his capacity as **Municipal Manager** and duly authorised thereto)

(Jointly referred to as the "PARTIES")

THIS MEMORANDUM OF UNDERSTANDING is dated 26 July 2017.

1. PARTIES

ZF Mgcawu District Municipality, having its principal offices situated at C/o Dr. Nelson Mandela Driveway & Upington 26 Driveway, Upington, Northern Cape, 8800.

and

Dawid Kruiper Municipality, having its principal offices situated at Mutual Street, Upington, Northern Cape, 8800

Whereas the **PARTIES** have agreed to enter into this MoU on the terms and conditions set out below, effective from the date set out above concerning the provision of Professional Services by a duly appointed Service Provider.

AND WHEREAS both **PARTIES** wish to formalize this arrangement in the form of a MoU, the **PARTIES** agree as follows:

2. DEFINITIONS:

- 2.1. "**the Commencement Date**" means the date on which this MoU commences in respect of any services falling to be included in the programme, notwithstanding the date of signature of this document being the signature date.
- 2.2. "**Programme**" means the objectives to be achieved, and the scope of work to be undertaken, by the appointed service provider, which will be outlined within this MoU.



3. INTRODUCTION

3.1 The District Municipality has entered into a contract with the service provider The NAKO ILISO - PLI Group Joint Venture (Pty) Ltd. to provide Professional Services to the District.

The objectives of the professional services that will be provided by the service provider are to provide the District Municipality with assistance on integrated development for the District where the service provider will:

- 1) Develop an Economic Development Strategy;
- 2) Prepare business plans;
- 3) Source funding and financing for identified projects;
- 4) Undertake project and programme management of the implementation of the identified projects in an integrated manner to maximize the benefit to the District.

3.2 Further key objectives of this Programme are as follows:

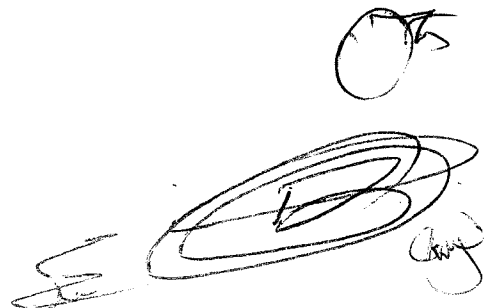
- Revision of the Integrated Development Plan of the District.
- Sourcing of funding for the District to finance infrastructure projects.
- Development and sourcing of funding for the District Disaster Management Centre.
- Local Economic Development (LED): The development of plans to address Poverty, Higher Education in rural towns, Small, Micro Medium Enterprises (SMME) Programmes, Skills Development Centres, with a view to enhance the objectives of the National Development Plan (NDP) 2030.
- Development and enhancement of Agricultural Activities that address poverty.
- Development of Social Labour Plans for Mineral and Energy Programmes.
- Development of Renewable Energy plans.
- Preparation of a District Infrastructure Plan which integrates Local Municipality programmes.
- Sourcing of funds from local and international sources for specific development projects which can take place in the District.

3.3 The District appointed the service provider on 23 February 2017 for a period of three (3) years.

3.4 In order to achieve the objectives of this programme, the buy-in and support of the District's Local Municipalities (B-Municipalities) is required.

3.5 The PARTIES intend to work together in good faith, applying best efforts in a manner that does not and will not unreasonably exclude or circumvent each other, to undertake implementation of the programme, and to support the service provider in undertaking its duties.

3.6 The PARTIES shall engage regularly to establish, refine, monitor and evaluate their approach in supporting the roll-out of this Programme, and they shall also seek to establish the scope and extent of their contributions, the type, nature and extent of Services to be offered by each of them to the MoU.

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4. FUNCTIONS OF THE DISTRICT MUNICIPALITY

- 4.1 To contract with the Service Provider, and to undertake regular monitoring and evaluation of the service provider's performance.
- 4.2 To delegate suitably qualified District Officials to provide oversight of the Programme.
- 4.3 To convene regular Steering Committee meetings with all stakeholders of the Programme.
- 4.4 To provide periodic feedback to all Municipalities that form part of the programme.
- 4.5 To coordinate the procurement of inputs from all Municipalities that form part of the Programme.
- 4.6 Keep proper records of all discussions, orders, contracts, income and expenses that relate to the Programme.
- 4.7 Administration of the Programme.
- 4.8 Ensure compliance with every statute and regulation pertaining to the contract with the Service Provider.
- 4.9 To compensate the service provider as per the Service Level Agreement.

5. FUNCTIONS AND THE LOCAL MUNICIPALITY

- 5.1 To delegate suitably qualified officials to support the implementation of the programme.
- 5.2 To attend the periodic Steering Committee meetings of the Programme, and to provide required input.
- 5.3 To provide requested inputs to support the implementation of the Programme as per the stated due dates.
- 5.4 To coordinate the procurement of inputs within the Local Municipality.

6. SCOPE OF THE AGREEMENT

6.1 Duration

6.1.1 During the term of this Agreement, the **PARTIES** shall:

- 6.1.1.1 Co-operate with each other with respect to the Programme.
- 6.1.1.2 Undertake to engage on a regular basis on reasonable notice to outline the progress being made on the Programme; and
- 6.1.1.3 Discuss issues that may arise in the course of the Programme.

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6.2 Financial Arrangements

- 6.2.1. The Programme is being implemented on Risk by the service provider. The District Municipality is responsible for remuneration of the service provider, as per the Service Level Agreement between the District Municipality and the Service Provider.
- 6.2.2. The District shall at all times develop a separate account for the funding made available and provide security for the funds to be used accordingly to the specified projects.

6.3 Duration and termination

- 6.3.1 This Agreement shall commence on the date of Signature hereof, and, subject to other provisions of this Agreement, continue until 16 February 2020. The **PARTIES** - may extend this Agreement for further period(s) by way of an extension signed by both **PARTIES**.

6.4 Relationship

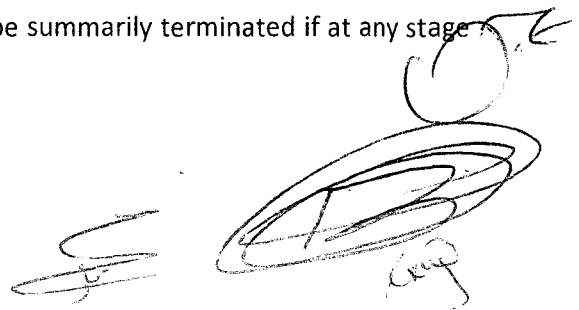
- 6.4.1 The **PARTIES** shall at all times act in the best interest of the MoU, and shall disclose all material facts to each other that may have effect on the programme.
- 6.4.2 Each of the **PARTIES** will neither bare any financial responsibility for the other nor accept any liability incurred by the other unless such undertakings are agreed and signed for jointly, other than the terms set out herein.
- 6.4.3 The Municipalities are guided by the Municipal Systems Act (S.71 & S.81). All **PARTIES** involved should act accordingly and seek best interest for all **PARTIES**.

6.5 Breach

- 6.5.1 In addition to all its other rights under this agreement or at law, a party may cancel this agreement if the other party:
- 6.5.2 remains in breach for a period of 30 days after receipt of a notice from the other party calling upon it to remedy the breach, or
- 6.5.3 materially breaches any provision of this agreement which is not capable of being remedied in the situation where the breach is due to that other **PARTIES** wilful conduct, whereupon the aggrieved party may give notice of immediate cancellation of this Agreement.

6.6 Termination

- 6.6.1 Notwithstanding the signature date, this MoU shall commence on the Commencement Date, and shall thereafter continue until 16 February 2020 unless terminated as provided for in this MoU.
- 6.6.2 It is specifically recorded that the MoU may be summarily terminated if at any stage a Party:

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- 6.6.2.1 is guilty of fraud, dishonesty, willful default, gross negligence, gross incompetence or other serious misconduct; or
- 6.6.2.2 after warning to desist there from within 7 (seven) days, has persisted in failing to provide the Services or fails to comply with its obligations to the MoU.

7. NOTICES AND ADDRESS FOR SERVICE

7.1 Any notice or communication in terms of this agreement must be in writing to be effective, and must be delivered by hand, or transmitted by telefax, or e-mail, or registered post to the addresses/ numbers below, which physical addresses the PARTIES select as their respective domicilium citandi et executandi:

<p>ZF Mgcawu District Municipality</p>	<p>Address: C/o Dr. Nelson Mandela Driveway & Upington 26 Driveway, Upington, Northern Cape, 8800</p> <p>Tel: 054 337 2800</p> <p>Email Address: sc@zfm-dm.gov.za</p>
<p>Local Municipality: Dawid Kruiper Municipality</p>	<p>Address: Civic Centre, Mutual Street, Upington, Northern Cape, 8800</p> <p>Tel: 054 338 7000</p> <p>Email Address: manager@dkm.gov.za</p>

7.2 A party may change its address/telefax number/email address to any other address/telefax number/email address. Such change will only take effect upon receipt or deemed receipt of such notice by the other party

7.3 Any notice or communication shall:

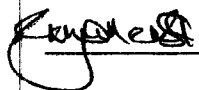
- 7.3.1 if delivered by hand during business hours to the person apparently in charge of the premises selected by the addressee for the delivery of notices, be deemed to have been received on the date of delivery;
- 7.3.2 if sent by registered post to the selected address, be deemed to have been received 6 days after posting;
- 7.3.3 if sent by e-mail or telefaxed to the selected e-mail address or telefax number, be deemed to have been received on the first business day following the date of transmission; and
- 7.3.4 Any written notice or communication which has actually been received by a party shall be regarded as sufficient notice even if it has not been sent in the manner or to the address/telefax number provided for above.

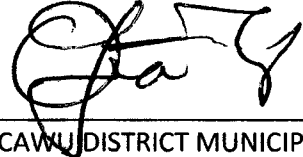
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SIGNED AT UPINGTON ON THIS 27 DAY OF September 2017

Witnesses

1. 

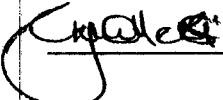
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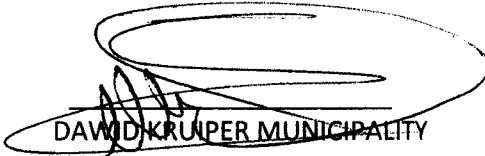

ZF MGCAWU DISTRICT MUNICIPALITY
MUNICIPAL MANAGER

SIGNED AT UPINGTON ON THIS 26th DAY OF JULY 2017

Witnesses

1. 

2. 


DAVID KRUIPER MUNICIPALITY
MUNICIPAL MANAGER