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# THE CITY OF CAPE TOWN'S RESIDENTIAL SOLAR WATER HEATER ACCREDITATION PROGRAMME

*Explanatory Leaflet*



[www.SavingElectricity.org.za](http://www.SavingElectricity.org.za)

**CITY OF CAPE TOWN ENVIRONMENTAL RESOURCE MANAGEMENT DEPARTMENT**  
Energy and Climate Change Unit, 8<sup>th</sup> Floor, 44 Wale Street, Cape Town, 8001

# The City of Cape Town's Residential Solar Water Heater Accreditation Programme.

This explanatory leaflet assists Applicants who wish to become accredited under the above programme ("Accredited Service Providers").

Please read the information carefully, prior to completing the Application Form.

## Part A

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- Contact details for further enquiries prior to submission of the Application Form
- Information about submitting your application
- General background information about the project and the Accreditation Programme

## Part B

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- Section 1 – Business Information about the Applicant
- Section 2 – Authorised Contact Person
- Section 3 – The Applicant's Business Experience
- Section 4 – Technical Capacity
- Section 5 – Products and their Installation
- Section 6 – Product Warranties and Installer Responsibilities
- Section 7 – Local Content
- Section 8 – Ability to offer Instalment Finance Facilities to Customers
- Section 9 – Financial Standing of the Applicant
- Section 10 – Confirmation by the Applicant's Representative

## Part C

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- Pro-forma of the proposed Contract between the City and Accredited Service Providers
- The Code of Conduct – a Schedule within the Contract



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## Part A

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**Contact details** in case further enquiries or questions of clarification are needed prior to submission of the application.

The Programme Management and Liaison Unit (“PMLU”)

Tel: 021 487 2010

Email: [Johann.Dreyer@capetown.gov.za](mailto:Johann.Dreyer@capetown.gov.za) or [Arlene.VanStaden@capetown.gov.za](mailto:Arlene.VanStaden@capetown.gov.za)

Address: 8<sup>th</sup> Floor, 44 Wale Street, Cape Town 8001

Office hours: 08h30 – 16h00 Mon-Fri.

Appointments can be made for a personal meeting to clarify specific aspects of the Accreditation Programme and the application process if necessary.

### How to submit the Application Form.

The form may either be completed manually using black ink or by answering each section electronically on the form. Signatures must be handwritten originals using black ink.

Please note that certain specified documentation will require certified copies or the original document requested.

For the above reasons, the Application Form and supporting documents must be submitted by hand, duly signed, to the Programme Management and Liaison Unit where a receipt will be issued at the time of handover. If a commercial courier service is used the receipt may be issued to the messenger or a scanned copy sent by e-mail to the Authorised Contact Person – please specify on the envelope.

The closing date for applications will be noon (12h00) on Friday 30 August 2013.

The City intends to advise applicants of the results of their application within 2 weeks of the closing date. Unsuccessful applicants will be advised of the key areas where they did not meet the required standards – an appeal process exists and they will be advised of the process to be followed should they wish to follow this route.

### General background information



[www.SavingElectricity.org.za](http://www.SavingElectricity.org.za)

**The philosophy** – the City of Cape Town wishes to encourage local residents to move towards greater use of renewable energy by installing appliances that are more energy efficient, save emissions relating to coal-based energy generation, which assist in the national need for better demand-side management, particularly during this period of supply-side difficulties for power generation. For that reason it has been implementing a “Save Electricity” campaign for the past three years and a most recent focus is the “Save Big” campaign designed specifically to encourage the installation of High-pressure Solar Water Heaters (HP-SWH’s) by residential property owners.



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**Market problems** – recent local market research commissioned by the City has shown that there is indeed a willingness by the public to move towards utilising energy-efficient water heating systems, largely motivated by rapidly increasing electricity tariffs. The research revealed a lack of public knowledge of the products available, and of their effectiveness and reliability. Unfortunately, there is also some concern as to the competence and sales ethics of some of the installers operating in this sector. Others have also expressed the view that the upfront capital sum required remains an inhibitor to an early decision to acquire an HP- SWH. An electronic copy of the market research document is available to all Applicants – please contact the PMLU and it will be e-mailed to you.

**The City of Cape Town’s Solar Water Heater Accreditation Programme** – the City has decided to act in a facilitative and supportive way to try and encourage the faster roll-out of domestic HP-SWH’s via an accreditation programme that is open to all who meet the evaluation criteria; it is hoped that this will serve to achieve the following :

- Commencing a public awareness, educational, advertising and marketing campaign describing the technology involved and answering consumer questions
- Working with local service providers to try and improve public confidence in the industry
- Encouraging the growth of local manufacturing capacity in the Western Cape for HP-SWH components
- Working with local banks and other lending institutions to facilitate the greater availability of instalment finance for financing product sales directly to customers and possibly bulk funding for suitably sized service providers who may wish to act as the lender themselves
- Assisting service providers if needed by offering a billing and collection service for instalments due from customers – note that debt management services are NOT included.

The City has established the PMLU which will screen applications for accreditation and also conduct random inspections on installations to see that a contracted Code of Conduct has been adhered to by Accredited Service Providers (A.S.P.’s). It will also endeavour to assist in the resolution of disputes between such service providers and their customers.



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### Section 1 - Business Information about the Applicant

The information requested will enable the City to identify the legal and organisational structure of the Applicant. Although provision is made for a Sole Trader to apply, it is probable that, because of the risks of personal liability, this is unlikely to be a suitable structure – in addition, the City would need to be convinced that such a person has the financial and technical capacity to install at scale in the market at a competitive price allied with providing the necessary warranties and maintenance services. All members of a partnership or consortium must be listed.

Please note that the City will require the physical presence of an office and/or workplace to be located either within the boundaries of the Cape Town metropolitan area or in any of the following adjacent local authorities (Drakenstein, Overstrand, Stellenbosch, Swartland and Theewaterskloof). This requirement is to ensure ease of access for customer liaison and to aid the provision of servicing and repairing the installed product during the warranty period.

### Section 2 - Authorised Contact Person

This individual will be used as the main point of contact by the City during the processing of applications for accreditation and thereafter until the commencement of the sales campaign (planned to commence from 1 October 2013). It would be helpful, but not essential, if this individual is the same person who signs under Section 10. After all formal accreditation processes have been successfully completed the details of the prime contact person may be changed if required.

### Section 3 – Business Experience

The purpose of this section is to assess the related experience of the Applicant to operate a business at a reasonable scale, and which is legally compliant. One of the reasons for limited public confidence in the residential SWH installation market has been experiences of service providers going into liquidation or business rescue, and closing soon after products have been paid for. This section, together with sections 4 and 9 below, is included to indicate the stability and sustainability of the service provider's business operation.

Concise C.V.'s (limited to 2 pages each) should be provided as requested – the purpose is to show business experience generally although related industry information is helpful.

Applicants must provide the latest Annual Financial Statements which must be countersigned by the usual signatures (e.g. two Directors in the case of a company). If an Audit report is required in law this should also be included. Certified copies are required.

In the case of a consortium or partnerships the latest annual financial statements of every member or partner of the organisation should be included.

The City has decided that applicants who have not established a recent track record of at least twelve continuous months of successful trading will be ineligible for accreditation. It should be noted that the City intends to accredit new suppliers at least twice in every calendar year into the future.



## Section 4 – Technical Capacity

In order to assess whether the Applicant has suitably experienced and qualified staff to effect a high standard of installation of the products, this section requires credible information of technical competence and adequate capacity. Note that installations will be required to be in accordance with SANS 10106 (see section 5 below).

Where it is intended to use outsourced sub-contractors to perform installations, they must be nominated and declared as part of this application, and their qualifications and experience fully set out. The City must be advised of any changes to nominated subcontractors and reserves the right to withdraw accreditation in the absence of satisfactory evidence of the qualifications and experience of the newly nominated subcontractor/s.

## Section 5 – Products and their Installation

Take particular note that this section must be read, comprehended and completed in conjunction with Sections 6 and 7.

Residential Solar Water Heaters supplied under the City's Accreditation Programme must carry the SABS mark of approval and have met the requirements of SANS 1307

It shall be a mandatory requirement to complete any installations of solar water heaters in accordance with SANS 10106 and SANS 10142/1. As proof of this a Certificate of Compliance issued by the PIRB must be supplied by a PIRB SWH registered plumber together with an electrical Certificate of Compliance issued by a Department of Labour registered electrician.

## Section 6 – Product Warranties and Installer Responsibilities

This section is considered by the City to be an important element of the Accreditation Programme in that it should reassure potential customers about the quality of the products being purchased and the overall continuing service that they should receive from an Accredited Service Provider. The following minimum requirements must be met:

- A minimum manufacturer's 5-year warranty covering failures for all major component parts such as the collector, the mounting frame, the storage tank (geyser) and electrical element and the temperature sensor.
- Accredited Service Providers will be required to take responsibility for handling their customers' warranty claims on their behalf including the immediate replacement of warranted parts whilst a claim is pending so that the customer continues to have the benefit of hot water. Your attention is drawn to the provisions of the Consumer Protection Act No68 of 2008 in this regard
- The City wishes to ensure that an annual maintenance service plan is provided as an integral part of the sale agreement during the warranty period – applicants may elect whether or not to provide the first of such annual services free of charge but must indicate their choice when completing the form.



- Minor component parts that fail during the same period may be replaced at the expense of the customer by the service provider and preventative maintenance replacement of such minor parts should be offered at the time of the annual services to avoid the need for separate call-out charges being incurred.
- Faulty installation defects must be attended to promptly and free of charge to the customer during the product warranty period. A 24 hour response time is considered to be the target standard to achieve

Take note that pro-forma sale agreements and maintenance agreements to be used by successful applicants must be provided at the time of application for accreditation – samples of the key mandatory clauses to be used in both documents are provided in the Code of Conduct which is Schedule 1 of the pro-forma Contract document available with the Application documentation.

## Section 7 – Local Content

The City wishes actively to encourage the growth of employment opportunities through the Accreditation Programme and requires applicants seeking accreditation to make the maximum use of local content – preference must be given to the use of SWH systems and/or component parts that are manufactured or assembled in the Western Cape provided that they carry the SABS mark of approval.

Local content is defined as: any component of a SWH that undergoes its final processing and assembly within the Western Cape or, if not currently available there, within South Africa.

A component is defined as any of the following:

- the collector
- the storage tank/geyser (including element and thermostat)
- the mounting bracket
- valves (vacuum breaker, pressure release and tempering), piping, pipe bends, connectors and wire
- the control unit.

An SWH will meet the local content criteria if, as a minimum, all the major components of an HP- SWH system are locally processed and assembled. The major components are defined as the collector, storage tank and mounting bracket.

The City reserves the right to revise the local content definition as the programme matures to include only processing and assembly of major components within the boundaries of the Western Cape. This revision will only be made in the future should sufficient capacity and quality standards become established and operate within a competitive market situation. An adequate lead time would then be given prior to the effective introduction of such a revision to enable Accredited Service Providers to adjust their product supply needs and existing supply contracts.

The application form describes the options for sourcing other parts and the possibility to obtain a limited relaxation of these strict requirements in the event of a temporary disruption of suitable locally produced parts.





## Section 8 – Ability to offer Instalment Finance Facilities to Clients

Market research information commissioned by the City, copies of which are freely available to applicants from the City's website (provide link details), indicate that the ability of qualified customers to pay for the installation of SWH's by monthly instalments could significantly increase the rate of up-take in the residential market in Cape Town. Following discussions with several local financial institutions the City is able to confirm that there is serious interest in providing instalment finance to customers whose creditworthiness is acceptable – the suggested term is a 5-year package to match the product warranty period. This also has the advantage of ensuring that the customer's monthly instalments should come close to the amount saved by not having to purchase as much electricity to heat their water. The financing contract would be between the lending institution and the customer so that the service provider does not hold any responsibility for debt management. The following institutions have been approached and have indicated support but it is stressed that others will probably also wish to take part in the project – it is up to the Applicant to make contact with a lender of their choice:

- ABSA Bank Ltd
- Capitec Bank Ltd
- ECO1 (ISFS {Pty} Ltd}
- FNB Ltd
- Nedbank Ltd
- Solar Credit in association with DirectAxis
- Standard Bank of South Africa Ltd

These potential lenders all have suitable existing products. It may well be that applicants might prefer to hold initial discussions with the banks where their business accounts are held. All the above institutions have indicated that a decision on approving or rejecting an application could be made within 2 working days.

Customers might prefer to have the ability to borrow from the banks where their personal accounts are held – this could include adding the debt to their house mortgage bond if it operates as an access bond and spare equity exists. For that reason accredited service providers might well find it helpful to familiarise themselves with a variety of available products.

The City has also held extensive discussions with the Industrial Development Corporation (IDC) working in co-operation with the French Development Agency (AFD). There is the possibility that bulk funding at concessionary rates could be made available to a limited number of applicants. The terms and conditions of such funding would tend to mean that only large service providers are likely to qualify and that it would take some time to conclude the arrangements. The IDC have stated that their minimum loan facility would be R1 000 000 (one million Rands). The facility is to be made on a direct basis between the IDC and the approved service provider which means that the A.S.P. itself would have to take responsibility for the repayment of the loan to the IDC. This also will require the A.S.P. to be registered with the Financial Services Board as a financial services provider. The administration of the onward lending to customers becomes the responsibility of the S.P. including the debt management function for each individual customer. The City is willing to make available a monthly Billing and Collection service (specifically excluding any debt management function) to assist any such service provider who has need of support in this area. An anticipated monthly administration fee of R10 (ten Rands) (plus V.A.T.) per bill would be charged by the City. In order to keep the cost of the service as low as possible the billing facility



would only be available as an electronic account through e-mail or by logging onto the City's website. Customers without computing facilities could be assisted by the service provider being the contact point so that they could print out bills and send them on to their customers directly.

The City requires the Applicant to provide documentary evidence of its ability to offer instalment finance to potential customers who qualify – to this end a simple letter from a lending institution stating that the Applicant is acceptable to act as a vendor for their services (or is familiar with the product offered) is required. It is possible that arrangements for a bulk lending facility may not be concluded before the closing date for applications under the Accreditation Programme; in such cases a provisional accreditation may be given but no formal contract will be signed with the City until the financing aspects are completed.

## **Section 9 – Financial Standing of the Applicant**

This section, to be read in conjunction with sections 3 and 4 above, is included to indicate to the City that the Applicant is likely to be able to sustain a viable business and thus honour its obligations to customers under the contract with the City. Particular note should be taken of the need that the Applicant must not be indebted to the City at the time of making the application. Accredited service providers may also be delisted in future if they show persistent indebtedness to the City.

## **Section 10 – Confirmation by the Applicant's Representative**

This signatory is required to confirm that all answers and information provided are valid and truthful. It is not essential that the signatory is the same as the nominated contact person under Section 2.



## Part C

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Separate documentation is provided to enable applicants to examine the various obligations that will be placed on them if they are successful in achieving Accredited Service Provider status. The Contract document is not negotiable and will be standard for each successful applicant to enter into. The Code of Conduct is a Schedule to the Contract and may (at the sole discretion of the City) be varied from time to time after the programme has been in operation for at least 12 months and after dialogue between the Accredited Service Providers and the City, particularly if the product specification circumstances have changed. The City requires that certain important elements are included in the Sale Agreements and Maintenance Agreements prepared by individual Accredited Service Providers and these are included in the Code of Conduct.

The documents included for perusal and information are as follows:

- The pro-forma Contract between the City and an Accredited Service Provider
- The Code of Conduct which is Schedule 1 within the Contract



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# THE CITY OF CAPE TOWN'S RESIDENTIAL SOLAR WATER HEATER ACCREDITATION PROGRAMME

## *Application Form*

APPLICATION TO REGISTER UNDER THE CITY OF CAPE TOWN'S ACCREDITATION PROGRAMME FOR THE INSTALLATION OF RESIDENTIAL SOLAR WATER HEATERS

**PLEASE READ THE EXPLANATORY LEAFLET ACCOMPANYING THIS FORM BEFORE COMPLETING IT.**

Kindly complete ALL sections of this form which must then be delivered in hard copy to the PROGRAMME MANAGEMENT AND LIAISON UNIT at the address below together with all required supporting documentation and a receipt obtained – the closing date for applications is noon 12H00 on Friday 30 August 2013.

Receipt No and Date Issued \_\_\_\_\_



**CITY OF CAPE TOWN ENVIRONMENTAL RESOURCE MANAGEMENT DEPARTMENT**  
Energy and Climate Change Unit, 8<sup>th</sup> Floor, 44 Wale Street, Cape Town, 8001

## Section 1 – Business Information about the Applicant

Name of Company, Close Corporation, Partnership, Consortium or Sole Trader:

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If a Partnership or Consortium list every member:

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Company or Close Corporation Registration Number(s):

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If an Individual, provide full name, RSA Identification Number and state how married if applicable (IN or OUT of Community of Property):

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Applicant's Physical Address: (Consortium leader's only) *n.b. this should be the Cape Town or adjacent area office*

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Applicant's Postal Address: (Consortium: leader's only)

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Business Telephone Number: \_\_\_\_\_ Business Fax Number: \_\_\_\_\_

## Section 2 – Authorised Contact Person

Full name of the person signing this application form who warrants that they are mandated to represent the Applicant:

TICK:  Mr /  Mrs /  Ms /  Dr    RSA Identity Number: \_\_\_\_\_

Daytime contact details: Landline: \_\_\_\_\_ Cell No \_\_\_\_\_

Contact E-mail : \_\_\_\_\_



### Section 3 – Business Experience

Please carefully read the Explanatory Leaflet under the section “Business Experience.” Provide supporting documentation as requested – these are again listed below. In this and other sections in this form, Technical Certificates and/or Registrations supplied MUST be copies certified by a Commissioner for Oaths or an appropriate Police Officer.

- A copy of the Partnership or Joint Venture Agreement if the applicant is a Consortium.
- Concise CV’s of the Executive Directors/Members/Partners/Principals of the Applicant including the Public Officer and Head of Operations.
- The Applicant MUST provide a copy of their latest Financial Statements submitted as part of their most recent annual Tax Return to the South African Revenue Service (SARS) – all members of a consortium have to comply with this requirement.
- Procurement and (if applicable) manufacturing/assembly experience of relevant technical equipment and similar products should be detailed. The criteria used for selection of products should be described.
- Indicate any preferential product supplier arrangements that currently exist (or previously have existed) and provide suitable documentary evidence of turnover. Product warranty terms are important to describe.
- Verifiable sales and installation references or referees should be provided if available.
- Any other related information concerning the Applicant’s activities that it considers appropriate demonstrating the ability to manage, operate and sustain a successful business in this sector.
- Details of B-BBEE Status Level
- Give details of the Sales/Marketing methods to be utilised and the numbers of staff currently employed and to be employed using a separate sheet.



## Section 4 – Technical Capacity

Please carefully read the Explanatory Leaflet under the section “Technical Capacity.” Provide supporting documentation as requested – these are listed again below. Technical Certificates and/or Registrations supplied MUST be copies certified by a Commissioner for Oaths or an appropriate Police Officer. Where the numbers of installation staff employed exceed four in each category (e.g. plumbing, electrical etc) then documentary details of a representative selection can be provided. If Nominated Sub-contractors are to be used, they MUST be detailed and letters of appointment and acceptance, with full details of such sub-contractors, MUST be provided between the relevant parties.

- a) How many technical staff in the following categories does the Applicant CURRENTLY directly employ ?
- Qualified plumbing staff \_\_\_\_\_ (Certified P.I.R.B. Solar Qualified Installer registration certificates required)
  - Qualified electrical staff \_\_\_\_\_ (Certified electrical registration certificates required)
  - Other general installation staff \_\_\_\_\_
- b) Is the intention to use outsourced sub-contractors? If the answer is “YES” then they must be nominated and appropriately qualified. Proof MUST be submitted of appointment and acceptance of the nomination and their relevant qualifications also submitted.
- ANSWER:**  YES or  NO (If “YES” Include the required certified documentation)
- c) Does the Applicant have direct experience of providing Maintenance and Repair Services to clients or third parties relating to technical products in the Energy Efficiency or similar sectors ?
- ANSWER:**  YES or  NO If NO, please provide details of outsourced parties

- d) How many years experience does the Applicant’s technical staff have (on average) with installing and maintaining High Pressure Solar Water Heaters or other similar electrical and plumbing products ?

ANSWER: Installations \_\_\_\_\_ years      Maintenance \_\_\_\_\_ years

If no direct experience of HP-SWH’s then state the other product experience:

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## Section 5 – Products and their Installation

- a) The water heating products to be provided MUST be high-pressure solar water heaters which are expected to comply with the minimum requirements of SANS1307. It is also expected that the factory manufacturing process will comply with the requirements of the SABS for the products to be able to carry the SABS mark of approval.. (Documentation required)
- b) The water heating products to be installed by the Applicant MUST be installed in accordance with SANS 10106 and SANS 10142/1. This will also require the issuing of Certificates of Compliance by plumbers registered with the P.I.R.B. for Solar Water Heater installations and electrical Certificates of Compliance issued by Department of Labour registered electricians.

- Will your products meet the required SABS. standard?

**ANSWER:**  YES or  NO

- Provide a certified copy of the following SABS test report if successfully attained (CERTIFIED DOCUMENT REQUIRED):

- SANS1307
- Valid SABS permit to apply the “SABS approved” certification mark to the domestic solar water heater/s described in SANS1307 (CERTIFIED DOCUMENT REQUIRED)

- Will you install the solar water heaters in accordance with SANS 10106 “ and issue the required plumbing Certificates of Compliance?

**ANSWER:**  YES or  NO

- Will you install the solar water heaters in accordance with SANS 10142/1 and issue the required electrical Certificates of Compliance ?

**ANSWER:**  YES or  NO

## Section 6 – Product Warranties and Installer Responsibilities

It is a requirement of the City Endorsement Scheme that successful applicants MUST agree only to install water heating products that will carry warranties covering the efficiency and reliability of all substantive components for a minimum of 5 (five) years from the date of installation. In addition, the installer (Service Provider) MUST undertake to provide a Maintenance and Repair Service to clients during the entire period of the warranty. Where the warranty is provided totally by the manufacturer or supplier, the installer (Service Provider) must take responsibility for administering the warranty claim on behalf of the customer. Repairs and Replacements MUST be provided to every installed product at the initiation of each claim so that the customer continues to have the use of hot water. The customer MUST acquire an annual maintenance service plan of the installed product.

- Does the Applicant agree that they will only install water heating products where the component parts will be warranted free from defect for a period of 5 (five) years (subject to annual maintenance)?

**ANSWER:**  YES or  NO





- Does the Applicant agree that they will replace or repair all warranted product parts promptly for the customer whilst taking responsibility for any warranty claims to the original manufacturer or local supplier?

**ANSWER:**  YES or  NO

- Does the Applicant undertake to provide an Annual Maintenance Service to the customer for at least the first 5 (five) years from the date of installation?

**ANSWER:**  YES or  NO

- The Applicant will be entitled to charge a market related fee for the Annual Maintenance Service. The City recommends that the first annual service should be provided free of charge and that a reasonable market related fee can be charged thereafter. Carefully answer the following 3 (three) questions:

- *Do you agree to provide the first Annual Maintenance Service free of charge?*

**ANSWER:**  YES or  NO (if NO indicate the customer price for the first service) R \_\_\_\_\_

- *Indicate the most likely customer price of the second Annual Maintenance Service R \_\_\_\_\_*

- *Indicate the maximum annual percentage price increase of the next 3 (three) services \_\_\_\_\_ %*

- The Applicant MUST provide the City with a pro-forma Product Warranty Statement and a Maintenance Agreement that will form part of the overall sales contract intended to be signed between itself and the customer. (Documentation required)
- Note that in the event that the warranty and/or maintenance service plan is not fulfilled by the Service Provider, the accreditation agreement may be terminated by the City.
- Describe the Fault Reporting System for customers that you propose to utilise to give effect to warranty claims and/or breakdown complaints:

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## Section 7 – Local Content Western Cape

The City wishes to encourage the use of local content and the manufacturing of component parts in the Western Cape. If parts or products are only available from factories not located in the Western Cape they must be sourced from factories located elsewhere in South Africa. If, in due course, the volume of sales results in the location of additional factories for manufacturing or finishing other SABS approved SWHs and/or component parts into the Western Cape and which carry the SABS mark of approval, then Accredited Service Providers will be required to procure those components from such established manufacturers located in the Western Cape. Adequate lead time prior to the introduction of this requirement will be given to enable Accredited Service Providers to make the necessary adjustments to their sources of supply and product range. This revised requirement will only occur when a competitive supplier situation exists in the Western Cape for SABS marked systems or major component parts thereof.



Accredited Service Providers may approach the City for a temporary relaxation of the requirements only if there is a disruption in supply or it can be proven that the local content has quality defects. Minor components not readily available in South Africa can be excluded from these requirements if independent industry experts can show that there is a proven need for imported products. The City will be entitled to review such exclusions from time to time.

Carefully read Part “B” Section 7 of the Explanatory Leaflet

Do you understand and acknowledge these specific conditions of the City’s Accreditation Programme?

**ANSWER:**  YES or  NO

## Section 8 – Ability to offer Instalment Finance Facilities to Customers

The City considers that a Key Success Factor for the Accreditation Programme will be the ability of each Accredited Service Provider to offer Instalment Finance to their potential customers (subject, naturally, to the individual’s creditworthiness). The City has held preliminary discussions both with potential lenders of concessionary bulk finance and also with the leading retail banks and other specialist providers of finance – see the Explanatory Leaflet for further details.

IT WILL BE A CONDITION OF ACCREDITATION that Applicants are able to offer instalment finance facilities to suitably qualified customers. To this end applicants MUST provide documentary proof of an arrangement with an acceptable lending institution that will enable them to fulfil this mandatory condition failing which the accreditation may be terminated.

Does the Applicant intend to offer instalment finance to approved customers by acting as the primary source of the funding? If “YES” provide documentary proof of the bulk funding arrangements. Registration with the Financial Services Board will need to be proven before signing the City’s contract of accreditation.

**ANSWER:**  YES or  NO (If “YES” provide required document)

Does the Applicant have an arrangement to act as a conduit for a retail banking institution that will provide instalment finance to qualified clients?

**ANSWER:**  YES or  NO (If “YES” provide documentary proof)

The Applicant may elect to work with a financial lending institution – it is accepted that in doing so it may receive a commission for each successful sale involving the use of third party instalment sale finance. The City will require it to state on the sale agreement that it is receiving such commission and MUST declare the percentage of the capital sum that it will receive. Confirm that the applicant WILL comply with this mandatory condition.

**ANSWER:**  YES or  NO

Does the Applicant wish to make use of the City’s services for the Billing and Collection of any Instalment Sale facilities that it intends to operate? (See Explanatory Leaflet – an administration charge would be levied by the City)

**ANSWER:**  YES or  NO

The Applicant must also be transparent in advising individual potential customers that if they currently have a mortgage bond outstanding on their property, their existing Bondholder could possibly consider extending their current mortgage bond if approached. Does the applicant agree to this condition of the Code of Conduct to which they will have to agree to adhere to?

**ANSWER:**  YES or  NO



## Section 9 – Financial Standing of the Applicant

Both the City and lending institutions will require adequate evidence that the applicant has sufficient financial standing to honour their obligations under the Accreditation Programme. The requirements under this section have been established after consultation with the banking sector.

A currently valid SARS Tax Clearance Certificate of Good Standing MUST be provided by the Applicant (including for every member of a Consortium). ORIGINAL DOCUMENT REQUIRED

The Applicant (including every member of a Partnership or Consortium) must not be indebted to the City at the time of submitting the application – a specific credit check will be made internally by the City to verify this.

As required under Section 3 above, the latest Financial Statements submitted as part of their most recent annual Tax Return to SARS MUST be included with this application – this applies to all members of a Consortium. DOCUMENT REQUIRED AS PREVIOUSLY LISTED IN SECTION 3.

A letter of good standing from the Applicant’s main banking institution that includes the length of time that the account has been in operation – in the case of a Consortium this applies to the lead member only. ORIGINAL DOCUMENT REQUIRED.

Proof of Public Liability Insurance. CERTIFIED DOCUMENT REQUIRED

A certified copy of the Occupational Health and Safety Certificate. CERTIFIED DOCUMENT REQUIRED

## Section 10 – Confirmation by the Applicant’s Representative

***Take note, that by signing this Application Form, the Applicant acknowledges that an Accredited Service Provider will be required to abide by the Code of Conduct (mentioned in the Explanatory Leaflet and detailed in the pro-forma Contract as Schedule 1) which will form an integral part of the contract to be signed with the City of Cape Town.***

I, (state full name) \_\_\_\_\_ being the duly authorised representative of the Applicant as described in Sections 1 and 2 above, hereby declare that all the information provided in this application is valid and truthfully stated to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position in the organisation  
(e.g. Director, Partner etc)

\_\_\_\_\_  
RSA Identity Number





CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

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THIS CITY WORKS FOR YOU

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ACCREDITATION AGREEMENT

---

between

**THE CITY OF CAPE TOWN**

("the City")

and

**[NOTE: PLEASE PROVIDE NAME OF SERVICE PROVIDER]**

Registration No. **[Note: Please provide]**

("the Accredited Service Provider")

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### SCHEDULE 1: CODE OF CONDUCT

## 1. INTRODUCTION AND PURPOSE

1.1 The City wishes to encourage local residents to move towards a greater use of sustainable energy by installing products that are more energy efficient, cleaner to the environment and assist in the national need for more demand-side management particularly during this period of supply side difficulties for power generation. To this end it has designed a programme to encourage the installation of High-pressure Solar Water Heaters (“SWH”) by residential property owners.

1.2 Recent market research commissioned by the City has shown that there is indeed a willingness by the public to move in this direction, largely motivated by rapidly increasing electricity tariffs. The research exposed a lack of public knowledge of the available products, their effectiveness and reliability. Unfortunately there is also some suspicion as to the competence and sales ethics of some of the Installers operating in this sector. Others have also expressed the view that the upfront capital sum required remains an inhibitor to an early decision to acquire an SWH.

1.3 The City decided to act in a facilitative and supportive role to try and encourage the faster roll-out of residential SWH’s by:

1.3.1 commencing a public awareness and educational campaign describing the technology and answering typical consumer questions

1.3.2 working with local service providers to try and improve public confidence in the industry

1.3.3 encouraging the growth of local manufacturing capacity in the Western Cape for SWH components

1.3.4 working with banks and other lending institutions to facilitate the greater availability of instalment finance and bulk funding for financing products and the industry itself.

1.4 The programme invited applications from service providers to become accredited to a list maintained by the City. Entry standards will be set covering sales ethics, installation competence, product efficiency and reliability, 5 year warranties, maintenance and repair agreements, and business sustainability by the Accredited Service Providers. At the point of sale of the SWH the Accredited Service Provider should provide information about the possibility of the customer qualifying for instalment finance (subject to individual credit-worthiness) and it shall act as the link to this opportunity. Accredited Service Providers are

appointed by the City to adhere to a Code of Conduct (see Schedule 1) for the duration of the Programme and failure to comply with this may result in delisting if an investigation so determines.

- 1.5 The City has established a Programme Management and Liaison Unit (PMLU) to conduct random inspections on installations to see that the Code of Conduct has been followed. It will also endeavour to assist in the resolution of disputes between Accredited Service Providers and their customers in order to promote confidence in the programme.

## 2. DEFINITIONS

For the purposes of this Agreement, unless the context requires otherwise:

- 2.1 **Accredited Service Provider** means a service provider appointed by the City in terms of this Agreement;
- 2.2 **Agreement** means this Accreditation Agreement and its schedules;
- 2.3 **Application Document** means all documentation completed and submitted to the City by the service provider in order to become eligible to be an Accredited Service Provider in terms of the Programme as per the pro forma application form in Schedule 1(as amended from time to time);
- 2.4 **Business Day** means any day other than a Saturday, Sunday or statutory holiday in the Republic of South Africa;
- 2.5 **Business Information** means all information relating to the Accredited Service Provider including full name, type of entity/person, address(s), company registration number, contract person's details and if a juristic person, full details of the members, partners, directors and shareholders;
- 2.6 **Collection Agency Service** means the service to be offered by the City to the Accredited Service Provider which elects to use such service in terms of which the City will bill consumers, collect and pay collected funds to the Accredited Service Provider in respect of the Products sold to the consumer;
- 2.7 **Code of Conduct** means the code of conduct set out in Schedule 1 which may be amended from time to time;

- 2.8 **Commencement Date** means 1 October 2013 or such other date agreed in writing;
- 2.9 **Confidential Information** means the terms and conditions of this Agreement, any information concerning the customers, assets, finances, operations, business or affairs of the Parties and any information expressly marked or designated by either Party as confidential;
- 2.10 **Concessionary Bulk Finance Service** means a service in terms of which the Accredited Service Provider provides credit funding to consumers;
- 2.11 **Eligibility Criteria** means the eligibility criteria and standards that must be complied with by the service provider as set out in the Application Documentation in order to become eligible to conclude this Agreement;
- 2.12 **High Pressure Solar Water Heater Systems (SWH)** means the solar water heater system comprising the Products, including the collector, the storage tank/geyser (including the element and thermostat), the mounting bracket, the valves (vacuum breaker, pressure release and tempering), piping, pipe bends, connectors and wire, and the control unit;
- 2.13 **List of Accredited Service Providers** means the list of City accredited service providers, which is displayed and is easily accessible to the public on the City's website [www.savingelectricity.org.za](http://www.savingelectricity.org.za);
- 2.14 **Major Components** means the major components of the SWH, comprising of the solar thermal collector, the storage tank/geyser and the mounting bracket;
- 2.15 **Parties** means the City and the Accredited Service Provider and **Party** means either one of them;
- 2.16 **PIRB** means the Plumbing Industry Registration Board
- 2.17 **PMLU** means the programme management and liaison unit established by the City and tasked with monitoring the implementation of the Programme and compliance of the Accredited Service Providers with the Code of Conduct;
- 2.18 **Product** means all components of the High Pressure Solar Water Heater Systems and all ancillary products thereto as well as any components of such ancillary products;
- 2.19 **Programme** means the solar water heating accreditation programme as approved by the City in terms of which service providers are accredited by the City and are placed on the List of Accredited Service Providers in order to provide high pressure solar water heaters to



residential customers;

2.20 **SABS** means the South African Bureau of Standards;

2.21 **SANS** means a South African National Standard as approved by the SABS

2.22 **Services** means the services to be provided by the Accredited Service Provider to customers in terms of the Programme as more fully described in Schedule 1 (as amended from time to time).

### 3. **APPOINTMENT OF ACCREDITED SERVICE PROVIDER**

The City hereby appoints the Accredited Service Provider upon the terms and conditions set out in this Agreement.

### 4. **BENEFITS OF ACCREDITATION**

4.1 The Accredited Service Provider shall receive the following benefits from the Commencement Date and subject to appointment:

4.1.1 the City shall ensure that the service provider is listed as an Accredited Service Provider;

4.1.2 the City shall update the details on the List of Accredited Service Providers from time to time, upon receiving written information from the Accredited Service Provider;

4.1.3 the City shall ensure that it provides media advertising in respect of the Programme for 3 (three) years from 1 September 2013;

4.1.4 the Accredited Service Provider may elect to appoint the City as its billing and collection agent in respect of its Services and Products. This benefit shall be subject to a separate agreement between the parties and will exclude any responsibility for debt management by the City.

### 5. **ELIGIBILITY CRITERIA AND MAINTENANCE OF ACCREDITATION OF THE SERVICE PROVIDER**

5.1 In order to be appointed as an Accredited Service Provider in terms of this Agreement the service provider will have been assessed as meeting the Eligibility Criteria as stated in the Application Documentation.

- 5.2 To maintain accreditation, the Accredited Service Provider must at all times comply with the requirements of Schedule 1 (the Code of Conduct).
- 5.3 The City may on 30 days' notice to the Accredited Service Provider amend the requirements of Schedule 1 (the Code of Conduct), subject to having conferred with the Accredited Service Providers before implementing same.
- 5.4 The Accredited Service Provider shall provide all information to the City in writing in terms of the Code of Conduct within 7 (seven) days of any such amendments having been finalised.
- 5.5 Failure to comply with the Code of Conduct at any time during the period of this Agreement shall entitle the City to withdraw accreditation as provided in clause 9.
- 5.6 Failure to provide the required information relating to the Code of Conduct shall entitle the City to withdraw accreditation as provided in clause 9.

## 6. **OBLIGATIONS OF THE ACCREDITED SERVICE PROVIDER**

- 6.1 The Accredited Service Provider shall at all times adhere to the Code of Conduct or any amendments thereto.
- 6.2 The Accredited Service Provider undertakes to allow members of the PMLU to inspect its Services, Products and installations at any time during normal business hours on 24 (twenty-four) hours' notice to the Accredited Service Provider in order to ensure adherence to the Code of Conduct and the terms of this Agreement.
- 6.3 Prior to concluding any sale to a customer the Accredited Service Provider shall inform all potential customers that instalment finance facilities are available for the Products subject to the individual credit worthiness of the potential customer.
- 6.4 If the Accredited Service Provider makes use of concessionary bulk finance it shall register and maintain its registration as a registered credit provider, in terms of the National Credit Act 34 of 2005, as amended from time to time.
- 6.5 The Accredited Service Provider shall:
- 6.5.1 ensure that it does not become indebted to the City in any manner whatsoever during the period of the Agreement;

- 6.5.2 submit copies of its annual financial statements and a Tax Clearance Certificate of good standing from the South African Revenue Service to the City within 3 (three) months of its financial year end;
- 6.5.3 maintain public liability insurance in such amount as is reasonable to the industry for the duration of this Agreement and shall provide the City with satisfactory proof of such insurance policy by 31 March of each year;
- 6.5.4 ensure that it complies with the provisions of the Occupational Health and Safety Act 85 of 1993, as amended from time to time;
- 6.5.5 ensure that all SWHs are installed in accordance with the SABS solar water heater installation standards (SANS10106 and SANS10142-1). Additionally, each installed Product must be issued with the appropriate separate plumbing and electrical Certificates of Compliance duly signed by a plumber registered with the PIRB and an electrician registered with the national Department of Labour;
- 6.5.6 ensure that all Products carry a warranty covering the efficiency, reliability and maintenance of all Major Components of such Products for a minimum of 5 (five) years from the date of installation;
- 6.5.7 repair and/or replace any of the Major Components or the entire SWH, if same is proven to be defective within the 5 (five) year period;
- 6.5.8 ensure that a maintenance and repair service is incorporated in the sale agreements, unless otherwise agreed by the Parties, with customers and shall provide such maintenance and repair service to customers for the duration of the warranty period;
- 6.5.9 only procure and install Products that bear the SABS mark of approval, meeting the requirements of SANS1307 and which are available in competitive supplier local market conditions;
- 6.5.10 procure Major Components that have been manufactured or assembled in the Western Cape Province provided that a competitive supplier market exists in the Western Cape Province. In the event that Major Components are only available from sources outside the Western Cape Province or a competitive supplier market does not exist in the Western Cape Province, such Major Components may be sourced elsewhere within South Africa. Accredited Service Providers may approach

the City for consent to procure Major Components outside of South Africa in the event that such Major Components are only available from overseas suppliers in instances of absence of availability, disruptions to supply or persistent quality defects. The City may elect to give consent for a specified period only. Proof of the unavailability of the Major Components or of persistent quality defects shall be submitted to the City by the Accredited Service Provider.

## **7. TERM AND RENEWAL**

7.1 Notwithstanding the date of signature of this Agreement it shall commence on the Commencement Date and shall endure for a period of 24 (twenty-four) months (“the Initial Period”) unless accreditation is withdrawn in terms of clause 9 or the Agreement is terminated.

7.2 Upon completion of the Initial Period the Accredited Service Provider will be entitled to apply for accreditation for a further period of 24 (twenty four) months subject to meeting the then current Eligibility Requirements.

7.3 The application shall be submitted to the City at least 90 (ninety) days prior to termination of the Initial Period.

7.4 If the Accredited Service Provider is successful in its application it shall be on the same terms and conditions subject to any amendments that may be necessary to comply with any laws, regulations or policies applicable at the time.

## **8. CONFIDENTIALITY**

8.1 The Parties undertake that for the duration of this Agreement and after the expiry or earlier termination of this Agreement for any reason, they will uphold the confidentiality of each other’s confidential information.

8.2 If either Party is uncertain about whether any information is to be treated as confidential, they shall be obliged to treat it as such until clearance in writing is obtained from the other Party.

8.3 The Parties undertake not to disclose or use any information to be kept confidential except to the extent that the disclosure is bona fide and necessary for the purposes of carrying out his duties in terms of this Agreement.

8.4 The provisions of this clause 8 shall survive the termination or cancellation of this Agreement for any reason whatsoever.

9. **NON-COMPLIANCE BY THE ACCREDITED SERVICE PROVIDER WITH SCHEDULE 1 (THE CODE OF CONDUCT)**

9.1 Should the City have reason to believe, at any time during the period of this Agreement, that the Accredited Service Provider is not complying with the Code of Conduct in any respect, it may issue a notice calling upon the Accredited Service Provider to rectify such non-compliance, and the Accredited Service Provider shall rectify such issues or make representations to the City within 15 (fifteen) days of such notice.

9.2 Should the incidence of non-compliance not be rectified or resolved to the City's satisfaction within the aforesaid period, the City may issue a final notice advising the Accredited Service Provider of withdrawal of accreditation.

9.3 An Accredited Service Provider whose accreditation is withdrawn in terms of this clause 9 may reapply for accreditation for consideration by the City after a period of 6 (six) months has lapsed.

10. **DECISIONS OF THE CITY**

10.1 The Accredited Service Provider shall be entitled to refer any decision taken by the City in terms of the following legislative processes:

10.1.1 the right of appeal in terms of Section 62 of the Local Government: Municipal Systems Act No. 32 of 2000;

10.1.2 the right of review in terms of the provisions of the Promotion of Administrative Justice Act No. 3 of 2000.

11. **TERMINATION**

In the event that the Accredited Service Provider is placed under provisional liquidation or under business rescue then the City shall be entitled to summarily terminate this Agreement upon written notice.

## 12. **LIABILITY**

12.1 The City shall be not be liable for any damages, loss, costs and/or expenses sustained or incurred by any consumers, parties contracted to the Accredited Service Provider and/or any third party as a consequence of any of the Services provided by the Accredited Service Provider or as a result of a non-compliance as described in clause 10 by the Accredited Service Provider of any of its obligations in terms of this Agreement.

12.2 The Accredited Service Provider indemnifies and holds the City harmless against any such loss, damages, costs and/or expenses as described in clause 12.1.

12.3 Subject to the provisions of clause 12.5, the City shall not be liable for any loss, injury, death, damage, costs, damages or expenses suffered or incurred by the Accredited Service Provider, its employees, contractors, sub-contractors, agents and/or authorised representatives from whichever cause arising.

12.4 The Accredited Service Provider further indemnifies and holds the City harmless against any and all such loss, injury, death, damage, costs, damages and expenses, and claims in respect of losses incurred in terms of clause 12.3.

12.5 The provisions of this clause 12 shall not be construed so as to exclude the liability of the City insofar as such liability may be statutorily imposed upon it in terms of any South African legislation or regulations.

## 13. **GENERAL**

### 13.1 **Communications between the Parties**

All notices, demands and other oral or written communications given or made by or on behalf of any of the Parties to any other Party shall be in English or accompanied by a certified English translation.

### 13.2 **Remedies**

Subject to the provisions of clause 8, no remedy conferred by this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, by statute or otherwise. Each remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law, by statute or otherwise. The election of any one or more remedy by any of the Parties shall not constitute a waiver by such Party of the right to pursue any other remedy.

13.3 **Severance**

If any provision of this Agreement, which is not material to its efficacy as a whole, is rendered void, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

13.4 **Entire agreement**

13.4.1 This Agreement constitutes the entire agreement between the Parties in regard to its subject matter.

13.4.2 Neither of the Parties shall have any claim or right of action arising from any undertaking, representation or warranty not included in this Agreement.

13.5 **Variations**

No agreement to vary, add to or cancel this Agreement shall be of any force or effect unless recorded in writing and signed by or on behalf of all of the Parties.

13.6 **No waiver**

The failure by any of the Parties to enforce any provision of this Agreement shall not affect in any way that Party's right to require performance of the provision at any time in the future, nor shall the waiver of any particular breach of a provision nullify the effectiveness of the provision itself.

13.7 **Assignment**

Save as permitted by the provisions of this Agreement, no Party may cede any of its rights or delegate any of its obligations under this Agreement.

13.8 **No partnership**

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties (or any of them) or constitute any Party to be the agent, employee or sub-contractor of any other Party for any purpose.

13.9 **General Co-Operation**

The Parties shall co-operate with each other and execute and deliver to the other Party such other instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

13.10 **Counterparts**

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by signing any such counterpart.

13.11 **Survival of Rights, Duties and Obligations**

Termination of this Agreement for any cause shall not release either Party from any liability which at the time of termination has already accrued to the other Party or which thereafter may accrue in respect of any act or omission prior to such termination.

13.12 **Applicable Law**

13.12.1 This Agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.

13.12.2 Subject to the provision of this Agreement, the Parties hereby consent and submit to the non-exclusive jurisdiction of the Western Cape High Court, Cape Town, in any dispute arising from or in connection with this Agreement.

13.13 **Rights of Third Parties**

This is an agreement between the Parties only and no rights are stipulated for the benefit of any third party.

14. **ADDRESSES FOR LEGAL PROCESSES AND NOTICES**

14.1 The Parties choose for the purposes of this Agreement the following addresses and telefax numbers:



14.1.1	City	Address	<b>PMLU 8<sup>th</sup> floor 44 Wale Street Cape Town</b>
		Telefax No.	<b>(021) 424-9313</b>
		Email	<b>swh.info@capetown.gov.za</b>

14.1.2	Accredited Service Provider	Address .....	
		Telefax No.....	
		Email.....	

14.2 Any legal process to be served on any of the Parties may be served on it at the address specified for it in clause 14.1 and it chooses that address as its *domicilium citandi etexecutandi* for all purposes under this Agreement.

14.3 Any notice or other communication to be given to any of the Parties in terms of this Agreement shall be valid and effective only if it is given in writing, provided that any notice given by telefax or e-mail shall be regarded for this purpose as having been given in writing.

14.4 A notice to any Party which is sent by registered post in a correctly addressed envelope to the address specified for it in clause 14.1 shall be deemed to have been received within 21 (twenty one) days from the date it was posted, or which is delivered to the Party by hand at that address shall be deemed to have been received on the day of delivery, provided it was delivered to a responsible person during ordinary business hours.

14.5 Each notice by telefax or e-mail to a Party at the telefax number or e-mail address specified for it in clause 14.1 shall be deemed to have been received within 4 (four) hours of transmission if it is transmitted during normal business hours of the receiving Party or within 4 (four) hours of the beginning of the next Business Day at the destination after it is transmitted, if it is transmitted outside those business hours.

14.6 Notwithstanding anything to the contrary in this clause 14, a written notice or other communication actually received by any Party shall be adequate written notice or communication to it notwithstanding that the notice was not sent to or delivered at its chosen address.

14.7 Any Party may by written notice to the other Parties change its address, telefax number or e-mail address for the purposes of clause 14.1 to any other address (other than a post office

box number) provided that the change shall become effective on the seventh day after the receipt of the notice.

SIGNED at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_ 2013

For and on behalf of  
**THE CITY OF CAPE TOWN**

\_\_\_\_\_  
Signatory:  
Capacity:  
Who warrants his authority hereto

SIGNED at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_ 2013

For and on behalf of

\_\_\_\_\_  
Signatory:  
Capacity:  
Who warrants his authority hereto

## SCHEDULE 1

### CITY OF CAPE TOWN

#### RESIDENTIAL SOLAR WATER HEATER (SWH) ACCREDITATION PROGRAMME

##### CODE OF CONDUCT FOR CITY ACCREDITED SERVICE PROVIDERS

###### INTRODUCTION

- The Accredited Service Provider shall be obliged to comply with the obligations set out herein for the duration of the Agreement.

###### MARKETING THE SERVICES AND PRODUCTS

- services and products shall be marketed HONESTLY and in a simple to understand style. Marketing material shall be drafted in plain language and shall not contain false, misleading or deceptive representations
- customers shall have the right to refuse to accept any direct marketing approach
- the marketing approach shall be POLITE and shall be conducted without placing undue pressure on customers to purchase the services and products
- the Accreditation Service Provider's REFERENCE NUMBER shall be provided to customers
- details of how to VERIFY the reference number shall be provided to customers

###### SALE AGREEMENT WITH CUSTOMER

- shall be drafted in plain and understandable language
- shall comply with all statutory provisions of the Consumer Protection Act 68 of 2008 to ensure that the rights of the customer are not infringed upon, including the customer's right to fair, just and reasonable terms and conditions in the Agreement and the customer's right to fair value, good quality and safety of services and products
- the period and extent of the Product Warranty shall be clearly stated and shall endure for at least 5 years (see below)
- the OPTION of an Instalment Sale or Rent-to-Buy shall be included in the Agreement subject to the individual creditworthiness of customers

- a COPY of the sale agreement to be utilised shall be lodged at the City and updated by any amendment thereto promptly in compliance with the above
- a copy of each executed Sale Agreement shall be forwarded to the City's PMLU on a weekly basis to enable the PMLU to perform random inspections for quality control purposes
- the Accredited Service Provider shall comply with the provisions of the signed Sale Agreement
- any financing terms provided by the Accredited Service Provider shall be included in the Sale Agreement in compliance with the provisions of the National Credit Act, 2005

#### **OFFER OF INSTALMENT SALE FINANCE (OR EQUIVALENT)**

- an appropriate monthly instalment payment plan for the SWH sale is MANDATORY as an elective option to the customer (subject to their individual creditworthiness). As a guideline, a 5 year payment plan is considered to be appropriate
- if the loan or rental finance to the customer is to be provided directly by the Service Provider, the offer shall be legally compliant in terms of describing the PERIOD, INTEREST RATE, any possible VARIATIONS in the interest rate, the MONTHLY INSTALMENT and the TOTAL AMOUNT PAYABLE – the financial facility may either be incorporated in the Sale Agreement or be the subject of a separate FINANCING AGREEMENT
- if applicable, proof of registration as a credit provider in terms of the National Credit Act, 2005 is to be lodged at the City
- if the loan or rental finance to the customer is to be provided by a THIRD PARTY, the Service Provider may receive a commission from the financing party but such commission shall be declared in the separate LOAN AGREEMENT issued by the lender
- annual servicing of the installed product SHALL be offered – see below

#### **INSTALLATION TECHNIQUES AND PRODUCTS USED**

- the Products shall carry the SABS mark of approval and comply with SANS 1307
- maximum use shall be made of Major Components manufactured in South Africa with preference for those manufactured or assembled in the Western Cape if a competitive supplier market exists

- the Accredited Service Provider shall install the SWH in accordance with the SABS solar water heater installation standards SANS 10106 and SANS 10142-1 and issue both a Certificate of Compliance from the Plumbing Industry Registration Board (PIRB) and an electrical Certificate of Compliance signed by a Department of Labour registered electrician which shall be provided to the customer
- Accredited Service Providers shall procure and maintain a valid Occupational Health and Safety Certificate issued in terms of the Occupational Health and Safety Act 85 of 1993 and maintain Public Liability Insurance cover in such a sum as is reasonable for their industry activities or in such amount as advised by the City based on best practice
- a copy of the Occupational Health and Safety Certificate and proof of the requisite Public Liability Insurance shall be lodged at the City

#### **WARRANTY FOR THE INSTALLED PRODUCT**

- the installed SWH shall to be offered with a full repair or replacement warranty covering all Major Components of the Product for 5 (five) years from the date of installation and this shall be included in the Sale Agreement
- if the warranty offered is provided only by the equipment manufacturer, the Accredited Service Provider SHALL act as the responsible agent and be responsible for enforcement of the warranty
- the service provider SHALL respond promptly to claims lodged by the customer under the warranty and specifically strive to ensure that the customer does not suffer an uninterrupted period without hot water of more than 24 hours from the time of reporting any fault in terms of the Service Provider's fault reporting system

#### **MAINTENANCE AND SERVICING**

- the service provider SHALL offer an annual service inspection of the installed product in line with the manufacturer's recommendations, which shall be included in the sale agreement
- the FIRST service is to be provided WITHOUT CHARGE on or as close as is reasonably possible to the anniversary of the date of installation unless specifically agreed otherwise in writing
- subsequent annual servicing of the installed product shall be performed at market related fees and an indication of such fees shall be stated in the Sale Agreement
- the service provider may require that such annual servicing shall be a condition of the warranty during its period of validity

- after the period of warranty expires the customers shall be permitted to select other suitable service providers without a penalty being levied
- the Accredited Service Provider SHALL hold, at all times, an adequate stock of critical spare parts for the installed Products to ensure that customers do not suffer a period in excess of 24 hours without hot water due to a lack of critical spare parts
- the Accredited Service Provider shall comply with the provisions of the maintenance agreement for the duration of this Agreement
- if separate to the sale agreement, a copy of each executed maintenance agreement shall be forwarded to the City's PMLU on a weekly basis to enable the PMLU to perform inspections for quality control purposes

#### **ANNUAL UPDATING OF KEY INFORMATION HELD BY THE CITY**

The following shall be provided by 31 March of each year unless otherwise stated:

- A valid Tax Clearance Certificate of Good Standing issued by the South African Revenue Service (SARS)
- A certified copy of the most recent annual financial statements of the Accredited Service Provider
- Proof of current Public Liability Insurance
- A certified copy of the Occupational Health and Safety Certificate
- Any changes in the legal structure, including business rescue, of the Accredited Service Provider within 30 days
- Any change in the contact details including the physical address within 30 days

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