Part 3: Scope of Work

<table>
<thead>
<tr>
<th>Document reference</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This cover page</td>
</tr>
<tr>
<td>C3.1</td>
<td>Employer’s Service Information</td>
</tr>
<tr>
<td>C3.2</td>
<td>Contractor’s Service Information</td>
</tr>
</tbody>
</table>
C3.1: Employer’s service Information

Contents

1  Description of the service ........................................................................................................... 3
  1.1 Executive overview .................................................................................................................. 3
  1.2 Scope of work .......................................................................................................................... 3
      1.2.1 Installation of rental equipment ......................................................................................... 3
      1.2.2 Supply of consumables ..................................................................................................... 3
      1.2.3 The service entails ........................................................................................................... 4
  1.3 C2.1 Pricing assumptions ........................................................................................................ 4
  1.4 Price List ................................................................................................................................... 4
  1.5 Preparing the price list ............................................................................................................. 5
  1.6 Format of the price list ............................................................................................................. 6

2  Management strategy and start up ............................................................................................... 7
  2.1 The Contractor’s plan for the service ...................................................................................... 7
  2.2 Management meetings ............................................................................................................ 7
  2.3 Contractor’s management, supervision and key people ......................................................... 7
  2.4 Documentation control .......................................................................................................... 8
      2.4.1 Procedures, Records and Reports .................................................................................. 8
  2.5 Invoicing and payment ............................................................................................................ 8

3  Working on the Affected Property ............................................................................................. 8
  3.1 Employees site entry and security control, permits and site regulations ................................. 8
  3.2 Hours of work ......................................................................................................................... 8
  3.3 Site service and facilities ....................................................................................................... 9
  3.4 Records of contractors equipment ......................................................................................... 9

4  Special Conditions ....................................................................................................................... 9
  4.1 Termination ............................................................................................................................. 9
  4.2 Penalty ..................................................................................................................................... 9

5  Drawings ...................................................................................................................................... 9
1 Description of the service

1.1 Executive overview
The scope is for the provision of rental, installation and servicing of restroom equipment at Majuba Power Station, twice a month for a period of 5 years, starting 01 September 2016 to 31 August 2021.

The Contractor provides all labour, supervision, administration, management, supplies and material to perform the services as specified herein.

1.2 Scope of work
The scope is for the provision of the rental, installation and servicing of restroom equipment at Majuba Power Station.

The service includes the supply of consumables like hand soap, paper towel etc. The servicing should be done twice a month and servicing should be done under the supervision of the Contract Supervisor.

Routine days for service equipment to be scheduled prior to the contract start date. The contract will provide for repairs to the damaged equipment and normal wear and tear. Any damages due to negligence on the part of Eskom will be the Employer’s cost and any damages due to negligence of the Supplier will be for the Supplier’s Cost. This contract entails the replacement of the existing equipment with new equipment.

1.2.1 Installation of Rental Equipment;
The Equipment entails:
- Aerosol Units
- Paper Towel Units
- Wall Mounted Bins
- Hand Soap Dispensers
- SHE Bins
- Toilets Chemical Dispensers
- Urinal Auto Sanitizer Dispenser
- Hand Power Towels

1.2.2 Supply of Consumables;
The Consumables entails:
- Paper towels
- Hand soap
1.2.3 The Service Entails;

- Empting the SHE bins and provide disposal certificate monthly
- Installing the paper towels
- Refill the soap dispensers
- Refill the aerosol units

1.3 C2.1 Pricing assumptions: Option A

The *conditions of contract*

**How work is priced and assessed for payment**

Clause 11 in NEC3 Term Service Contract, June 2005 (TSC3) core clauses and Option A states:

<table>
<thead>
<tr>
<th>Identified and defined terms</th>
<th>11.2</th>
<th>(12) The Price List is the <em>price list</em> unless later changed in accordance with this contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(17) The Price for Services Provided to Date is the total of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the Price for each lump sum item in the Price List which the <em>Contractor</em> has completed and where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <em>Contractor</em> has completed by the rate.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.</td>
</tr>
</tbody>
</table>

This confirms that Option A is a priced contract where the Prices are derived from a list of items of service which can be priced as lump sums or as expected quantities of service multiplied by a rate or a mix of both.

1.4 Price List

**Function of the Price List**

Clause 54.1 in Option A states: “Information in the Price List is not Service Information”. This confirms that instructions to do work or how it is to be done are not included in the Price List but in the Service Information. This is further confirmed by Clause 20.1 which states, “The Contractor Provides the Service in accordance with the Service Information”. Hence the Contractor does not Provide the Service in accordance with the Price List. The Price List is only a pricing document.
**Link to the Contractor’s plan**

Clause 21.4 states “The Contractor provides information which shows how each item description on the Price List relates to the operations on each plan which he submits for acceptance”. Hence when compiling the price list, the tendering contractor needs to develop his first clause 21.2 plan in such a way that operations shown on it can be priced in the price list and result in a satisfactory cash flow in terms of clause 11.2(17).

### 1.5 Preparing the price list

It will be assumed that the tendering contractor has read Pages 14, 15 and 73 of the TSC3 Guidance Notes before preparing the price list. Items in the price list may have been inserted by the Employer and the tendering contractor should insert any additional items which he considers necessary. Whichever party provides the items in the price list the total of the Prices is assumed to be fully inclusive of everything necessary to Provide the Service as described at the time of entering into this contract.

- As the Contractor has an obligation to correct Defects (core clause 42.1) and there is no compensation event for this unless the Defect was due to an Employer’s risk, the lump sum Prices and rates must also include for the correction of Defects.

- If the Contractor has decided not to identify a particular item in the price list at the time of tender the cost to the Contractor of doing the work must be included in, or spread across, the other Prices and rates in the price list in order to fulfil the obligation to complete the service for the tendered total of the Prices.

- There is no adjustment to lump sum prices in the price list if the amount, or quantity, of work within that lump sum item of service later turns out to be different to that which the Contractor estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event. See Clause 60.1.

- Hence the Prices and rates tendered by the Contractor in the price list are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an Employer’s risk.

- The Contractor does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event. It should be noted that the list of compensation events includes those arising as a result of an Employer’s risk event listed in core clause 80.1.
1.6 Format of the price list

(From page 73 of the TSC3 Guidance Notes)

Entries in the first four columns in the price list in section C2.2 are made either by the Employer or the tendering contractor.

If the Contractor is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tendering contractor enters the amount in the Price column only, the Unit, Expected Quantity and Rate columns being left blank.

If the Contractor is to be paid an amount for an item of work which is the rate for the work multiplied by the quantity completed, the tendering contractor enters the rate which is then multiplied by the Expected Quantity to produce the Price, which is also entered.

If the Contractor is to be paid a Price for an item proportional to the length of time for which a service is provided, a unit of time is stated in the Unit column and the expected length of time (as a quantity of the stated units of time) is stated in the Expected Quantity column.
2 Management strategy and start up.

2.1 The Contractor’s plan for the service

Rental and servicing of restroom equipment service will be done on Wednesdays & Thursdays of the first week and the third week of every month.

<table>
<thead>
<tr>
<th>Service rendered</th>
<th>Turnaround time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servicing of restroom equipment</td>
<td>8 hours per day</td>
</tr>
<tr>
<td>Maintenance of restroom equipment</td>
<td>8 hours per day</td>
</tr>
</tbody>
</table>

2.2 Management meetings

Site meetings of a general or special nature, arranged by the Employer’s Service Manager, may be convened as and when required.

<table>
<thead>
<tr>
<th>Title and purpose</th>
<th>Approximate time &amp; interval</th>
<th>Location</th>
<th>Attendance by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Meeting</td>
<td>Once in three months</td>
<td>Majuba</td>
<td>Site manager, Site supervisor &amp; Safety Officer</td>
</tr>
</tbody>
</table>

Records of these meetings shall be filed in the contracts manager file for reference purposes.

All meetings shall be recorded using minutes or a register prepared and circulated by the person who convened the meeting. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the conditions of contract to carry out such actions or instructions.

2.3 Contractor’s management, supervision and key people

<table>
<thead>
<tr>
<th>SKILL</th>
<th>GRADE AND RELATED EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled personnel with relevant training</td>
<td>Three years related experience</td>
</tr>
</tbody>
</table>

The Contractor recruits from the local community. All Contractors’ employees shall be trustworthy and have no criminal records.
2.4 Documentation control
All communication will be in writing.

2.4.1 Procedures, Records and Reports
The Contractor implements the following procedures or paperwork over the first month of this Contract:

- Business Organisation Chart
- Safety procedures
- Quality Procedures

The following policies, procedures and specifications will be complied by at all times

- Site Regulations – Majuba site Regulations
- BIA/RM/STD/01 – Safety, health and environmental requirements to be met by Contractors (available on request)
- Eskom Majuba Site transport requirements
- Occupational, health and Safety Act
- Eskom Cardinal Rules
- All Relevant Majuba Power Station standards, policies and procedures

2.5 Invoicing and payment
The Supplier together with contracts manager assesses the amount due in relation to work done on the 25th of every month. The supplier receives the assessment from the contracts manager on the 26th of every month and submits an invoice thereafter. The invoice includes the details stated in the Scope to show how the amount due has been assessed.

There is an assessment day in each month from the starting date until one month after the defects date for the whole of the services.

The Employer pays the Supplier within 30 days after receipt of an invoice from the Supplier. The first payment is the amount due. Other payments are the change in the amount due since the last payment.

The supplier will submit the invoice to invoiceseskomlocal@eskom.co.za on the 27th of every month after receiving a service entry number.

Note: The assessment will only be done with the signed task orders and the disposal certificate.

3 Working on the Affected Property

3.1 Employers site entry and security control, permits and site regulations

The supplier will obtain access control from protective services, once their safety file it's approved and induction was completed by the supplier employees thereafter permits will be issued.

Suppliers to comply with site regulations attached in this agreement.

3.2 Hours of work
The Contractor provides the service at Majuba Power Station premises during the normal working hours:

The service will be done on Wednesdays or Thursdays twice a month
3.3 Site services and facilities

The Employer arranges the following services and facilities to the Contractor:

- Induction training
- Access to the station

The contractor provides everything else (labour, supervision, administration, management, supplies and material & safety requirements) to perform the services.

3.4 Records of Contractors Equipment

The contractor to keep record of Equipment on Site including whether it is owned or hired and submit to contracts manager where changes occurs.

4 Special Conditions

4.1 Termination

The Employer may terminate if the Employer has notified the Supplier that he has is substantially failed to comply with his obligations, substantially hindered the Employer, and/or substantially broken a health or safety regulation.

4.2 Penalty

Non-conformance will be issued to a contractor when defects are not closed within two weeks from the day reported. Where service it’s not completed for the actual month, the contractor will send the service crew or additional resources at his/her own costs.

5 List of Drawings

To be collected from Doc centre