



NEC3 Term Service Contract (TSC3)

**Between ESKOM HOLDINGS SOC LIMITED
(Reg. No. 2002/015527/06)**

and

**for Supply of Coal laboratory consumables for a period
of 5 years on an as and when required basis at
Lethabo Power Station**

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CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

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[to be inserted from Returnable Documents at award stage]	

C1.1 Form of Offer & Acceptance

Offer

The Employer, identified in the Acceptance signature block, has solicited offers to enter into a contract for the procurement of the following:

Supply of Coal laboratory consumables for a period of 5 years on an as and when required basis at Lethabo Power Station

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto and by submitting this Offer has accepted the Conditions of Tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance the tenderer offers to perform all of the obligations and liabilities of the *Contractor* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data.

Options A or C	The offered total of the Prices exclusive of VAT is	
	Value Added Tax @ 15% is	
	The offered total of the amount due inclusive of VAT is ¹	

This Offer may be accepted by the Employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Contractor* in the *conditions of contract* identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the
tenderer:**

.....
(Insert name and address of organisation)

Name &
signature of
witness

Date:

Tenderer's CIDB registration number:

¹ This total is required by the *Employer* for budgeting purposes only. Actual amounts due will be assessed in terms of the *conditions of contract*.

Acceptance

By signing this part of this Form of Offer and Acceptance, the Employer identified below accepts the tenderer's Offer. In consideration thereof, the Employer shall pay the Contractor the amount due in accordance with the *conditions of contract* identified in the Contract Data. Acceptance of the tenderer's Offer shall form an agreement between the Employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

The terms of the contract, are contained in:

Part C1	Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
Part C2	Pricing Data
Part C3	Scope of Work: Service Information

and drawings and documents (or parts thereof), which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Form of Offer and Acceptance. No amendments to or deviations from said documents are valid unless contained in this Schedule.

The tenderer shall within two weeks of receiving a completed copy of this agreement, including the Schedule of Deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data at, or just after, the date this agreement comes into effect. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the Schedule of Deviations (if any).

Signature(s)

Name(s)

Capacity

**for the
Employer**

Eskom Holdings SOC Limited

Lethabo Power Station

Private Bag X 415

VEREENIGING

1935

(Insert name and address of organisation)

Name &
signature of
witness

Date

Note: If a tenderer wishes to submit alternative tenders, use another copy of this Form of Offer and Acceptance.

Schedule of Deviations to be completed by the *Employer* prior to contract award

Note:

1. This part of the Offer & Acceptance would not be required if the contract has been developed by negotiation between the Parties and is not the result of a process of competitive tendering.
2. The extent of deviations from the tender documents issued by the Employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.
3. A tenderer's covering letter must not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid be the subject of agreement reached during the process of Offer and Acceptance, the outcome of such agreement shall be recorded here and the final draft of the contract documents shall be revised to incorporate the effect of it.

No.	Subject	Details
1	None	

By the duly authorised representatives signing this Schedule of Deviations below, the Employer and the tenderer agree to and accept this Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules, as well as any confirmation, clarification or changes to the terms of the Offer agreed by the tenderer and the Employer during this process of Offer and Acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Form shall have any meaning or effect in the contract between the parties arising from this Agreement.

For the tenderer:

For the Employer

Signature

Name

Capacity

On behalf
of

(Insert name and address of organisation)

Name &
signature
of witness

Date

**Eskom Holdings SOC Ltd, Megawatt
Park, Maxwell Drive, Sandton,
Johannesburg, 2199**

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1 Price adjustment for inflation
		X2 Changes in the law
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: <i>Additional conditions of contract</i>
	of the NEC3 Term Service Contract (June 2005) ²	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Limited (Reg No: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	(011) 800-8111
10.1	The <i>Service Manager</i> is (name):	Riaan Volschenk
	Address	Lethabo Power Station Private Bag X 415 Vereeniging 1930
	Tel	016 457 5196
	e-mail	VolschAP@eskom.co.za
11.2(2)	The Affected Property is	Lethabo Power Station

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

11.2(13)	The <i>service</i> is	Supply of Coal laboratory consumables at Lethabo Power station The Consumables will be required on an as and when required basis from Lethabo Power station for a period of 5 years
11.2(14)	The following matters will be included in the Risk Register	1. Delay on delivery date 2. Community Unrest. 3. Non-conformance to specification
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	2 days
2	The Contractor's main responsibilities	(If the optional statement for this section is not used, no data will be required for this section)
21.1	The <i>Contractor</i> submits a first plan for acceptance within	One week
3	Time	The contract expiry shall be based on either the contract term of 5 (five) years and/or the total contract value, whichever occurs first will determine and give effect to the contract expiry, unless otherwise agreed
30.1	The <i>starting date</i> is.	TBA
30.1	The <i>service period</i> is	
4	Testing and defects	No data is required for this section of the conditions of contract.
5	Payment	
50.1	The <i>assessment interval</i> is	Completion of each task order
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	30 days after receipt of the Contract's invoice.
51.4	The <i>interest rate</i> is	(i) zero percent above the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa (as certified, in

the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and

(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted *mutatis mutandis* every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.

6	Compensation events	(If the optional statement for this section is not used, no data will be required for this section)
7	Use of Equipment Plant and Materials	No data is required for this section of the <i>conditions of contract</i> .
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	Additional to clause 80.1, of the TSC, the following are Employer's risks • Other parts of equipment are obsolete and not serviceable • Spare part are ordered from OEM based in in USA.
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	
83.1	The <i>Employer</i> provides these additional insurances	as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance)
83.1	The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248

		tem_ID=9248
83.1	The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is:	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?tem_ID=9248
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands).
9	Termination	The contract is valid for a period of five (5) years and/or up to the contract value is depleted, which-ever comes first.
10	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	4 weeks or agreed intervals to suit Purchase Order duration.
11	Data for Option W1	
W1.1	The <i>Adjudicator</i> is (Name)	will be appointed when a dispute arises, the person being selected from the Eskom Panel of Adjudicators by the Party intending to refer a dispute If the Parties do not agree on an Adjudicator, the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA)
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.
W1.4(2)	The <i>tribunal</i> is:	arbitration
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators

		(Southern Africa) or its successor body.
	The place where arbitration is to be held is	South Africa
	The person or organisation who will choose an arbitrator	
	- if the Parties cannot agree a choice or	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.
	- if the arbitration procedure does not state who selects an arbitrator, is	
12	Data for secondary Option clauses	
X1	Price adjustment for inflation	The prices are in Rand and are firm for the first year (12 months) of the contract and thereafter Contract Price Adjustment (CPA) will apply.
X1.1	The <i>base date</i> for indices is	20 February 2025
	The proportions used to calculate the Price Adjustment Factor are:	To be proposed
X2	Changes in the law	Of the republic of South Africa is a compensation event if it occurs after the Contract Date
X17	Low service damages	
X17.1	The <i>service level table</i> is in	2% of the task order value per day up to 15% of the total task order

LOW SERVICE DAMAGE DESCRIPTION.	PERCENTAGE OF LOW SERVICE DAMAGES	LIMIT OF LOW SERVICE DAMAGES
Closing of NCRs	5% of the task order value to be charged on 2 nd rework	If the reworks amount to 60% of the works, termination
Rework (any work repeat) - 1st NCR to be issued, 2nd rework penalty applies.		

Poor House Keeping: - Clean conditions of Working Space. - Housekeeping during site de-establishment (working space/areas/yard) to be completed by contractor before leaving site.e.g. <i>Removal of rubble, equipment, containers, etc</i>	2% as and when housekeeping issues are identified. 5% of the task order value to be charged	- Limited to 5% of the task order value. - Limited to 5% of the task order value.
Safety Incidents: Occupational Hygiene & Safety Not providing appropriate PPE (SABS approved & company brand/logo) No LTI may be incurred, unless it's proven beyond reasonable doubt (during investigation) that there was no form of negligence nor unsafe behaviour. No contractor should contribute to another contractors' LTI Use of substandard tools/equipment or any form of machinery i.e., non-road worthy vehicles, uncalibrated tools, etc	%5 of the task order value Two (2) or more safety incidents - 5% of the task order value will be charged 5% of the task order value will be charged from the defaulting contractor Remove (tools/ equipment or any form of machinery) from site until defects have been corrected.	Limited to a maximum of 5 safety incidents - Removal of contractor on site
Fire Risk Management Vandalism of fire equipment (Fire extinguisher, fire hose reel, fire hoses) Vandalism of the Fire alarm, fire detector and/or sprinkler system	Replace the vandalised equipment. Minimum of 5% of the task order value	Limited to a maximum of 15% of the task order value.

Late delivery of consumables	Strict low service damage to be imposed on the delayed key date as per the contract data and in line with the approved schedule at 2% per day up to a maximum of 15% per task order.	Limited to 10% of the Total task order value

X18 Limitation of liability

X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	R0.0 (zero Rand)
X18.2	For any one event or series of the related events, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to	the price of the Task Order under which liability arose amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies.aspx From 1 April 2014 To 31 March 2015.
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	The greater of the total of the Prices at the Contract Date, but in no event to exceed the Price for the applicable Task Order under which the liability arose.
X18.4	The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	One hundred percent (100%) of the total price of each Task Order except for the excluded matters listed in the contract data . The <i>Contractor's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • death of or injury to a person and • infringement of an intellectual property right. The remedies set forth herein and are exclusive and except in respect of the claims for injury or death the suppliers total liability for the damages in the aggregate including damages caused by breach of contract, tort/delict (including negligence), under warranty, strict liability or statutory duty or any other legal basis shall not exceed the applicable Purchase

order price under which such liability arose and Eskom shall hold the supplier harmless against all losses in excess of this sum. Notwithstanding anything to the contrary in the agreement or any Purchase order and to the maximum extent permitted by law, in no event shall either Party be liable to the other by way of indemnity, or by reason of ant breach of contract or of statutory duty or by reason of tort (including but not limited to negligence) or any other legal basis for any loss of profit, loss of contracts, or earnings, interruption or loss of production, loss of use, loss of opportunity or business, indirect or consequential damages whatsoever that may be suffered by the other. The Purchaser further agrees to defend, indemnify and hold harmless the Supplier from any claim made by its customers for losses.

X18.5	The <i>end of liability date</i> is	12 (twelve) months after the end of the service period.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	Within 2 days after receiving the Task Order
Z	The <i>additional conditions of contract</i> are	Z1 to Z11 always apply.

Z1 Cession delegation and assignment

- Z1.1 The *Contractor* does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the *Employer*.
- Z1.2 Notwithstanding the above, the *Employer* may on written notice to the *Contractor* cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry and the Electricity Distribution Industry.

Z2 Joint ventures

- Z2.1 If the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the *Employer* for the performance of this contract.
- Z2.2 Unless already notified to the *Employer*, the persons or organisations notify the *Service Manager* within two weeks of the Contract Date of the key person who has the authority to bind the *Contractor* on their behalf.
- Z2.3 The *Contractor* does not substantially alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the *Employer* having been given to the *Contractor* in writing.

Z3 Change of Broad Based Black Economic Empowerment (B-BBEE) status

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Works.
- Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Ethics

- Z4.1 Any offer, payment, consideration, or benefit of any kind made by the *Contractor*, which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the *Contractor's* obligation to Provide the Service or taking any other action as appropriate against the *Contractor* (including civil or criminal action).
- Z4.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if the *Contractor* (or any member of the *Contractor* where the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the *Employer* or other people or organisations and including in circumstances where the *Contractor* or any such member is removed from the an approved vendor data base of the *Employer* as a consequence of such practice.
- Z4.3 Notwithstanding the provisions of core clause 90.2, the procedures on termination in terms of this clause are P1, P2 and P4 as stated in the core clause 92 and the amount due is A1 and A3 as stated in core clause 93.

Z5 Confidentiality

- Z5.1 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.
- Z5.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.
- Z5.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that

confidential treatment will be afforded to the information so disclosed.

- Z5.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z5.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z6 Waiver and estoppel: Add to core clause 12.3:

- Z6.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

Z7 Health, safety and the environment: Add to core clause 27.4

- Z7.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2003 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
 - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.
- Z7.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

Z8 Provision of a Tax Invoice and interest. Add to core clause 51

- Z8.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z8.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z8.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

Z9 Notifying compensation events

- Z9.1 Delete from the last sentence in core clause 61.3, "unless the *Service Manager* should have notified the event to the *Contractor* but did not".

Z10 *Employer's* limitation of liability

- Z10.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z10.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for under the compensation events stated in this contract.

Z11 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

Criteria	Weight	Unit	Target	Penalty 10%	Penalty 20%	Penalty 30%
PSR	50%	Months	2	3	4	5
Overdue SHEQ audit findings	20%	Days	0	1	3	5
Non-conformance reports (NCR) issued to Contractor	20%	Number	0	1 per month	2 per month	3 per month
Medicals expiry	5%	Days	0	1	2	3
Strike	5%	Days	0	1	2	3

The penalty will be effective soon as the target has been missed.
The weight is of the total assessment value

Negligence or an act of omission from the contractor resulting in man hour's loss or any similar direct loss will be deemed as low service damages.

Service Manager:

Signature:

Date:

Contractor Name:

Signature:

Date:

Z12. Supplier Development Localisation & Industrialisation (SDL&I) Objectives in line with Reconstruction and Development Programme (RDP) Goals

Note: SDLI objectives shall be sourced from previously disadvantaged Communities around Sedibeng and Fezile Dabi District Municipalities.

Transformation – BBBEE Improvement or Retention Plan

Transformation remains an area of focus, where Eskom continuously strives to align itself with national transformation imperatives to unlock growth, drive industrialization, create employment and contribute to skills development. Eskom encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Tenderer/s will be allocated points in terms of a preference point system based on specific goals, Eskom also requests that tenderer/s submits their B-BBEE improvement or retention plan within 30 days of signing the contract.

Tenderer/s are therefore requested to indicate the extent to which they will maintain (only if the respondent is a Level 1) or may improve/maintain their B-BBEE status over the contract period if their B-BBEE status is level 2 or 3. Tenderer/s with a B-BBEE status level 4 at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of B-BBEE Level 3 by the end of the first year of the contract and thereafter improve their B-BBEE status level or migrate by one level higher.

Tenderer/s with a B-BBEE recognition status of Level 5 to Level 8 or non-compliant at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of Level 4 by the end of the first year of the contract and thereafter improve at least one B-BBEE Level higher of each year from the second year of the contract. Tenderer/s are requested to submit their B-BBEE Improvement Plan as an essential document within 30 days of signing the contract.

NB: A valid B-BBEE certificate or Sworn Affidavit is a condition for contract award, if your company's annual Total Revenue is R10 Million or less you qualify as an Exempted Micro Enterprise therefore you can submit Sworn Affidavit. If your annual Total Revenue is R50 Million or less, you qualify as Qualifying Small Enterprise and must comply with all of the elements of QSE score card relevant to your sector unless an entity is at least 51% Black owned you are required to obtain a Sworn affidavit. If your Annual Total Revenue is above R50m you need to submit a Valid B-BBEE certificate

Local Procurement Content

"Local Procurement Content" refers to value added in South Africa by South African resources. Where a single contract involves a combination of local and imported goods and/or services, the tender response must be separated into its components as per the Price Schedule included with the tender documents. Local procurement content is total spending minus the imported component. Tenderers are required to submit their proposals in the table below.

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

Annexure A: Insurance provided by the Employer

These notes are provided as guidance to tendering contractors and the Contractor about the insurance provided by the Employer. Details of the insurance itself are available from the internet web link given below.

1. Services provided in a TSC3 contract could include some element of construction or refurbishment as well as a continuous maintenance or operational service activity. If an event occurs which causes loss or damage, a claim could be made either against the *Employer's* "works" type policy which may be in place for the *Employer's* portion of the Affected Property concerned or against the *Employer's* assets policy which may be in place for the *Employer's* portion of the Affected Property concerned, or both.
2. The cover provided and the deductibles under the works policy are different to those under the assets policy. Each policy has a range of applicable deductibles depending on the location of the Affected Property and the nature of the insurable event.
3. The *Contractor* is required in terms of Contract Data for clause 83 to provide cover for the deductibles in the insurance provided by the *Employer*. This can be provided from his own resources on a 'self insured' basis or obtained by him from his own insurers. In order to assess the extent of this cover, tendering contractors and their brokers should consult the internet web link given below and scroll to '**Format TSC3**' to establish both the cover and the deductibles in relation to the service provided in terms of this contract.
4. Tendering contractors should note that cover provided by the *Employer* is only per the policies available on the internet web link listed below and may not be the cover required by the tendering contractor or as intended by each of the listed insurances in the left hand column of the Insurance Table in clause 83.2. In terms of clause 83.1 "the *Contractor* provides the insurances stated in the Insurance Table except any insurance which the *Employer* is to provide". Hence the *Contractor* provides insurance which the *Employer* does not provide and in cases where the *Employer* does provide insurance the *Contractor* insures for the difference between what the Insurance Table requires and what the *Employer* provides.
5. If Marine Insurance is required the *Contractor* needs to obtain a copy of the latest edition of Eskom's Marine Policies Procedures found at internet website given below.
6. **Further information and full details of all Eskom provided policies and procedures may be obtained from:**

http://www.eskom.co.za/live/content.php?Item_ID=9248

Annexure B: The *Employer's* Panel of Adjudicators

The following persons listed in alphabetical order of their surname have indicated their willingness to be included in the Eskom Panel of Adjudicators. Their CV's may be obtained by using the contact details provided.

Name	Location	Contact details (phone & e mail)
Nigel ANDREWS	Gauteng	+27 11 836-6760 nigela@quoin.net
Andrew BAIRD	Gauteng	+27 11 803 3008 andrewbaird@ecsconsult.co.za
Christopher BINNINGTON	Gauteng	+27 11 888-6141 cdb@bca.co.za
Peter HIGGINS	UK	+44 1293 873 868 peterhiggins@pdconsult.co.uk
Bruce LEECH	Gauteng	+27 11 290 4000 leech@counsel.co.za
Nigel NILEN	Gauteng	+27 11 465 3601; nilences@global.co.za
Peter THURLOW	Gauteng	+27 11 787 6226 info@thurlowassoc.com

Information about the Panel and appointment of the selected *Adjudicator* is available from Eskom Supply Chain Operations management, by contacting Leighton Itholeng (Tel.: +27 (0)11 800 4031)
(Fax :+27 (0)86 668 0419) E-mail: Leighton.Itholeng@eskom.co.za

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Completion of the data in full, according to Options chosen, is essential to create a complete contract.

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is	%
	The <i>subcontracted fee percentage</i> is	%
11.2(14)	The following matters will be included in the Risk Register	
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key persons are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job: Responsibilities: Qualifications: Experience:	
		CV's (and further key person's data including CVs) are in .
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	C2.2

11.2(19)	The tendered total of the Prices is	R
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PART 2: PRICING DATA

TSC3 Option A

Document reference	Title	No of pages
C2.1	Pricing assumptions: Option A	2
C2.2	The <i>price list</i>	

Description	Quantity	Unit price	Total
ASH CRUCIBLE	50		
MOISTURE CRUCIBLE WITH LID	30		
VOLATILE CRUCIBLE WITH LID	60		
TRAY USED IN ASH FURNACE	5		
FORCEPS (TWEEZERS)	1		
SPATULA	1		
CRUCIBLE TONGS	1		
DELIVERY	2		
Total per annum			
Total Five (5) Duration			

SUPPLIER: PRINT NAME	 SIGNATURE	 DATE
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PART 3: SCOPE OF WORK

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Employer's</i> Service Information	
C3.2	<i>Contractor's</i> Service Information	
	Total number of pages	

C3.1: EMPLOYER'S SERVICE INFORMATION

1. Description of the service

1.1. Executive overview

The service required is for:

Supply of Coal laboratory consumables at Lethabo Power station.

The Consumables will be required on an as and when required basis from Lethabo Power station for a period of 5 years.

1.2. Employer's requirements for the service

The scope of work will include:

Frequency of supply will be as and when required by Lethabo PowerStation, Chemical Services Coal Laboratory.

Consumables to be delivered to Chemical Services, Lethabo Power Station.

3.2 Consumable types and functional locations

This work is applicable to the following consumables:

Location	Type
Chemical Services Coal Laboratory	1. Ash Crucible 2. Moisture crucible with lid 3. Volatile crucible with lid 4. Tray used in Ash furnace 5. Forceps (Tweezer) 6. Spatula 7. Crucible tongs

1. Ash crucible

Crucible: type: silica; capacity: less than 0.15 g/cm² loading g; dimensions: width 40 mm length 15mm; material: silica; porcelain; dish silica; porcelain 8 to 15mm deep such a size that the sample loading does not exceed 0.15 g/cm².



2. Moisture crucible with lid

Inherent moisture crucibles with lid to be as per latest edition of SANS 5925: Weighing vessel should be a shallow cylindrical vessel of diameter at least 30mm and which has a well-fitting cover. The vessel and cover shall be of glass with matching surfaces that are ground, or of a non-corrodible and heat resistant material. NOTE: a silica dish, of the specified diameter and of depth 10-15mm may be used if suitable precautions are taken to avoid absorption of moisture by the dish. Dimensions: Height 30mm, Depth 40mm, Boro 3.3. Crucibles and lids to withstand temperatures of up to 110°C without cracking. Inherent Moisture crucibles with lid: preferably marked with corresponding unique identifying numbers, marking to withstand temperature up to 110°C.

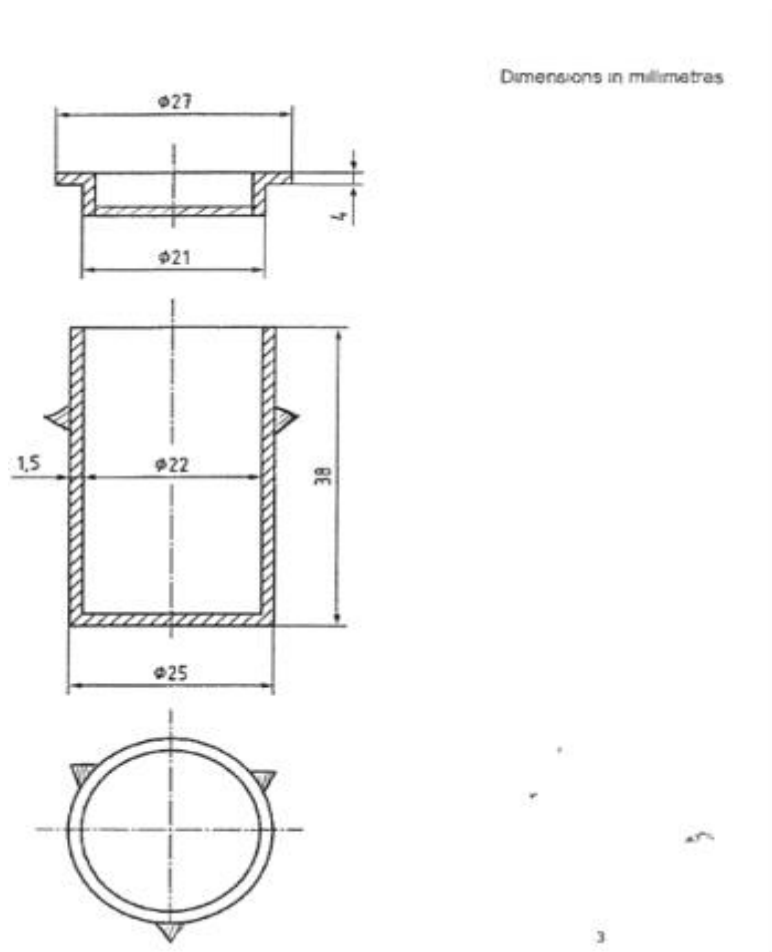


3. Volatile crucible and lid

Volatile crucible with 3 projectiles and lid: Volatile crucible to be as per latest edition of ISO562:

Cylindrical, with well-fitting lid, both of fused silica. The crucible with lid shall have a mass between 10-14g and dimensions approximating to those shown on figure 2 of ISO562. The fit of the lid on the crucible to have a horizontal clearance between them no greater than 0.5mm. The crucible and lid shall be ground together to give smooth surface. Crucibles and lids to withstand temperatures of up to 910°C without cracking.





4. Tray used in Ash furnace

Tray for use in ash furnace for ash crucibles; material: ceramic or silicon carbide; dimensions: width 14-15.5cm, length 42.5- 42.8cm, height 2.3- 3cm, thickness 0.5 cm, inside height 1.3-2 cm; Application: ash furnace; to withstand temperature up to 825 °c as per ISO1171 method for ash determination of coal.

Front view:



Top view:



Bottom view:



5. Forceps (Tweezers)

Forceps (tweezers) , stainless steel with a curved blunt pointed ends and serrated jaw, approx. 14.5 cm length.



6. Spatula

Multipurpose double spatula. Chattaway type. One end is flat and spatula shaped, the other end is rounded and tuned up at 45°. Very good chemical and thermal resistance. Stainless steel. Length 200mm, width 10mm; round handle.



7. Crucible tongs

Crucible tongs, 500mm. Used for easy loading and unloading of furnaces. Able to withstand temperature up to 910°C



Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
PCLF:	Planned Capability Loss Factor
PM:	Plant Maintenance
PSR:	Plant Safety Regulations
QA:	Quality Assurance
QC:	Quality Control
QCP:	Quality Control Plan
QMP:	Quality Management Programme
SABS:	South African Bureau of Standards
SANS:	South African National Standards
SAP PM:	SAP Plant Maintenance
SAP:	Systems, Applications, Products (Plant Maintenance, Procurement, Finance and Materials Management) integrated maintenance management system.
SOW:	Scope of Work
UCF:	Unit Capability Factor
UCLF:	Unplanned Capability Loss Factor

1 Management strategy and start up.

1.1. Purchase Order

The *Contractor* performs work in accordance with the issue date of the order and completes it within the time period specified in the Purchase Order.

The *Contractor* also performs plant maintenance work, work on related outages and operations work after the issue of the Purchase Order. If requested the *Contractor* also develops procedures applicable to the performance of designated tasks and submits the procedures to the delegated *Service Manager* for acceptance. All *works* provided comply with the standard specifications, procedures and Site regulations.

Should the *Contractor* be unable to supply the resources required to complete the Purchase Order within the period specified, he immediately notifies the delegated *Service Manager* to this effect. The notification includes recommendations as to how the work can be completed.

1.2. Documentation control

All procedures, work instructions, forms and all contractual communications must be controlled for the duration of the contract.

The following will appear on all controlled documentation as a title page, page header or page footer:

- Title
- Document Unique identifier
- Revision number, original documents will be noted as revision 0. All subsequent revisions will be number sequentially (1, 2, 3, 4....)
- Revision Date
- Date when document was last changed. This date will change with each revision.
- Effective Date
- Date when document first came into use. This date will not change as the Document is revised.

All contractual communications will be in the form of properly compiled letters or forms attached to e mails and not as a message in the e mail itself.

Either Party may request the other to provide free of charge non third party technical information and general arrangement drawings, operational and maintenance histories, operating advisory information, quality assurance and control records, copies of job reports, general arrangement drawings and sketches of modifications or repair procedures, technical procedures or any other matter of like kind for work being done under this contract, excluding proprietary information.

Both Parties shall allow access to their facilities as requested by the other Party within the control procedures of both organisations.

All records and information shall be retained for the duration of this contract.

At the end of the *service period* or earlier termination of this contract the *Contractor* shall make available to the *Employer* all records and information relating to the work carried out under this contract at no extra cost to the *Employer*. The *Contractor* may not retain copies of any third party records and drawings of a proprietary nature. However, if the *service period* is extended, or a new contract between the Parties comes into existence at the end of the *service period* which effectively ensures continuity of the *Contractor* Providing the Service, the records and information shall be retained by the *Contractor* and dealt with in terms of the new contract.

No records and information exchanged shall be divulged to others without the prior consent in writing of both Parties during this contract.

1.3. Invoicing and payment

The Z clauses make reference to invoicing procedures stated here in this Service Information.

The *Contractor* shall address the tax invoice to Eskom Holdings Limited's VAT (4740101508) and Company Registration Number (2002/015527/06). The Tax invoice shall be saved in PDF and send to invoiceseskomlocal@mp2rc110.eskom.co.za and include on each invoice the following information:

- Name and address of the *Contractor* and the *Service Manager*;
- The contract number and title;
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Description of service provided for each item invoiced based on the Price List;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- (add other as required)

Add procedures for invoice submission and payment (e. g. electronic payment instructions)

1.4. Things provided at the end of the service period for the Employer's use

1.4.1 Equipment

Not Applicable.

1.4.2 Information and other things

All procedures, work instructions, forms and all contractual communication must be controlled for the duration of the contract as per 1.2 above.

2 Health and safety, the environment and quality assurance

Risk	MITIGATION FACTORS	LEVEL (HIGH/MEDIUM/LOW)
Time: Low Service due to: • Unavailability of consumables • Failure to complete the works as per agreed task order. Low Service by the contract • Delays in delivering consumables to Lethabo Power station	Task order to be issued 6 weeks prior. Strict low service damage to be imposed on the delayed key date as per the contract data and in line with the approved schedule at 2% per day up to a maximum of 15% per task order. Strict low service damage to be imposed on the delayed key date as per the contract data and in line with the approved schedule at 2% per day up to a maximum of 15% per task order.	High High High
Safety Non- compliance to all legal requirements.	• Compliance to the Eskom Lifesaving Rules Procedure 240-62196227, National Road Traffic Act 93 of 1996, Eskom Vehicle Safety Specifications 32-345, Vehicle & Driver Safety Management Procedure 240-62946386, Occupational Health and Safety Risk Assessment Procedure 32-520, Occupational Health & Safety Act 85 of 1993, Contractor Health and Safety Requirements 32-136 • SHE returnables shall be verified by SRM at Lethabo PowerStation (Safety Department) for successful bidder (Contractor) for approval prior to submission of the complete health and safety file. • Contractor safety plans that shall be signed and approved by the responsible managers and their safety practitioners. Ensure what is listed on the file shall be implemented during project execution. • Hazard Identification and Risk Assessments submitted to the Client must be in alignment with the Risk Assessment issued by the Client during the tendering phase. • Contractor to be familiarised with	High

	Eskom's Health & safety policy. Compliance to the SHE requirements for the Eskom commercial process	
Environment: Non-conformance to environmental requirements.	Contractor to be familiarized with Lethabo Environmental statement of commitment (PS010)	Low
Quality: Quality Management Documents Requirements	A fully detailed Quality Control Plan (QCP) for acceptance within three (3) weeks of the Contract Date, which details all the aspects of the quality management system to be applied. It includes the methods that will be utilized to ensure quality assurance, control and improvement of the identified activities as stated in the Scope of Works	Medium
Inspections	The service provider is required to conduct sufficient inspections and tests to satisfy that all requirements of the SOW met, and the results of inspections and tests are made available to the client	Medium
Non-Conformance and Defects	NCR's and defects notifications are issued, the Service provider will acknowledge the receipt within 48 hours and proposes corrective and preventive actions to the client as per the contract response period. The corrective and preventive actions will include the implementation and completion dates.	Medium
Preservation and transportation Requirements	The service provider is to ensure that all products are preserved in their appropriate manner as described in their specifications or in Eskom's Preservation, Shipping and Transportation procedures as applicable. The service provider ensures that all storage requirements for products are properly implemented to preserve the products against adverse conditions, deterioration, damage, etc. Storage and preservation procedures for the different products must be submitted to the <i>client</i> for review and acceptance. The <i>client</i> may request to inspect the stored products at	Medium

Method Statement	any given point during the storage period of the product. The service provider to submit a detailed Construction Method Statements for each activity of his work, together with activity durations, to the client for review and acceptance prior to starting any work	Medium
Documentation control	All documents and records management should be performed according to Technical Document and Record Management Work Instruction (240-76992014). The Project Manager ensures that the service provider is provided with the latest revision	Medium
Quality requirements categorisation	Category 3 - Quality Requirements to be met	High

2.1 Health and safety risk management

Refer to clause Z7 in this Contract.

2.2 Environmental constraints and management

All work complies with the relevant environmental regulations.

The *works* may include the use of some toxic or hazardous substances during normal routine maintenance activities. In this case the *Contractor* uses such hazardous substances in accordance with the applicable regulations and procedures and are disposed of by the *Contractor* in accordance with the applicable law. The *Contractor* shall comply with the environmental criteria and constraints as per Power Station Requirements.

2.3 Quality assurance requirements

- Policies and procedures: Non adherence to documented information defining quality processes, the implementation may result in: recurring failures may be experienced and inferior quality workmanship may be delivered
- Roles and Responsibilities: Failure to define and segregate duties may make it difficult to isolate responsibility in instances where the problem occur
- The service provider shall compile and submit Contract Quality Plan that is specific to SOW, it shall be reviewed and signed off by Eskom technical /relevant skilled

personnel within 3 days after contract award. The plan shall address the minimum requirements as per ISO 10005

- Failure to assess and manage risks pertaining to the Feed pump system and activities may hamper the achievement of set objectives resulting in the risks materialising and subsequently non-achievement of the plant operational objectives.
- Lack of quality Inspections during execution
When in process inspections are not conducted periodically and receipt inspections are not conducted, spares that do not conform to the specifications may be delivered to the station resulting in reworks, delays and cost escalations
- Ineffective Control of nonconforming output
- Entrench preventable environment by utilising approved Quality inspection method in the aim of non-conforming output detection i.e. QCP, Check sheets...
- The QCP's shall be approved by Eskom System Engineer & Quality Controller Inspector prior to execution.
- The service provider shall adhere to all interventions (Witness and Hold) points during execution
- For any welding activities, service provider shall conform to Eskom Welding Rule Book: 240-106628253 and Testing Quality of welds repairs Eskom NDT Standard: 240-83539994
- First line inspection shall be conducted by the service provider Quality Controller Inspector and compile report
- Visual inspection shall be conducted by Eskom System Engineer and/or QC Inspector/ End User, Supplier QC Inspector to ensure that refurbishment of repairable items specification is correct, tests performed, relevant documentation included and high spots are well addressed before delivering and/or receiving onsite.

The service Provider shall compile data book for the SOW executed. The data book shall consist of the following documents

- Signed QCP's
- Visual Inspection & Dimension Report
- Pressure test Report
- Approved WPS , welder certificate
- Dye Penetration test Report
- Warranty certificates
- Lack of Quality Records results in miscommunication and data loss.
- Records shall be provided to client representative for historical purposes

The following Quality requirements shall be Noted and adhered to.

- 240-68099512 Form A : The tenderer must complete and sign this form to acknowledge and accept Eskom Supplier Quality Requirements as per QM 58 Specification and ISO 9001 Standard
- Category 3- Quality Assessment Criteria
- QM 58_240-105658000 – Supplier Quality Management Specifications
- LBQ 25006WN – Strategy for managing Contracts and Projects Process Quality

3 Procurement

Not Applicable to this Contract.

3.1 People

3.1.1 Supplier Development, Localisation and Industrialisation (SDL&I)

SDL&I Objectives in line with Reconstruction and Development Programme (RDP) Goals

3.1.1.1 BBBEE requirements: All tenderers are required at a minimum maintain their BBBEE status throughout the contract period:

3.1.1.2 Local Procurement Content

“Local Procurement Content” refers to value added in South Africa by South African resources. Where a single contract involves a combination of local and imported goods and/or services, the tender response must be separated into its components as per the Price Schedule included with the tender documents. Local procurement content is total spending minus the imported component.

Tenderers are required to submit their proposals in the table below.

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

3.1.1.3 Jobs Opportunities.

Tenderers are required to submit proposals for the type and number of jobs that will be created and retained in South Africa as a direct result of being awarded a contract.

Type of Jobs to be created	Number of Jobs to be created

Type of Jobs to be retained	Number of Jobs to be retained

Section 4: SDL&I Penalty and Performance Security

Eskom will apply a penalty of 2.5% of the invoice amount for failure to meet SDL&I obligations.

Eskom will apply a penalty of 2.5% of the Contract Value for failure to meet SDL&I obligations.

For the duration of the contract, Eskom will retain 2.5% of every invoice (excluding VAT) as security for the fulfilment of all SDL&I Obligations. The retained amounts shall only be released to the Contractor upon:

- Eskom receives the SDL&I progress report/s from the contractor.
- Fulfilment of all SDL&I obligations by the contractor.
- Submission of an approved compliance report by SDL&I Department.

Section 5: Reporting and Monitoring

- The suppliers shall on a quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 30 (thirty) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.
- Upon notification by Eskom that the suppliers have not met their SDL&I obligations, the suppliers shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- Every contract shall be accompanied by the SDL&I Implementation Schedule, which must be completed by the suppliers and returned to SDL&I representative for acceptance 28 days after contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments

3.2 Plant and Materials

3.2.1 Specifications

Refer to a document called Appendix A for Scope of Work.

3.2.2 Correction of defects

The defects correction period is to commence rectification within 1 week of the defect being notified to the Contractor by the Service Manager of his/her delegate or such longer period as is reasonable under the circumstances and agreed by the parties.

3.2.3 Contractor's procurement of Plant and Materials

Not Applicable.

3.2.4 Tests and inspections before delivery

Contractor must fully comply with the requirements of QM 58"

Furthermore,

- No component will be striped without the presence of the employer representative.
- No repairs will commence without the comprehensive QCP approved by the employer representative.
- All hold and witness points as per the approved QCP shall be complied with.

C4 Site Information

C4.1: Information about the *site* at time of tender which may affect the work in this contract:

1. Site Procedures and Regulations

1.1 Site location and Security

- The Site is at Lethabo Power Station situated $\pm$ 18 km South of Vereeniging on the Viljoensdrift - Deneyville Road, Free State. Access to the site will be via the main security gate only.
- The *Employer* will inform the *Contractor* of the access procedures, and it should be expected that such procedures may change depending on the prevailing security situation.
- The *Contractor* to allow in his price and program for delays at the security gate. The *Employer* reserves the right for its Security personnel to search persons or vehicles entering or leaving the premises. This includes, but is not limited to briefcases and toolboxes.

1.2 Temporary Gate Permits

- The *Contractor* provides the *Employer* with the personal details of their staff at least two days prior to the occupation date. All names and details to be submitted to the *Employer* who arranges for all gate permits.

1.3 Occupational Health and Safety Induction Course

- All the employees of the *Contractor* must attend a health and safety induction course provided by the *Employer* at the security offices before they will be allowed to work on the Site. It is the responsibility of the *Contractor* to ensure that all employees have attended the health and safety induction.

- The Induction course includes an awareness on the Error prevention and Improvement tools and techniques to ensure familiarisation and use of these error-prevention tools/techniques inclusive of, Pre and Post-job briefs, Risk Assessments, Self-checks (STAR principle), Peer Checks, Job observations, Accountability, Effective communications e.g. 3- way, Questioning attitude, Procedural adherence, Hand overs and other.
- A list of employees requiring safety induction must be submitted at least 2 days in advance arrival so that the details of the safety and health induction course can be communicated.

1.4 Health and Safety Requirements

The *Contractor* and his sub-*Contractors* ensure at all times compliance with safety regulations imposed by any Act of Parliament, ordinance or any regulation or by-law of any local or statutory authority. The *Contractor* acts in accordance with the health and safety requirements stated in the Works Information.

- In carrying out its obligations to the *Employer* in terms of this contract; in providing the Works; in using Plant, Materials and Equipment; and while at the Site for any reason, the *Contractor* complies and procures and ensures the compliance by its employees, agents, Sub-*Contractors* and mandataries with:
 - the provisions of the Occupational Health and Safety Act 85 of 1993 (as amended) and all regulations in force from time to time in terms of that Act ("the OHSA"); and the Eskom "Health, Safety and Environmental specifications for *Contractors*" document attached to the Works Information (as amended from time to time) and such other Eskom Safety Regulations as are applicable to the Works and are provided in writing to the *Contractor* (collectively "the Eskom Regulations"). The Eskom Regulations may be amended from time to time by the *Employer* and all amendments will be provided in writing to the *Contractor*. The *Contractor* complies with the provisions of the latest written version of the Eskom Regulations with which it has been provided; and the health and safety plan prepared by the *Contractor* in accordance with the SHEQ Requirements

(The OHSA and the Eskom Regulations are collectively referred to as the "SHEQ Requirements".)

- The *Contractor*, at all times, considers itself to be the "*Employer*" for the purposes of the OHSA and shall not consider itself under the supervision or management of the *Employer* with regard to compliance with the SHEQ Requirements, the *Contractor* shall furthermore not consider itself to be a subordinate or under the supervision of the *Employer* in respect of these matters. The *Contractor* is at all times responsible for the supervision of its employees, agents, Sub-*Contractors* and mandataries and takes full responsibility and accountability for ensuring they are competent, aware of the SHEQ Requirements and execute the Works in accordance with the SHEQ Requirements.
- The *Contractor* acknowledges that it is fully aware of the requirements of all the above and undertakes to employ only people who have been duly authorized in terms thereof and who have received sufficient training to ensure that they can comply therewith.

- The *Contractor* ensures that all statutory appointments and appointments required by any Eskom Regulations are made and that all appointees fully understand their responsibilities and is trained and competent to execute their duties. The *Contractor* supervises the execution of their duties by all such appointees.
- The *Contractor* shall appoint a person who will liaise with the Eskom Safety Officer responsible for the premises relevant to this contract. The person so appointed shall, on request: supply the Eskom Safety Officer with copies of minutes of all Health And Safety Committee meetings, whenever he is required to do so; supply the Eskom Safety Officer with copies of all appointments in respect of employees employed on this contract, in terms of the Act and Regulations and shall advise the Eskom Safety Officer of any changes thereto.

The *Employer*, or any person appointed by the *Employer*, may, at any stage during the duration of this contract:

- conduct health and safety audits regarding all aspects of compliance with the SHEQ Requirements, at any off-site place of work, or the site establishment of the *Contractor*;
 - refuse any employee, *Subcontractor* or agent of the *Contractor* access to the premises if such person has been found to commit an unsafe act or any unsafe working practice or is found not to be qualified or authorised in terms of the SHEQ Requirements;
 - Issue the *Contractor* with a stop order should the *Employer* become aware of any unsafe working procedure or condition or any non-compliance with any provision of the SHEQ Requirements.
 - The *Contractor* immediately reports any disabling injury as well as any threat to health or safety of which it becomes aware at the Works or on the Site to the *Employer's Representative*.
- The *Contractor* undertakes not to do, or not to allow anything to be done which will contravene any of the provisions of the Act, Regulations or Safety and Operating Procedures.
 - The *Contractor* appoints a person, qualified in accordance with the SHEQ Requirements, as the liaison with the Eskom Safety Officer for all matters related to health and safety, this person shall be contactable 24 hours a day.
 - The *Contractor* confirms that it has been provided with sufficient written information regarding the health and safety arrangements and procedures applicable to the Works to ensure compliance by it and all employees, agents, *Sub-Contractors* or mandataries with the SHEQ Requirements while providing the Works in terms of this contract. As such, the *Contractor* confirms that this contract and the relevant Eskom Regulations referred to in this contract constitute written arrangements and procedures between the *Contractor* and the *Employer* regarding health and safety for the purposes of section 37(2) of the OHSA.
 - The *Contractor* agrees that the *Employer* is relieved of any and all of its responsibilities and liabilities in terms of Section 37(1) of OHSA in respect of any acts or omissions of the *Contractor*, and the *Contractor's* employees, agents or *Sub-Contractors*, to the extent permitted by the OHSA.

- The *Contractor* hereby indemnifies the *Employer* and holds the *Employer* harmless in respect of any and all loss, costs, claims, demands, liabilities, damage, penalties or expense that may be made against the *Employer* and/or suffered or incurred by the *Employer* (as the case may be) as a result of, any failure of the *Contractor*, its employees, agents, Sub-*Contractors* and/or mandataries to comply with their obligations in terms of clause 16, and/or the failure of the *Employer* to procure the compliance by the *Contractor*, its employees, agents, Sub-*Contractors* and/or mandataries with their responsibilities and/or obligations in terms of or arising from the OHS Act.
- In carrying out his obligation as the mandatory to the *Employer* for this contract in terms of the National Environmental Management Act No.107 of 1998, the *Contractor* ensures that he complies with the Act when Providing the Services or using plant, materials or equipment.

1.5 Permit to Work System

- NO work shall be carried out without a "PERMIT TO WORK"
- The *Contractor's* Responsible Person must satisfy himself that all sources of possible danger are isolated. Details of the Permit to Work system can be found in the Plant Safety Regulations for Lethabo Power Station, Eskom. The *Contractor* must also make provision for sufficient Authorised Supervisor(s) depending on the contractual obligations. The Authorised Supervisor will need to undergo a week's training, which will be arranged at a suitable Eskom facility. This person must also pass an exam to verify his understanding of the procedure, after which he/she will need to be interviewed by a panel to discuss the practical understanding of being appointed as an Authorised Supervisor.
- A Master Permit to Work is used on declared major outages, details can be found in local procedure LBA 00085. Permit changes are made during the dead time, if it is required by the *Contractor* that a certain supply be made available or plant tested than this can be applied for at the Outage Management Meeting at least 1 day in advance.
- Plant with a prohibitive sign attached may only be operated by appointed Eskom personnel. Any *Contractor* employee found tampering with such plant will be permanently removed from Site.

1.6 Transportation of passengers: open LDV's:

No *Eskom employee* or *Contractor* would be allowed to transport passengers on the back of open light delivery vehicles (LDV's). It is a legal requirement to provide safe transportation of *Eskom* and *Contractor* employees – therefore the following will be enforced:

- All passengers must be transported in a closed vehicle with proper and adequate Seating, fitted with safety belt for the number of passengers to be transported.
- Tools and equipment must be properly secured.
- Only authorised drivers may transport passengers.
- Proof must be submitted on request in terms of valid roadworthiness of all vehicles
- The above must apply to on site and off site transportation of passengers.

1.7 Eskom Life Saving Rules:

Life Saving Rules have been developed that will apply to all Eskom *Employees*, agents, consultants and *Contractors*.

Rule 1: Open, Isolate, Test, Earth, Bond, and/or Insulate before touch - that is any plant operating above 1 000 V.

Rule 2: Hook up at heights - no person may work at height where there is a risk of falling.

Rule 3: Buckle up – no person may drive any vehicle on Eskom business and/or on Eskom premises: unless the driver and all passengers are wearing seat belts.

Rule 4: Be sober (no person is allowed to work under the influence of drugs and alcohol.

Rule 5: Use a permit to work – where an authorization limitation exists, no person shall work without the required permit to work.

1.8 Local Safety Procedures

The *Contractor* adheres to all local procedures. A list of local procedures is available on request from the *Employer*.

1.9 Incidents / Accidents

- Incidents and accidents must be reported and investigated as detailed in LBA 00030. All incidents must also be reported to the *Employer* within 24 hours.
- First aid must be made available either by the *Contractor* or use can be made of the Lethabo medical centre at a fee. The availability of the *Contractor's* own first aid does not relieve the *Contractor* of his obligation to report and investigate the incident in accordance with Lethabo Procedure.
- The *Employer* will accompany the *Contractor* to hospital in the case of serious injury.

1.10 Fire Prevention

- Fire prevention and protection requirements to which *Contractors* must comply are detailed in LBA 00030.

1.11 Protective Equipment and Clothing

- The *Contractor* supplies his own personal protective equipment necessary to carry out the *works* and the *Contractor* shall ensure that all overalls for his staff have clearly identifying **company LOGO's**
- The *Contractor* is also responsible to inspect and maintain such equipment as required in terms of the OHS Act and local procedures.

1.12 Inspection of Equipment

- The *Contractor's* equipment is inspected by an authorised Eskom employee on arrival at the site.
- The following documentation is required to accompany the equipment where applicable: copies of all test certificates and maintenance records.

- Lifting equipment and electrical equipment must be marked with a unique number, code or colour code for identification. If the equipment is found to be in an unsatisfactory condition or if insufficient maintenance has been carried out on the equipment then it will not be approved for use on Site. A list of all lifting equipment and electrical equipment must be submitted to the *Employer* at least 2 days prior to the occupation date. This list must indicate the unique number and description of the equipment.
- Training requirements must comply with the Works Information and statutory requirements.

1.13 Documentation

The *Contractor* is responsible to have the following documentation available on site in accordance with LBA 00030:

- A copy of the OHS Act.
- Copies of all site accident report forms as required by the OHS Act.
- Copies of minutes of health and safety meetings held on site.
- Copies of inspection reports produced by the accident prevention officer.
- Copies of attendance registers for all incidents or work stoppages

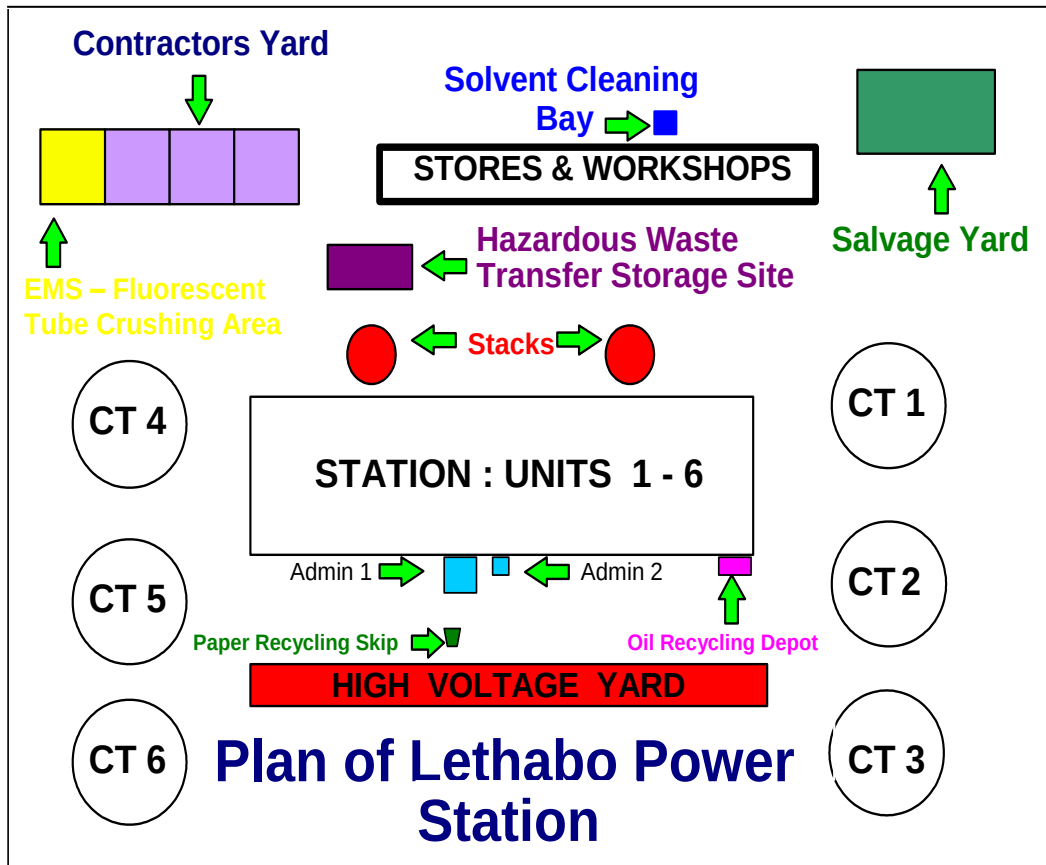
1.14 Environmental Policy and Waste Handling

The *Contractor* shall submit an Environmental Management Plan (EMP) to be reviewed and approved by Eskom environmental officer, one week before the commencement of works if required as per the Works Information.

1.15 Disposal of Waste

Waste shall be removed promptly to the designated disposal area as per below requirements:

- Domestic waste to the white waste bins
- No stockpiling will be permitted
- Production waste in the marked bins i.e. coal and ash only
- Paper in its recycling bin
- Contact Civil Engineering for the disposal of building rubble
- Scrap metal, Wood & Rubber, Redundant Valves, Pipes, and Equipment etc. to be placed in the marked bins in the Salvage Yard. Solvents and cloths used to the Cleaning Bay.



1.16 Hazardous Waste Disposal and Handling

- Any new hazardous waste that comes to the temporary hazardous waste site must be accompanied by an SDS; all other hazardous waste can be delivered without the SDS.
- An inventory is signed by the person who delivers the hazardous waste and the waste coordinator must acknowledge the receipt of the waste.
- A 210l drum with lid will be issued to the person who has delivered the waste after the inventory is signed.
- Drums with incorrect colour coding or drums without lids will not be accepted at the temporary hazardous waste site.

2. Additional General information

LBS00067 to be used as it contains statutory requirements as well as the minimum SHE requirements to which Eskom employees and contractors must comply whilst performing work on the premises of Lethabo Power Station.

The purpose of the procedure is to assist the Contract Supervisor or Project Manager, and the contractor to develop, implement and maintain an organised Safety, Health and Environment Management Plan performing work.

Contractors are accountable for taking all the necessary steps to protect all persons (including employees, visitors, and the general public), to protect the environment and property against any harm during the course of performing work or services in relation to their contractual obligations. In addition, all work procedures and equipment will be carried out in accordance with Eskom and legislative requirements.

Eskom's contractors have the fundamental accountability and responsibility for executing on-site safety, health, and environment issues for their activities, services, products, and work. Each contractor is responsible for ensuring that its employees and the employees of any appointed contractors comply with all occupational safety, health, and environmental (SHE) statutory requirements and the policies and procedures of Eskom Holdings SOC Limited.

This procedure is supplementary to the requirements of relevant legislation and the conditions of the contract.

2.1 Plant & Materials

- The *Employer* may at his own discretion, supply any Plant and Materials as may be required by the *Contractor* to Provide the Works.
- The *Contractor* is to notify the *Employer* in writing, 48 hrs in advance, of such Plant and Materials required.

2.2 Equipment or Material Access and Removal

2.2.1 Access

- The *Contractor* ensures that all equipment and materials brought through the security gate is signed in at the main security gate on an OV18 form.

2.2.2 Removal

- The *Contractor* is not allowed to remove any equipment or materials from site without producing the relevant OV18 forms or the equipment lists. (Security Access Sign In)
- If the equipment or material is to be removed the same day, on which they were brought on to site, then the OV18 form will need to be produced at the gate when leaving the site.
- If the equipment or material is removed after this time then a Non-Returnable Gate Release will be provided by the *Employer's Representative*, on receipt of the original OV18, with which the *Contractor* brought the equipment on site.

2.2.3 Site or Area Establishment and Evacuation

2.2.3.1 Application for Site Establishment:

- Sites are allocated according to availability, the period for which the *Contractor* is going to be on site, or if special circumstances warrant the allocation of a site. Documentation to support this application to be submitted as stipulated below

- The location of the site or area is indicated during the site or area take-over inspection.

2.2.3.1 Site Establishment:

- The *Contractor* does not occupy any site or area other than that allocated to him.
- The *Contractor* does not occupy the site or area prior to the take-over inspection.
- The *Contractor* maintains the site or area provided to him to the satisfaction of the *Employer*. A site inspection to be conducted by both parties prior to site establishment
- The *Employer* will require full access at all times of the *Contractor's* site or area for inspection.
- The *Contractor* will remain accountable for the security of his designated site area. The *Employer* will accept no accountability for any theft, losses or damage under the *Contractors'* control

2.2.3.2 Site De Establishment:

- The *Contractor* advises the *Employer* in writing, five (5) days prior to site de establishment in accordance with LBA 00030.
- Site de establishment cannot proceed without the approval of the *Employer* in writing. Final payment and the first portion of the retention (where applicable) will not be released if not supported by the *Employer*, as this is seen as part of the works.

2.2.4 Information Required for Site Establishment:

- Note that the below will be based on the Contractor's planning for execution of the works. The price schedule should be completed as per required Section A
- The information supplied will assist in site allocation

Description	Quantity	Comments: Contractor to explain quantity requirements
Equipment:		
Container		
Store		
Vehicle		
Generator		
Plant equipment (i.e. crane, forklift, hoisting equipment)		
Ablution Facilities		
Other		
People: (where applicable)		
Site Manager		
Safety Officer		
Supervisor		

Storeman		
Artisan		
Electrician		
Welder		
Semi-Skilled		
General Labourers		
Other		
Materials: (where applicable)		
Oil		
Cleaning Equipment		
Hazardous Material		
Other: (where applicable)		
Hot permit requirement		

APPENDIXES

Appendix A - Scope of Work

Appendix B – Pricing Schedule

Quality Requirement:

- The following Quality requirements shall be Noted and adhered to.
- 240-68099512 Form A : The tenderer must complete and sign this form to acknowledge and accept Eskom Supplier Quality Requirements as per QM 58 Specification and ISO 9001 Standard
- Category 3- Quality Assessment Criteria
- QM 58_240-105658000 – Supplier Quality Management Specifications