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**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 Accredited 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 Accredited 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 Accredited 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 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 Accredited 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 Accredited Service Provider's fault reporting system

## MAINTENANCE AND SERVICING

- the Accredited 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 Accredited 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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**PROFESSIONAL SERVICES AGREEMENT**

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between

**THE CITY OF CAPE TOWN**

("the City")

and

**THE PLUMBING INDUSTRY REGISTRATION BOARD**

Professional Body Status Number: PIRB831

("the PIRB")

## PREAMBLE

The City of Cape Town (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 ("SWHs") by residential property owners

The programme invited applications from service providers to become accredited to a list maintained by the City. Entry standards have been 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.

The purpose of this agreement is for the City to secure the service of the Plumbing Industry Registration Board (the PIRB) to assist in monitoring the standards of SWHs installed by Accredited Service Providers as part of the City's Solar Water Heater Accreditation Programme (the Programme).

The PIRB shall be required to inspect a selection of SWHs installed by Accredited Service Providers. Each month the City shall provide a list instructing the PIRB as to which installations are to be inspected. The PIRB will further be required on an ad-hoc basis to assist in dealing with Customer complaints.

This agreement is solely between the City and the PIRB and seeks to instil the high professional standards of the PIRB in SWHs installed as part of the Programme so that Accredited Service Providers are compliant and so that Customers are ensured that their SWH is a reliable, high-quality, energy-efficient product.

[Appointment - a comment is required as to how the appointment has been made in terms of the City's Supply Chain Management regulations.](#)

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## 1. DURATION

This engagement shall commence on 1 October 2013 and shall continue until 30 April 2014, unless terminated earlier by one of the Parties via clause 6, or renewed by Parties by agreement as per clause 12.

## 2. SERVICES AND COUNTER OBLIGATIONS

The City agrees after consultation with the PIRB to provide a list of SWHs installed by Accredited Service Providers every month from the date of inception of this Agreement until its termination directing the PIRB to inspect said installations.

The PIRB agrees to conduct inspections on a monthly basis as directed above. Such inspections shall be performed in line with the PIRB's own professional standards and within 30 (thirty) days of the receipt of the list of installations from the City.

If the PIRB deems a SWH installation to have passed the inspection, a Certificate of Compliance shall be issued by the PIRB and furnished to the City within 14 (fourteen) days after the inspection. (Query – I think that the CoC has already been issued by the ASP's registered Plumber and the PIRB is inspecting the work to validate the veracity of the CoC ??)

If the PIRB deems a SWH installation to have failed the inspection, the City shall be notified immediately and a report detailing the nature of the non-compliance shall be prepared by the PIRB and furnished to the City no later than 14 (fourteen) days after the inspection.

## 3. REMUNERATION

The PIRB shall provide the City with an invoice on a monthly basis detailing all works carried out in terms of clause 2 of this Agreement in the preceding month.

The PIRB shall charge the City a set rate per inspection as determined by Annexure 1 of this agreement.

If the City instructs the PIRB to inspect an installation as per clause 2 above and coincidentally that installation either has been or is due to be inspected as per the PIRB's own mandate to inspect 5% of all plumbing installations in South Africa then the PIRB shall provide the City with either the Certificate of Compliance or non-compliance report (as in clause 2) without any cost implication to the City.

The City agrees to remunerate the PIRB for services rendered as per the monthly invoices and shall provide the respective payment no later than 30 (thirty) days after the receipt of an invoice for services rendered supported by reasonable documentation.

## 4. CONFIDENTIALITY

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.

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.

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.

The provisions of this clause 4 shall survive the termination or cancellation of this Agreement for any reason whatsoever.

## **5. DISPUTE RESOLUTION**

If any dispute related to this Agreement arises, the Parties shall attempt to resolve such dispute in an amicable and reasonable manner.

The Parties hereby submit and consent to the non-exclusive jurisdiction of the Western Cape High Court, Cape Town, in any dispute arising from or in connection with this Agreement that cannot be resolved as indicated above.

## **6. TERMINATION/BREACH**

Either Party may terminate this agreement at any time upon giving 60 days written notice to the other.

Should either Party commit any breach of its obligations in terms hereof and fails to remedy that breach within 7 (seven) days after receipt of written notice to do so, the other Party shall be entitled to terminate this Agreement upon final notice of termination to the other.

## **7. LIABILITY**

The City shall not be held liable for any damage arising out of injury to the PIRB or its employees suffered whilst such person is any premises owned by the City or the Customer arising out of damage to the person or loss of property belonging to such person on such premises or property, whether such injury or damage or loss is caused by negligence of the City, Customer or any of their employees or agents or by any other cause. The PIRB hereby indemnifies the City and the Customer against such claim or liability.

## **8. ACKNOWLEDGEMENTS BY THE PIRB**

The PIRB is an independent body and nothing in this Agreement should be construed as constituting an employment relationship between the PIRB and the City. The PIRB acknowledges that this Agreement is not subject to any employment law or statute.

Representatives of the PIRB are not employees of the City and the City shall have no liability in respect of any breach by the PIRB of any of its terms of any of its agreements with its representatives.

The City is a customer of the PIRB and this Agreement does not constitute and shall not be deemed to create a principal/agent relationship or joint venture or partnership between the City and the PIRB.

## **9. CESSION AND ASSIGNMENT**

The PIRB shall not cede any of its rights nor assign any of its obligations as per this Agreement without the prior consent of the City.

#### **10. AUTHORITY TO REPRESENT THE CITY**

Notwithstanding anything to the contrary herein, the PIRB acknowledges that it has no authority whatsoever to represent the City in any capacity whatsoever.

#### **11. ENTIRE AGREEMENT**

This document, together with Annexure 1 constitutes the entire agreement between the Parties.

#### **12. OPTION FOR RENEWAL**

If the Parties mutually agree to renew this Agreement for a further agreed period then they may do so by way of the signature and addition of an addendum to be added to this Agreement provided that this is executed no later than 60 (sixty) days prior to the expiration of this Agreement.

As part of this renewal process the Parties may renegotiate the remuneration for services provided in Annexure 1.

#### **13. ADDRESSES FOR LEGAL PURPOSES AND NOTICES**

The Parties hereby choose *domicilium citandi et executandi* for all notices and processes to be given and served in pursuance hereof at their respective addresses as detailed below. Any notice of change in address shall be given in writing to the other Party upon which time the address so notified shall serve as the new *domicilium citandi et executandi* as foresaid.

#### **City of Cape Town**

Address           PMLU  
                      8<sup>th</sup> floor  
                      44 Wale Street  
                      Cape Town

Telefax No.       (021) 424-9313

Email             [swh.info@capetown.gov.za](mailto:swh.info@capetown.gov.za)

#### **Plumbing Industry Registration Board**

Address           [Note: Insert Address]

Telefax No.       [Note: Insert telefax No.]

Email             [Note: Insert email address]

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  
**THE PLUMBING INDUSTRY  
REGISTRATION BOARD**

---

Signatory:

Capacity:

Who warrants his authority hereto

**ANNEXURE 1**

Remuneration details:

DRAFT

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**PROFESSIONAL SERVICES AGREEMENT**

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between

**THE CITY OF CAPE TOWN**

("the City")

and

**THE WESTERN CAPE APPROVED ELECTRICAL INSPECTION AUTHORITY**

("the WCAEIA")

## **PREAMBLE**

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The programme invited applications from service providers to become accredited to a list maintained by the City. Entry standards have been 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.

The purpose of this agreement is for the City to secure the services of the Western Cape Approved Electrical Inspection Authority (the WCAEIA) to assist in regulating the standards of SWHs installed by Accredited Service Providers as part of the City’s Solar Water Heater Accreditation Programme (the Programme).

The WCAEIA shall be required to inspect a selection of SWHs installed by Accredited Service Providers. Each month the City shall provide a list instructing the WCAEIA as to which installations are to be inspected. The WCAEIA will further be required on an ad-hoc basis to assist in dealing with Customer complaints.

This agreement is solely between the City and the WCAEIA and seeks to instil the high professional standards of the WCAEIA in SWHs installed as part of the Programme so that Accredited Service Providers are compliant and so that Customers are ensured that their SWH is a reliable, high-quality, energy-efficient product.

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The WCAEIA shall charge the City a set rate per inspection as determined by Annexure 1 of this agreement.

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Should either Party commit any breach of its obligations in terms hereof and fails to remedy that breach within 7 (seven) days after receipt of written notice to do so, the other Party shall be entitled to terminate this Agreement upon final notice of termination to the other.

#### **7. LIABILITY**

The City shall not be held liable for any damage arising out of injury to the WCAEIA or its employees suffered whilst such person is on any premises owned by the City or the Customer arising out of damage to the person or loss of property belonging to such person on such premises or property, whether such injury or damage or loss is caused by negligence of the City, Customer or any of their employees or agents or by any other cause. The WCAEIA hereby indemnifies the City and the Customer against such claim or liability.

#### **8. ACKNOWLEDGEMENTS BY THE WCAEIA**

The WCAEIA is an independent body and nothing in this Agreement should be construed as constituting an employment relationship between the WCAEIA and the City. The WCAEIA acknowledges that this Agreement is not subject to any employment law or statute.

Representatives of the WCAEIA are not employees of the City and the City shall have no liability in respect of any breach by the WCAEIA of any of its terms of any of its agreements with its representatives.

The City is a customer of the WCAEIA and this Agreement does not constitute and shall not be deemed to create a principal/agent relationship or joint venture or partnership between the City and the WCAEIA.

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#### **10. AUTHORITY TO REPRESENT THE CITY**

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#### 11. ENTIRE AGREEMENT

This document, together with Annexure 1 constitutes the entire agreement between the Parties.

#### 12. OPTION FOR RENEWAL

If the Parties mutually agree to renew this Agreement for a further agreed period then they may do so by way of the signature and addition of an addendum to be added to this Agreement provided that this is executed no later than 60 (sixty) days prior to the expiration of this Agreement.

As part of this renewal process the Parties may renegotiate the remuneration for services provided in Annexure 1.

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#### City of Cape Town

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

#### Western Cape Approved Electrical Inspection Authority

Address           [Note: Insert Address]  
Telefax No.       [Note: Insert telefax No.]  
Email             [Note: Insert email address]

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  
**THE WESTERN CAPE APPROVED  
ELECTRICAL INSPECTION AUTHORITY**

---

Signatory:  
Capacity:  
Who warrants his authority hereto

DRAFT

**ANNEXURE 1**

Remuneration details:

DRAFT



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

# The Residential Solar Water Heater Accreditation Programme

Pre-launch briefing for potential applicants  
Monday 29 July 2013  
The Old Mutual Auditorium, Pinelands



Smart Living. Smart Saving.  
For all the right reasons.



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

## Arrangement of presentation(for prep)

- Hilton
  - The reasons for the market interventions and how the RSWHAP is arranged to implement these interventions
- Communications team (Sheryl?)
  - The City marketing programme and the marketing toolkit
- Peter
  - The centre-piece putting the accreditation into operation: the Code of Conduct

# TECHNICAL & LEGAL ASPECTS

- The Accreditation Programme
- The Code of Conduct and Contract
- Programme Management and Liaison Unit
- Instalment finance facilities
- Questions of clarification
- Close and Networking opportunity



# **THE ACCREDITATION PROGRAMME (The City Open Endorsement Scheme)**

- Potential Service Providers (S.P.'s) are invited apply to be accredited but must meet qualifying standards.
- The standards will be high but accessible to serious players.
- Accredited S.P.'s will appear on a list open to public scrutiny.
- A Programme Management and Liaison Unit will screen applicants, monitor performance and help to resolve possible disputes between S.P.'s and their customers.
- The City's role is as a Facilitator and Enabler.

## THE SUPPORTIVE ROLE

- A generic marketing campaign will commence in August 2013 initially to educate consumers about energy efficiency using SWH's.
- The Accreditation Programme will be explained and commended to the public in terms of introducing reliable, competent and trustworthy S.P.'s.
- Instalment finance availability is seen as a Key Success Factor.
- A City billing and collection service can be offered but may not be necessary. It will NOT include the debt management role.

# THE RULES

- Accreditation for endorsement requires an S.P. to meet our Evaluation Criteria.
- The criteria cover technical and business competence and capacity, product standards and warranties, financial capacity and local content.
- Links to financial institutions are needed to offer instalment finance to clients.
- Abiding by a Code of Conduct will be mandatory.

# EVALUATION CRITERIA PRINCIPLES

- The objectives are to accredit S.P.'s that can build confidence in the consumer market – so:
  - Technical competence and capacity.
  - Business capacity – a sustainable track record.
  - Product reliability, effectiveness and spare parts.
  - Maximise local content – a Mayoral priority.
  - A 5-year warranty and annual servicing.
  - Financial standing to satisfy the banks and the City.

# The Code of Conduct and Contract

- Marketing - politeness, honesty, fair, competent
- Sale Agreement - plain language, compliant with Consumer Protection Act 2008, City sets minimum information, City to receive a copy of every sale for monitoring purposes
- Products and Installation standards SANS 1307 for products and SANS 10106 and 10142-1 for installations. Certificates of Compliance for plumbing and electrical work MUST be issued
- 5 year product warranty for all major parts
- Matching maintenance and service agreement essential (client pays)
- Instalment finance facility MUST be offered as an option to qualified customers
- Annual update to the City of relevant information
- This is all embodied in a legally binding contract between S.P.'s and the City

# THE PROGRAMME MANAGEMENT AND LIAISON UNIT (PMLU)

- The roles cover screening applications, monitoring performance and mediating disputes.
- Applications will be screened to meet the set Evaluation Criteria for accreditation.
- A list of accredited S.P.'s will be maintained for validation by the public (accessed at City website, offices and telephonically).
- S.P. installations will be randomly inspected for technical compliance & adherence to the Code of Conduct.
- If disputes occur between an S.P. and client, the PMLU can mediate to try and resolve the issue.

## NON COMPLIANCE

- Serious non-compliance and failure to follow the Code of Conduct will result in “de-listing.”
- An appeals process will exist.
- The need is to ensure the growth of public confidence in the Accreditation Programme
- We expect that the lenders will tend to lose faith in delisted S.P.s as it also would cause them potential difficulties with the loan recovery from the customers.

# INSTALMENT FINANCE FACILTIES

- The City has established the need for instalment finance as an important catalyst in rolling out the programme with lenders
- ABSA, Capitec, FNB, Nedbank and Standard will participate
- Two specialist solar energy product lenders are also going to participate: ECO1 and Solar-Credit in association with DirectAxis
- Bulk loans (minimum R1 million) may be available from the IDC but the S.P. then needs to be a registered Financial Services Provider in law
- Other institutions may well offer facilities – S.P.'s should investigate in a competitive market spirit.



# MANY THANKS FOR YOUR PARTICIPATION



Smart Living. Smart Saving.  
For all the right reasons.



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

Hilton Trollip  
Principal Engineer  
Energy and Climate Change Unit  
Environmental Resource Management Department  
City of Cape Town

[hilton.trollip@capetown.gov.za](mailto:hilton.trollip@capetown.gov.za)

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