



NEC3 Term Service Contract (TSC3)

Between ESKOM HOLDINGS SOC Ltd
(Reg No. 2002/015527/30)

and

(Reg No. _____)

**for ASH PLANT MAINTENANCE SERVICES (DUST
HADLING PLANT) FOR MAJUBA POWER STATION**

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ENQUIRY No. MPMAJ10439GX

PART C1: AGREEMENTS & CONTRACT DATA

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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:

ASH PLANT MAINTENANCE SERVICES (DUST HANDLING PLANT) FOR MAJUBA 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	The offered total of the Prices exclusive of VAT is	R
	Value Added Tax @ 15% is	R
	The offered total of the amount due inclusive of VAT is ¹	R
	(in words)	

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:

N/A

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 and signed original copy of this document, including the Schedule of Deviations (if any).

Signature(s)

Name(s)

Capacity

**for the
Employer**

(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

No.	Subject	Details
1		
2		
3		
4		
5		
6		
7		

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)**(Insert name and address of organisation)*Name &
signature
of witness

Date

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
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ² (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
10.1	The <i>Service Manager</i> is (name):	Johannes Zondi
	Address	Majuba Power Station Private Bag 9001 Volksrust 2470
	Tel	017 799 3666
	Fax	017 799 3259
	e-mail	Johannes.zondi@eskom.co.za
11.2(2)	The Affected Property is	Majuba Power Station Ash Plant Maintenance (Dust Handling Plant Maintenance)
11.2(13)	The <i>service</i> is	Ash Plant Maintenance (Dust Handling Plant Maintenance)

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 www.ecs.co.za

11.2(14)	The following matters will be included in the Risk Register	A Risk Register is to be maintained throughout the contract period.
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	One weeks
2	The Contractor's main responsibilities	Data required by this section of the core clauses is also provided by the Contractor in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data
21.1	The Contractor submits a first plan for acceptance within	One weeks of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	01 May 2023
30.1	The <i>service period</i> is	30 April 2028
4	Testing and defects	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
5	Payment	
50.1	The <i>assessment interval</i> is	between the 25th day of each successive month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	Four weeks.
51.4	The <i>interest rate</i> is	<p>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 Limited (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</p> <p>(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 <i>mutatis mutandis</i> every 6</p>

		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	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
	This are a additional compensation	<p>1. Planned maintenance or outage work in excess of working hours defined in the Price list.</p> <p>2. Overtime in excess of 25 hours</p>
7	Use of Equipment Plant and Materials	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
8	Risks and insurance	
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for “Format TSC3” available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (See Annexure A for basic guidance).
83.1	The <i>Employer</i> provides these additional insurances	as stated for “Format TSC3” available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (See Annexure A for basic guidance)
83.1	The <i>Contractor</i> provides these additional insurances:	As the <i>Contractor</i> deems fit.
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/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
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	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

contract for any one event is:

R500 000 (Five hundred thousand Rands)..

9	Termination													
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	Four [4] weeks.												
11	Data for Option W1													
W1.1	The <i>Adjudicator</i>	the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). 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	Johannesburg, 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												
	- if the arbitration procedure does not state who selects an arbitrator, is	of the Association of Arbitrators (Southern Africa) or its successor body.												
12	Data for secondary Option clauses													
X1	Price adjustment for inflation													
X1.1	The <i>base date</i> for indices is	The based date will be one month prior from the starting date of contract. Adjustments will be fixed for one year. Adjustment will take place in the 13 th month												
	The proportions used to calculate the annual Price Adjustment Factor are:	<table> <tr> <th>proportion</th><th>linked to index for</th><th>Index prepared by</th></tr> <tr> <td>0.80</td><td>Labour</td><td>SIEFSA C3A Field Services</td></tr> <tr> <td>0.05</td><td>Transport</td><td>SEIFSA L2</td></tr> <tr> <td>0.15</td><td>non-adjustable</td><td></td></tr> </table>	proportion	linked to index for	Index prepared by	0.80	Labour	SIEFSA C3A Field Services	0.05	Transport	SEIFSA L2	0.15	non-adjustable	
proportion	linked to index for	Index prepared by												
0.80	Labour	SIEFSA C3A Field Services												
0.05	Transport	SEIFSA L2												
0.15	non-adjustable													

1.00

X2	Changes in the law	There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.
X2	Change in law	
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, 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 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_From_1_April_2014_To_31_March_2015.aspx
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 <ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
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	the total of the Prices other than for the additional excluded matters. 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 <ul style="list-style-type: none"> • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and • infringement of an intellectual property right.
X18.5	The <i>end of liability date</i> is	Two weeks after the end of the <i>service period</i>.
Z	The <i>additional conditions of contract</i> are	

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.

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 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 Service.
- 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 2014 (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 the last paragraph of core clause 61.3 and replace with:

If the *Contractor* does not notify a compensation event within eight weeks of becoming aware of the event, he is not entitled to a change in the Prices.

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 in core clause 63 and X19.11 if Option X19 Task Order applies to 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":

- Z11.1 or had a business rescue order granted against it.

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. The Contractor must obtain its own advice. 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/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_
From_1_April_2014_To_31_March_2015.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx)

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): Address 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 people 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	
11.2(19)	The tendered total of the Prices is	R

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title
C2.1	Pricing assumptions: Option A
C2.2	The <i>price list</i>

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:

Identified and defined terms	11 11.2	<p>(12) The Price List is the <i>price list</i> unless later changed in accordance with this contract.</p> <p>(17) The Price for Services Provided to Date is the total of</p> <ul style="list-style-type: none"> the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate. <p>(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.</p>
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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.

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).

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.

1 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.

2 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.

3 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.

4 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.

5 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.

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.

C2.2 the *price list*

<u>Item nr</u>	<u>Description</u>	<u>Nr of Personnel (Estimated qty)</u>	<u>Months</u>	<u>Rate per person</u>	<u>Rate - Monthly</u>	<u>Amount</u>
1	Mechanical Engineer 1 week per month	1	60			
2	Site Manager	1	60			
3	Supervisor	1	60			
4	Mechanical Artisans	1	60			
5	Artisan Coordinator	1	60			
6	Welders	2	60			
7	Boilermaker	2	60			
8	C&I Artisans	2	60			
9	Electrical Artisan	1	60			
10	Artisan Semiskilled(all discipline)	7	60			
11	General labourers	6	60			
12	Safety Officer	1	60			
13	<u>25 hours overtime</u>	0	60			
14	Supervisor	1	60			
15	Mechanical Artisans	3	60			
16	Artisan Coordinator	2	60			
17	Welders	3	60			
18	Boilermaker	3	60			
19	C&I Artisans	2	60			
20	SEMI SKILLED C&I	1	60			
21	Electrical Artisan	1	60			
22	ELECTRICAL SEMI SKILLED	1	60			
23	Artisan assistants	4	60			
24	General labourers (must this line come out)	4	60			
25	Clerk	1	60			
26	Site Allowance	4	60			
27	LDV's Volksrust	2	60			
28	LDV's Amersfoort	2	60			
29	LDV's Site	1	60			
30	Personnel bus Volksrust	1	60			
31	Personnel bus Amersfoort	1	60			
32	Stationery/Consumables	1	60			
33	Site establishment (specify)	1	1			
34	De establishment	1	1			
35	PPE	1	5			
36	Standby allowance	7	60			

The total of the Prices

PART 3: SCOPE OF WORK

Document reference	Title	
	This cover page	
C3.1	Employer's Service Information	
C3.2	Contractor's Service Information	

C3.1: EMPLOYER'S SERVICE INFORMATION

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1 Description of the service

2 Executive overview

The objective of this contract is for the *Contractor* to provide a Comprehensive Mechanical, Electrical and Control and Instrument Maintenance Service for Majuba Power Station Dust Handling Plant. The delivery of this Service does not include Plant Spares.

The *Contractor* performs Planned, Corrective, preventative, opportunity and Outage Maintenance.

The *Contractor* Provides a Base crew for preventative and Corrective Maintenance to be based on Site and additional crews for Outage work execution when required.

The *Contractor* has an effective quality management system in place and be ISO 9001 approved. Furthermore, all activities will be done as per to the level of quality management stipulated therein, also taking into account Input from Majuba Engineering Section, Risk assurance department and Management.

The *Contractor* provides competent qualified and teams with all the necessary equipment to provide the Service. The Contractor's teams must always be led and Supervised by Qualified, Competent and experienced supervisors. The Contractor must provide the equipment needed to provide the Service. Spares will be supplied by the *Employer*.

The *Contractor* has identified a representative as a key person approved by the *Employer* on site during working hours and when otherwise required who will report to the Service manager and co-ordinate all activities. The Site representative must be a Qualified and experienced Site Manager.

The *Contractor* performs all planning and scheduling associated with the Plant in line with the Eskom Works Management Process.

The *Contractor* is Subject to low Performance Penalties as indicated in The Service Level Table in Sub Section 6 below.

The *Contractor* ensures that the contracted service is performed regardless of strike and industrial action.

The *Contractor* establishes his own yard with all the relevant facilities on the site indicated by the *Employer*.

3 Abbreviations

DHP	-	Dust Handling Plant
V/V	-	VALVE
CBM	-	Condition Base Maintenance
PM	-	Planned Maintenance
CM	-	Corrective Maintenance
SAP	-	Systems Applications and Products
NEC	-	New Engineering Contract
SOW	-	Scope of Work
KPI	-	Key Performance Indicators
RBO	-	Reliability Basis Optimising
PSR	-	Plant Safety Regulations

4 **Employer's requirements for the service**

5 **Extent of the Scope**

6 **To perform Maintenance on the Dust Handling plant in a safe, efficient and effective manner, to meet the demands of Majuba Power Station.**

NOTE: *Contractor* ensures that the Dust Handling Plant is Available & Reliable to such an extent that ZERO load losses have to be taken on the Units due to the Dust Handling Plant.

7 **Boundaries (unit 1-6 and common plant)**

Contract Boundaries (Units 1 – 6 and Common plant):

The boundaries of the plant where maintenance is to be performed will cover the following systems:

1.3.2. 1 Dust Handling

All plant from and including the FFP hopper slide gate valves to the Surge bin discharge valves. Including the following:

- Aero Slides
- Aeration Fans
- Aeration Blowers
- Surge bin aeration pads
- Blower House & the pressurization system
- Surge Bin & associated pipe-work
- Air Supply lines & All aeration air pipes and equipment
- Scrubber vacuum system.

Dust Conveying

All plant from the Surge bin discharge valves to the ash silo inlet spouts. Including the following:

- Pressure vessels
- Conveying Lines
- Air Supply lines (After PV pit Isolation V/V)

Dust Conditioning

All plant from and including the top of the ash silos to the conditioner discharge onto the ash overland conveyors including the following:

- Aero Slides
- Conditioners
- Conditioner discharge & conveyor inlet
- Scrubber Fans
- Blower House & blowers, aeroslide fans and equipment

Control & Instrumentation : All C&I related to the above.

Electrical : : All Electrical related to the above.

: The boundaries fall within the DHP boundaries.

Electrical Scope

6.6kv cables from switchgear to motors (excluding the switchgear)

All Low Voltage switchgear that is allocated in the DHP (include LV Board busbars, circuits with Overload and fuse isolators but exclude protection circuits.

All lightning boards and welding sockets in the relevant plant areas are included.

8 Maintenance , repair, optimization, implementation, commissioning, Investigations and Clarification of Problem areas, review of planned maintenance programs, Specialized fault finding, Re-commissioning and return of units to service from outage, cold reserve or Two Shifting.

9 Control and Instrumentation Standby duties on the DHP PLANT, also including two shift coverage. The C&I maintenance includes the primary elements up to and including the ABB control system. Duties also include fault finding in the ABB software (logic). C&I Technicians to have at least 3 years working Experience in ABB Teleperm Me and Teleperm XP control Software.

10 All installed Mechanical equipment will be maintained.

11 Where access is required to perform Maintenance work the *Contractor* will be required to supervise the removal and then reinstating of cladding and sheeting and the Construction of Scaffolding.

12 Structure, Welding and Boiler Making

- Ensuring that Structural Bolts, fasteners etc. are in place and Tight
- Manufacturing, turning, welding and fitting of brackets and other simple fittings
- Replacement and maintenance of Holding down Bolts, Anchor points and grouting
- Replacement and maintenance of floor grating
- Replacement and maintenance of hand railing
- Corrosion protection and painting of plant and equipment.

Where Structural work is required to be removed and reinstated the *Contractor* will perform this in accordance with an approved procedure. The *Contractor* is required to provide this documented procedure.

13 The *Contractor* implements modifications where:

- Plant is obsolete and replacement items are supplied
- The Modification will not interfere with the execution of Maintenance work.

14 The Following minimum Plant Safety Regulation requirements will be adhered to:

- All mechanical artisan to be PSR Authorised to Accept Mechanical Permits.
- All C&I personnel to be PSR Authorised to Accept C&I Permits.
- All electrician to be PSR Authorised to Accept Electrical Permits.

15 Base Crew Composition (Minimum Requirements)

Designation	Patterson Band Level	Numbers
Mechanical Engineer (1 week per month)	-	1
Site Manager	M14	1
Supervisor	T09	1
Mechanical Artisans	T09	1
Artisan Co-ordinator	T05	1
Welders	T09	2
Boilermaker	T09	2
C&I Artisan	T09	2
Electrical Artisan	T09	1
Artisan Semi-Skilled	T05	7
General Labourer	T04	6
Safety Officer	T11	1
Total Base Crew		26

16 Maintenance and plant excluded from the scope of work

- Rewiring of electric motors .
- Laser alignment.
- Refurbishment of hydraulic equipment where specialized workshop /equipment or skills are necessary.
- Control and instruments software.
- Large gearbox refurbishments .
- Hoist (Ash Silo's).
- Statutory testing- PV Pressure test approval ,safety valves.
- DCP compressors supplying the PV's.
- DCP Conveying line bends re-lining .

Plant

- 6.6Kv switch gear
- High mast lights
- Civil works, Structural steel work and Sheeting
- Buildings (switch gear rooms. Control rooms, lifts)
- All fire protection systems

17 Maintenance Philosophy

The contractor will perform the following Mechanical ,Electrical and C&I maintenance according to Employer approved schedules.

18 Running Maintenance

Running maintenance /inspections is seen as the weekly/Daily walk downs that will be done by the *Contractor*. During these walk downs qualified & experienced artisans will do inspections while the plant is in operation. All defects or potential failures will be recorded in SAP as a basis for planning and history capturing. The Inspections will be documented by the *Contractor*.

The defects will be listed and corrective actions will be planned according to the priority of the defects. The detailed planning of critical/major activities, together with, Standard Maintenance Package (SMP) including QCP's and risk assessments will be done by the *Contractor* and approved by the *Service Manager*. Where Permits to Work are required, the work will be planned with the Production Manager of Majuba P/S via the Service Manager).

19 Planned Maintenance

Planned maintenance schedules initiated by *Employer* will be followed to prevent any potential breakdowns or failures of equipment. Appendix Ai contains a Sample Service plan and Appendix Aii contains a list of Maintenance Planned Tasks currently in the SAP system.

20 Corrective and Breakdown Maintenance

All unpreventable and unforeseen plant failure occurrences, replacement of damaged plant and equipment are included.

The Authority for determining the criticality of Work rest with the Production Managers , repairs to plant on breakdown are to start as soon as possible and continue until the plant is back in operation. Except for safety reasons the Service manager's permission is required to postpone breakdown work.

21 Condition based maintenance / monitoring

The purpose of Condition Based Maintenance is to enable the monitoring of the performance, physical condition and potential failure modes of equipment. Majuba's engineering department performs most of the Condition Based Monitoring. Condition Based Maintenance tasks are included in the Appendix Ai. The replacement of wearing parts might be postponed or brought forward based on the plant condition. There will also be Corrective actions based on the Finding from Condition monitoring activities.

22 Daily Plant Inspections

Defects that put the plant at risk are to be reported to the Service Manager immediately and action taken to correct the fault as soon as possible.

It is expected that all plant deterioration or faults be identified and corrected by the *Contractor* before they become a major risk to the plant or a break down.

23 Repair Times

Eskom's Works Management process requires that work be prioritised and that corrective action be taken as follows:

Priority 1 – 24 hours to affect the repair

Priority 2 – 72 hours to affect the repair

Priority 3 – planned and completed within 5 weeks

24 Revision of Maintenance Scope

The Maintenance Schedule is reviewed annually as part of the Reliability Basis Optimising process.

Improvements to the Preventative Maintenance Strategy in line with the RBO process are expected during the duration of the contract.

The *Contractor* makes experienced personnel available for the revision of Maintenance Strategies through the RBO process.

25 Outage and Opportunity Work

26 Units 1-6

Maintenance Opportunities are sometimes provided on short notice. When a Unit comes down for repairs it is expected that all outstanding work on the units is planned, in readiness for execution on short notice and that when the Unit returns to service that there are no outstanding Work orders Planned or Corrective.

In line with point 1.3.4.5 above it is expected that there will be no unidentified Faults on the plant when it returns to service.

Planned outages are provided on the Units on a 3 yearly interval 14 days and 6 yearly intervals for 60 days. Refer to Appendix C for a sample of the scope.

The scope contained in Appendix C is a sample of the scope of work that has been executed during outages and is subject to confirmation and revision.

The *Contractor* is to provide sufficient resources to perform the required work as per a defined scope of work on the plant during opportunities provided.

The Contractor provides a dedicated crew for outage work.

All outage work will be conducted on a 24 hour basis.

27 Shift and Standby

This Contract makes allowance for Standby:

28 Standby

The *Contractor* makes provision is made for a standby crew in the event of plant failures outside of normal working hours.

The Standby team will report to Site within 1 hours of being called and attend to the Break down Situation.

The *Contractor* ensures that there is a 2nd call team available to ensure that the Standby persons do not exceed the legal limit on consecutive time worked and to attend to additional Emergency work in the event of the first call team being already engaged in breakdown work.

29 Standby Roster

The Contractor maintains and up-to-date standby roster and communicates all changes and the relevant list to be submitted to Majuba Electrical Operator Desk EOD

30 Over Time

No Over Time will be claimed, except on request from Eskom Service Manager. The contractor will provide a Comprehensive All Inclusive Maintenance Service for Majuba Power Station Dust Handling Plant at a fixed monthly amount according to the price schedule.

31 Modifications

Only approved modifications with the appropriate Drawings and documentation from the Service Manager will be allowed on the affected plant.

32 Work Interface

The Mechanical Field is the Lead Discipline during plant Maintenance and the *Contractor* will coordinate work on the effected plant between all interfacing disciplines and other contractors and departments.

The Contractor will be responsible for Planning and coordinating and providing Permits for the following work performed by others.

- Engineering and Plant Specialists
- Civil works, Structural steelwork and Sheeting
- Repair of Plant Hoists, cranes and load beams

33 Working Hours

The *Contractor's* personnel including the Site manager and Supervisors will be on site during Eskom working hours as specified in 4.2.3 below. The Contractor is not required to have a Supervisor on site for emergency callouts/overtime.

34 Spillages and leaks

The Prevention of Spillages is viewed to be very important for ensuring plant housekeeping and should be actioned as one of the top priorities.

Any leak must be attended to Immediately, It is acceptable that a Short term repair be instituted immediately and then a permanent repair be effected on a planned opportunity.

Any spillage caused as a direct result of the *Contractor* will be cleaned by the *Contractor* at Their Cost.

35 House keeping

36 General Plant

The *Contractor* is to ensure that the Plant areas where work is to be performed is clean before and during the maintenance process. Possible sources of contamination are to be addressed by the contractor Before Work Starts.

All materials, consumables and spares (new, used or damages) etc. are to be removed from the Plant and deposited in the appropriate areas.

These are unless otherwise directed by the Employer:

- All Spares whether Damaged, Repaired or New are to be Booked into the Majuba Store.
- Scrap steel is to be deposited in the allocated metals Bins at the Africa Store.
- Domestic waste is to be deposited in rubbish bins or a Domestic waste skip.
- Oil used or new is to be returned to the oil Store.
- Hazardous and contaminated Material or waste is to be deposited in the Skips provided for this purpose, usually at the Fuel oil offloading Station.

37 Work Shop

The allocated Work shop area is to be kept neat and managed according to good housekeeping practices. Only Spares in transition between the Plant and the Stores when planned may be kept in the Area. The *Contractor* must clean this Area on Inception of the Contract.

38 Plant Criticality

The Dust Handling Plant are classified as Critical Plant. The Plant is required to be available at all times.

39 Redundant Plant

Where redundant Plant Fails the *Contractor* will effect repairs immediately and this work will be supervised by a competent and Qualified Supervisor.

40 Major Plant Break Down

When there is a Major plant Break down that can result in a Load loss or put the Dust Handling Plant Supply at risk the *Contractor* will effect repairs immediately and the Contractor's site manager will be on site coordinating the work.

In the event that Majuba Power Station site personnel (Eskom or others) need to be used to provide Supervision, the *Contractor* will be charged at the hourly cost to company rate for the Person doing the supervision to recover the costs incurred.

41 Maintenance Planning

42 General Planning

The *Employer* requires that the Dust Handling plant system are maintained according to a defined maintenance programme developed by the *Employer*. With each and every system the planned maintenance activities are listed with periods at which stage the activity is to be carried out. The scope of work will focus on a specific plant area & equipment.

The *Employer* has a planning system called SAP PM, which records all corrective maintenance identified and all planned maintenance schedules.

All of the *Employer's* documentation will be used in each and every activity performed on the respective plant with accurate information of the required actions undertaken to restore the plant back to working condition.

All work orders completed to be verified and approved by *Contractors* Supervisor and submitter to the Planning Department on the same day that the work is complete. All man-hours, staff used, material used, corrective or planned actions taken must be recorded on the corrective maintenance (CM) or planned maintenance (PM) documentation which is forwarded to the Planning Division for recording.

The *Contractor* will be responsible for planning and scheduling all Work being executed in the Affected Area. The Planning work will be done by competent and qualified Planners in line with the Employers Work Management principles, Including Scoping of Breakdown Work, the Writing of Standard Maintenance packages, Reserving Spares and returning Spares to the Store, Creating Purchase requisitions for Services and spares in Sap System.

The *Contractor's* Site Manager, Supervisor, Planners and Artisans will be required to attend and Pass the Employer's OMO training. Training Duration ranges from 2 to 14 days depending on the job description.

43 Qualification

The Planning personnel are to be Qualified as Per the Eskom Job Profile for a Planner/scheduler Gen 030109.

The *Employer* will provide the required SAP and Works Management training.

All scheduling activities will be undertaken by the Contractor's planning schedulers - corrective maintenance is also catered for in the same way.

44 Plan Submission

Comprehensive plans will be submitted to the Service Manager or Delegated Supervisor.

Confirmation or commitment of resources is required on submission of the Plan.

Planning Resolution is to be at least 1 hour.

Plans to be updated in SAP and submitted with all required SAP fields populated.

45 Spares Management

The *Contractor* will contribute to spares management by timelessly providing detail of the spares required to the contract supervisor as well as by assisting in identifying and cataloguing spares.

Cataloguing includes the completion and submission of the required form to make items stock.

The *Contractor* will also be required to verify the existence and correctness of spares and to perform quality checks on a regular basis.

The Contractor will also be required to perform preventative maintenance on the spares associated with the Service scope, including in this scope is rotating gearbox and pump shafts, replacing lubricants, performing internal inspections replacing Seals and gaskets and applying preservation material.

46 Plant and plant equipment Alignment

The *Contractor* will perform all the Machine alignment required, including:

- All installed equipment but not limited to pumps motors etc. this is to include all alignment methods.
- The hire of all equipment will be at the contractor's expense.
- Consumables will be for the *Contractor's* account.
- Unless otherwise agreed upon the tolerance for all alignment will be 0.05 mm or less in all planes of alignment.

47 Quality Control

Majuba Power Station reserves the right to do quality checks at any time. It will be the philosophy of this contract that if a problem is identified while carrying out an inspection, a defect is raised to rectify the problem as corrective maintenance.

The *Contractor* is required to be certified in accordance to ISO9001.

48 QCPs

The *Contractor* is responsible for creating QCP documents and having them approved by the Service Manager.

The *Contractor* will ensure that all critical work will be performed using a Procedure and QCP. Where no procedure exists the Contractor will write the procedure and have it approved by the Employer.

The *Employer's* agent will witness the work and a results report (hardcopy) will be provided to the *Employer* and uploaded into the SAP system.

All specifications and actions stipulated within plant specific procedures shall be strictly adhered to with exception of any changes stated within the Service Information. Further exceptions to the above procedures must be approved by the *Service Manager* before it may be implemented.

49 Rigging Service related to the Execution of Work

The *Contractor* will perform all the rigging work required to execute the work and will ensure that the work is performed by competent and Qualified Personnel and that all work is executed safely and in accordance with Eskom Procedures and regulations.

The Contractor will be responsible for the training of rigging Personnel.

50 Welding

All welding work done by the *Contractor* will be performed in accordance with Eskom Procedures, regulations and the Welding Rule Book **36-505** and **36-775**.

The hot work Procedure will Apply as per 2.1.3 below.

The *Contractor* provides Welders and Boilermakers on an as needed basis.

51 Strike Action

Majuba Power Station is a National Key Point and as such strike action and the associated intimidation and other activities associated with industrial action place the power station at risk. The *Contractor* is to ensure that the contracted service is performed regardless of strike and industrial action by the Contractor's personnel.

The *Contractor* is to take all possible steps to ensure that strike action and the associated intimidation and other activities associated with industrial action do not take place on the premises of the Power Station.

The *Contractor* is required to provide an action plan for approval on how this situation is going to be mitigated.

52 KPIs

The *Employer* uses KPI's to determine the successful performance of the plant area. The *Contractor* is required to perform maintenance in order to meet these targets. The KPI's are Subject to change on an Annual basis. The Service Level Table in Section 5 Below contains Penalties that are Tied to these KPI's.

The Current KPI:

Scheduled Compliance	More than 95%
PM compliance	More than 98%
Statutory work order violation	No violations
P1 work order not closed within 24 hours	Less than 1 outstanding
P2 work order not closed within 72 hours	Less than 3 outstanding
Safety Work orders not attended to within 24 hours	No violations
Work order back log	No more than 10 outstanding
Unit light up delay time	< 30 minutes

53 Plant Hazards

The *Contractor* will Conduct a Base line risk assessment and provide to the Service Manager and abide by Safe work procedures that mitigate each risk identified.

240-77471499 - Annexure A - Supplier Risk Category contains the possible hazards identified by the *Employer*.

Weather conditions are to be taken into account and the *Contractor* is to put measures in place to execute the work Regardless of weather conditions.

54 Delegation of Contract roles

The Service Manger may in terms of NEC Claus14.2 Delegate Certain Planning and coordinating rolls to others.

55 Procedures

In the event that an Eskom policies and Procedures should change, the *Contractor* is required to adopt the replaced or revised Procedure.

56 Contract Conclusion

The Contractor Provides Safety File on conclusion of the contract to the Service Manager
The Safety fine contains Excite medical certificates for all employees associated with the contract including persons leaving employment of the Contractor before the end of the contract.

57 The *Contractor's* plan for the *service*

58 The Contractor shall provide an overall plan which stipulates how the provision of the services shall be facilitated in order to meet the Employer's needs. This will include the availability of competent staff and necessary equipment, team/s reporting to site within the stipulated time, meeting quality requirements, including defect correction and management of incompetency and ill-discipline.

59 For the duration of the Contract the Contractor will provide Comprehensive rolling programme which will contain duration, planned start dates and times for a specific type of activity. This will be especially required where work will affect other activities on site, including during outages. Such programme will be in the form of either a Microsoft Excel spread sheet with durations and resources stated for all the different activities/levels of work to be undertaken. Programmes must be revised whenever necessary to contain relevant information. The planning Information will

be required to be updated in SAP by the Contractor's Planners.

60 Meetings

Meetings will be convened and chaired by the *Service Manager* as and when required, including the following:

Table 2.2: Meeting Schedule

Name	Frequency	Attendance by relevant <i>Employer's</i> personnel:	Attendance by relevant <i>Contractor's</i> personnel:
Contract kick-off	Once off	Service manager, Plant supervisor/manager and/or other necessary representatives.	Site manager, Site supervisor and/or other necessary representatives.
Early Warning	As and when notified by either party	Service manager and Plant supervisor/manager and other relevant personnel.	Site manager and Site supervisor/manager and other relevant personnel.
Technical and/or non-conformance	At least once every 3 months	Service manager, Plant supervisor and technical representative.	Site manager, Site supervisor and technical representative.
Safety Incidents	For each occurrence	Safety Representative, Service manager and Plant supervisor and others involved.	Safety Representative, Site manager and Site supervisor and others involved.
Section Meeting	Daily	Fuel Oil Plant Maintenance manager and supervisor, Engineer, and others involved.	Site manager, Site supervisors Safety Representative and planner.
Scope freeze meeting	weekly	Contract Supervisor, planning Supervisor	Planner, Site Supervisor
Planning meeting	weekly	Contract Supervisor, planning Supervisor	Planner, Site Supervisor
Prioritization meeting	Daily	Contract Supervisor, planning Supervisor, Production Manager and others involved	Planner, Site Supervisor
Contractor Safety meeting	Monthly	Fuel Oil Plant Maintenance Manager	Site manager, Site supervisors Safety Representative
Outage planning meeting	When Required	Service manager and supervisor, Engineer, and others involved.	Site manager, Site supervisors Safety Representative and planner.

Additional ad-hoc meetings may be convened as required by either party. All meetings on site shall be recorded using the *Employer's* attendance register and minutes taken. 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.

61 Contractor's management, supervision and key people

Roles and responsibilities requirements for the contractor's key people required to render the service:

Designation	Safety Officer	Site Manager	Supervisor	C&I Mechanician	Electrical Artisan	Mechanical Fitter
Number of	X1	X 1	X 1	X 6	X 2	X 3
Grading (Patterson Band Level)	T11	M14	T09	T09	T09	T09
Qualifications	Samtrec	NEC National Diploma (Technical)	National Diploma (Technical)	Grade 12 or N3 and trade test(NQF level equivalent)	•Grade 12 or N3 and trade test(NQF level equivalent)	Minimum of 3 years of Related Experience
Experience	Minimum of 1 years of Related Experience	Minimum of 3 years of Related Experience	Minimum of 3 years of Related Experience	Minimum of 3 years of Related Experience	Minimum of 2 years of Related Experience	Minimum of 2 years of Related Experience
Name:						
Tel						
Name						
Tel:						

62 The Employer and Contractor shall appoint a competent and trained Contract Manager / Employer's Representative who shall manage all contract related matters and if necessary, may also manage technical issues. Change of this person shall be communicated in writing within one week of such change to the other party.

63 The Contractor's Site Manager is required to meet the minimum Qualification in Line with Gen 090211.

64 The Contractor's site Manager will be available after hours telephonically. Where the Site Representative is not available due to excessive hours worked, leave or Illness a Suitably qualified alternate must be made available.

65 The *Contractor* shall ensure that there is a competent supervisor for all site work to perform supervision duties. The Supervisor/s shall be qualified and experienced in line with Eskom Job Description Gen 210211 and proof of this must be submitted within one week of the contract start date.

66 The *Contractor* shall ensure that his Supervisor/s become authorized as Authorised Supervisor/s (AS), in terms of the Eskom Plant Safety Regulations (PSR) within 2 Months of the contract start date and Authorised as a Responsible Person (RP) within 6 months of the contract start date. This authorisation is obtained by attending a course which includes written evaluations (allow 10 days duration) and undergoing a verbal evaluation (1 to 2 hours) within three months after course results indicate that the Supervisor has passed. As authorisations are valid for two years only, the *Contractor* must ensure that Supervisors are re-authorised before the authorisation lapses. The necessary training and evaluations will be provided by Majuba free of charge and the *Contractor's* Supervisors must be available to attend, when the course is scheduled. If the *Contractor's* Authorised Supervisor/s is not available on site, this implies that work may not be done and therefore Low Service Damages will be charged.

67 Additionally, the Supervisor/s must be able to communicate satisfactorily in English and have formal education as per Eskom Job description Gen 210211 requirements. If at any time, it is found that the Supervisors' ability to either supervise the workers, practice good communication skills (verbal or written) or exercise competency is lacking, the *Employer* may give instruction for the removal of such person from site.

68 Qualified & Experienced mechanical artisans qualified according to Job Profile GEN 210211 and technicians qualified according to Job Profile PS Gen 286 assisted by semi-skilled workers will be responsible for all maintenance. They will be knowledgeable and understand hydraulic and, mechanical work. These artisans must be competent and thus been able to do basic welding and manufacturing.

69 All key people undertaking work shall be appropriately trained, Qualified, Skilled and competent to perform such work and proof thereof must be submitted. Incidence of poor quality work and non-adherence to site regulations and procedures will prompt the *Employer* to request the immediate and permanent removal of such person from all site activities.

70 Qualification and Qualified are to be interpreted according to the minimum

requirement as per the Occupational Health and Safety Act, firstly and then Eskom's "job profile" (listed under Section 6.2) for positions within the Contractor's organizational structure and be supported by Eskom's "Recruitment and selection procedure" Unique Identifier: 32-1023.

71 The *Contractor* is required to get the Service Manager's Approval in writing before appointing any person on a position listed in 6.2 below.

72 Documentation

73 Correspondence

Correspondences shall be written formally on the letterhead format of the organisation and addressed to the relevant person. Additionally, each correspondence shall be numbered uniquely in the following manner:

Employer to Contractor, EC, followed by a sequential three digit number e.g. EC001,
Contractor to Employer, CE followed by a sequential three digit number e.g. CE002

74 Work packages

The *Contractor* shall provide Eskom with a completed quality control procedure (QCP) and work report / job card for each and every job undertaken and this must include technical specifications, findings, space for the client to sign off and comment and include any other relevant information required by the client. The *Contractor* shall always have the approved safety file on site with all current and relevant documents. Working without a safety file and QCP is not allowed on site and the *Employer* can claim delay damages if this occurs, as the *Contractor* will be sent off site and can only return once the required documentation is available and in order.

75 Procedure, work packages, QCP, SMPs created during this contract

All Procedure, Work Packages, SMPs, QCPs and other when required check list will be provided to the Service manager when requested and will remain the property of the Employer.

A Complete copy of these documents must be returned to the Service manager on completion of the Contract.

76 Other Documentation

All other documentation issued to the Contractor must be duly completed and returned to the *Employer*.

77 Contract Conditions

The conditions of this Contract are to be taken as the Agreed term. NO other terms and conditions are to appear in the Contractor job cards, Quotations, invoices or any other standard documentation.

78 Invoicing and payment

79 Purchase order or Purchase requisition

A purchase order number shall be supplied to the *Contractor* prior to any work undertaken on site. The *Contractor's* supervisor shall ensure that a job card is correctly completed with all the relevant information including date, start time, completion time, waiting time (if applicable), plant description and KKS number, description of the work undertaken and spares/consumables used, including quantities thereof. A signed copy shall be handed to the site representative to check, sign off and retain a copy.

80 Emergency work

Where Emergency work is performed the Contractor shall within one week of the work being done, supply a quote, delivery note and/or a job card reflecting the tasks undertaken, plant description and KKS number and costs, as per the price schedule items. This is so that the Service Manager can create purchase orders.

81 Assessments

The Employer will conduct an assessment of services provided between the 25th and 31st of every month.

82 Tax Invoice

Within one week of receiving a payment certificate (contract assessment) from the Service Manager in terms of core clause 51.1, the Contractor provides the Employer with a tax invoice showing the amount due for payment equal to that stated in the Service Manager's payment certificate.

Invoices are to be submitted as per the attached e-invoicing letter.

83 Health and safety, the environment and quality assurance

84 Health and Safety

The *Contractor* shall comply with the health and safety requirements that follow:

85 Eskom Life Saving Rules

Five 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 1000 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.**
 - **Eskom takes a "ZERO TOLERANCE" attitude to drivers and passengers who do not wear safety belts when driving in any vehicle on Eskom Business and/or on Eskom premises. The violation of this very important safety rule as well as any safety rule while performing work for or on behalf of Eskom may result in Eskom terminating your obligation to perform work in terms of your contract with Eskom.**
 - **All occupants must wear their safety belts properly, and must never put the shoulder belt under their arm or behind their backs. Drivers and all passengers must buckle-up at all times for the sake of themselves and their families.**
 - **No Person may be on or within a Vehicle that is in any way in motion with our wearing a safety belt**
- **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.**

86 Plant Safety Regulations

- a) The *Employer* shall arrange the isolation of the plant from all sources of danger as described in the Plant Safety Regulations. The Permit to Work shall be issued to the Responsible Person

- (RP) (site Maintenance staff/client) and be shown to the *Contractor* with the risk assessment, indicating which plant has been isolated and any special conditions applicable.
- b) The RP Shall conduct a pre job Brief on the job site before the work commences.
 - c) The RP shall ensure that all of the *Contractors* workers sign in on the Worker's Register in order to declare that they understand the work requirements and dangers.
 - d) The *Employer* shall, on request, make available a copy of the latest revision of the Plant Safety Regulations to the Contractor.
 - e) All work on plant is governed by the Plant Safety Regulations and *Contractors* must comply fully. No permit to Work available implies that no work may be done.
 - f) The *Contractor* is to ensure that All Artisans are authorised in terms of PSR within 3 months on the Commencement of the contract.
 - NOTE: the *contractor* is requested to have at least 50% of RP's available as soon as possible upon commencement of the contract.
 - g) Each of the *Contractor's* teams performing work must have its own RP and Authorised Supervisor.
 - h) This contract includes for the PTW requirements for outside *Contractors* doing specialized work or upgrades/projects for the Fuel Oil Plant. Continuous supervision of outside *Contractors* must be provided for and cost must be included in the monthly contract amount.
 - i) The *Employer* is to supply all their RP and AP persons with Arc flash suits as per the PC requirements. These are to be supplied at the contractors cost.
 - One Suit per RP every 2 Years

87 Fire Precautions

- a) Any tampering with the *Employer's* fire equipment is strictly forbidden.
- b) All exit doors, fire escape routes, walkways, stairways and stair landings and access to electrical distribution boards must be kept free of obstruction and is not be used for work or storage at any time. Fire fighting equipment must remain accessible at all times.
- c) In case of fire, report the location and extent of the fire to Electrical Operating Desk at 017 799 3803 and it is expected that the *Contractor* shall take the necessary action to safeguard the work area in order to prevent injury and spreading of fire.
- d) All Hot Work on site must be done as per the Hot Work Procedure, SERV/FIRE02.

88 Reporting of incidents

- a) The *Employer* follows an incident prevention policy which includes the investigation of all incidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incident. The *Contractor* is expected to co-operate fully to achieve this objective and have his own incident reporting system which is compatible to the site system. The *Employer's* Representative (Plant Supervisor) and Service Manger must be informed **immediately** of all safety incidents including fatalities, medicals and first aids and near misses. Any damage to property or equipment must be reported to the *Employer's* Representative as soon as reasonably practicable but not later than 4 hours after the incident. A Summary of the Incident is to be Submitted to the Employer's Representative and Service Manger within 4 hours of the Incident.
- b) NOTE: The above-mentioned reporting does not relieve the *Contractor* of his legal obligation to report incidents to the Department of Labour, or to keep records in terms of the Occupational Health and Safety Act, and Compensation for Occupational Injuries and Diseases Act and to perform investigations of all incidents.
- c) The *Contractor* must provide the Safety Risk Officer with a monthly safety statistics report by the first working day of every month, even if no incidents have occurred.

89 Vehicle Safety

- a) Drivers, passengers and pedestrians must obey safety requirements in terms of the National Road Traffic Act, No 93 of 1996, as amended, including other relevant provincial or local requirements.
- b) All drivers must possess a valid, national driver's licence of the correct category/class, must not be under the influence of alcohol or other drugs which will impair the senses and must be authorised by the *Contractor* to drive the company vehicle.

- c) All vehicles must be roadworthy and vehicle specifications must include at least front airbags for the driver and the front passenger and an anti-lock braking system (ABS).
- d) All vehicles must be driven with due consideration for personnel and property. A maximum speed limit of 40 km/hour will be adhered to on the premises at all times.
- e) Transportation of passengers on the back of open or closed light delivery vehicles (LDVs), trailers, trucks or any other form of transportation is not allowed. It is a legal requirement for all *Employers* to provide safe transportation of all employees both on and off site.
- f) No person may be transported in the back of vehicles closed by means of canopies, unless provided with factory-fitted or manufactured-approved, proper seating and safety belts, i.e. crew cabs.
- g) Drivers and others entering Majuba Power Station will be subjected breathalyser testing.
- h) The driver/s must ensure that their passengers are seated and wear seatbelts at all times.
- i) Tools and equipment in vehicles must always be properly secured.

90 Barricading / Screens and Scaffolding

- a) The *Contractor* shall be responsible to adequately barricade off of working areas and display warning signs to ensure that people and plant are not exposed to danger or to prevent access to work areas.
- b) The *Employer* will supply scaffolding and barricading if with at least 24 hour notice given. Tampering, adjustment, moving or dismantling of any approved scaffold is not allowed – this may only be done by the scaffolding service provider.

91 Health and Safety Arrangements

- a) The *Contractor* shall comply with the guidelines set out in the Eskom Standard **23-726** titled **SHE REQUIREMENTS FOR ESKOM COMMERCIAL PROCESS, 32-136** titled **CONTRACTOR HEALTH AND SAFETY REQUIREMENTS** and **32-296** titled **INTEGRATED SHE ORGANISATION; ROLES AND RESPONSIBILITIES AND STATUTORY APPOINTMENTS**
- b) The *Contractor* must ensure that all his personnel attend a Health and Safety Induction Course prior to starting with the works. A one hour course will be provided free of charge by the *Employer* and will be valid for the duration of one year. It is the *Contractor's* responsibility to make an appointment for the induction and ensure that re-induction is done timeously.
- c) Safety Risk Management has the right and authority to visit and inspect the *Contractor's* workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.
- d) The *Employer's* Representative shall be entitled to instruct the *Contractor* to stop work, without penalty to the *Employer*, where the *Contractor's* personnel fail to conform to safety standards or contravene health and safety regulations. The *Employer's* Representative is entitled to instruct the *Contractor* to discipline his employees, to enforce disciplinary action and to submit a report to the *Employer's* Representative. The *Contractor* shall implement additional health and safety precautions wherever necessary.
- e) The following Health & Safety requirements should be complied with:
 - The *Contractor* is required to supply a Certificate of Competency for his/her employees if the work will be done under the following conditions:
 - Confined Spaces
 - Heights
 - Heat stresses
 - Cold stresses
 - The *Contractor* to provide the *Employer* with a signed register as proof of free issue of adequate Personal Protective Equipment (PPE) to be used by his/her employees (preferably SABS approved). Additionally, the *Contractor* shall provide overalls for his staff with clearly identifying motifs depicting the company name.
 - Sub-*contractors* - the principal contractor must request approval for the use of any sub-contractor. Proof must be given to Eskom that the sub-contractor/s have the necessary competence and resources to carry out the work safely and to ensure that due care of the environment will be exercised.
 - Medical certificate of fitness shall be issued by a Registered Occupational Health Medical Practitioner only.

- f) The *Contractor* appoints a person, qualified in accordance with the SHE Requirements, as the liaison with the Eskom Safety Officer for all matters related to health and safety and this person shall be contactable telephonically 24 hours a day.
- g) The *Contractor* confirms that it has been provided with sufficient written information regarding the health and safety arrangements and procedures applicable to the Services to ensure compliance with it and all employees, agents, Subcontractors or mandatories with the SHE 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.

92 Company Branding

The *Contractor* shall provide all overalls (when needed) for his staff with clearly identifying motifs depicting the company name.

93 Special requirements

The *Contractor* Allows for staffing based on a full running Station of Which some of the Unit may two Shift. The Light up Requirement will vary depending on National electricity Demand.

The *Contractor* seeks Employees from the local Seme Districs as per “ANCYL PROTEST Majuba Actions “.

94 Exposure to Silica

The Risk of exposure to Silica and coal dust is High

The *Contractor* is responsible for ensuring that ALL employees working in the Boiler Area wear appropriate SABS approved dust mask and that they are used correctly.

The *Contractor* is to ensure that Lung X-rays are performed on an annual basis and that the reports are issued by a Medical Doctor Qualified to recognise Silica related dust Lung ailments or Diseases.

The above reports must be submitted to the *Employers* Doctors for verification.

95 Environmental constraints and management

All Legislative, Eskom and Majuba environmental policies are to be adhered to:

96 Work carried out in terms of:

The *Contractor* will be required to ensure that all works are carried out as per the **ISO 14001** standard and **Majuba’s Environmental Policy, BIA/ENV/04 and Waste management Policy, BIA/ENV/01**. The following environmental requirements are complied with at all times:

- Zero liquid effluent discharge.
- No chemicals will be dumped into the station drains or on the premises.
- No oil or waste will be dumped in an unauthorised area or unlicensed waste site.
- Asbestos will be handled and stored according to Act 15 of 1973 (Hazardous Substances Act).
- No materials or waste will be burnt on site. Hazardous substances shall be handled and stored according to the hazardous substances Act no 15 of 1973. No effluent shall be discharged into the public streams.
- *Contractors’* activities/ services shall be carried out as per the above procedures and **BIA/RM/STD/01**

97 New Environmental Legislation

The *Contractor* will be responsible for complying with any new environmental requirements, relevant to the Services Information that may come into effect as part of Majuba Power Station’s Environmental Management System (EMS) during the duration of this contract.

98 Existing Environmental Legislation

In order to protect Eskom's environmental interests whenever a product or service is provided by a Contractor, the Contractor complies with all relevant and appropriate environmental legal requirements contained in governmental notices, laws and regulations promulgated by the central and provincial governments.

99 Liability

The Contractor also accepts all responsibilities, accountabilities and liabilities associated with such legal requirements, unless specifically excluded from a contract by a mutually acceptable written agreement.

100 Hazardous substances

If product is classified as a hazardous substance, material safety data sheets (MSDS) must accompany delivery/use. In accordance with the Occupational Health and Safety Act (OHSA), Act 85 of 1993 section 10 and 11. If any hazard is identified by the Contractor, he must immediately inform the *Employer*.

101 Quality control and assurance requirements

The Contractor must possess an accredited Quality Management System. A pre-approved Quality Control Plan (QCP) is to be used for the tasks at hand.

102 Personal Competency

Proof of the Contractor's personnel competency in terms of Regulation 18 (5 and 6) of the OHS Act is required by the *Employer*.

103 Quality Requirements

The Contractor will additionally comply with the Employer's Quality Requirements as specified in Standard **QM58**. This includes the *Contractor's* ISO 9001 Registration Certification of Compliance

104 Quality Control Documents

All quality control documentation must be submitted to the Project Manager/ Employer's Representative/ *Employer's* Agent within two weeks after contract award for written approval.

105 General Requirements

The **Contractor** to note and comply with the following:

106 Direction and Instructions

The Contractor shall operate under the direction and instructions of the Employer or such appointed **person/s who may give instruction without transgression of the contract, any legislation and regulations including the Occupational Health and Safety Act and the Generation Plant and Safety Regulations.**

107 Workmanship

The *Contractor* shall maintain a high standard of workmanship as expected by the Employer and **shall comply with any quality assurance and quality procedures implemented by the Employer.**

108 Section 27(2)

Contracts shall include, in terms of Section 37(2) of the OHS Act an agreement to ensure compliance by the mandatory with the provisions of the Act.

109 Non-Compliance

The non-compliance of the *Contractor* in terms of safety and quality requirements is claimable as Low Services Damages by the *Employer*. It is the *Contractor's* responsibility to clarify all requirements and ensure that compliance is maintained during the contract period.

110 Labour Laws

The *Contractor* shall comply with all local and statutory labour laws (LRA, BCEA UIF etc) and agreements and shall promptly attend to any labour grievances that may arise. The *Contractor* shall not remunerate employees at less than the proclaimed statutory wage (Minimum Wages Act). Failure in this regard will result in non-performance and therefore immediate termination of the contract.

111 Procurement

112 Subcontracting

The *Contractor* may not use a Subcontractor unless a written request is made to the *Employer* and approval is given. All terms and conditions applicable to the *Contractor*, will also apply to the approved Subcontractors e.g. legal requirements, appointments, authorisations, safety, quality and therefore all relevant documentation must be submitted in order for the *Employer* to consider the Subcontractor for approval.

At least 30% of the work will be subcontracted to Gert Sibande District Municipality based Exempted Micro Enterprise (EME) and Qualifying Small Enterprises (QSE) of at least 51% owned and managed by black people.

A portion of the proposed subcontracting percentage will be allocated to Pixley Ka Isaka Seme Local Municipality based Exempted Micro Enterprise (EME) that are at least 51% owned by black people.

Additionally, the prices listed in the price list will remain unchanged if any Subcontractors are used.

113 Plant and Materials

114 Correction of defects

As per clause 1.3.5.6.

115 Plant & Materials provided “free issue” by the *Employer*

Scaffolding, forklifts and/or cranes will be provided without cost to the *Contractor* upon the *Contractor's* request, if available at the time. These may only be installed/operated by persons who have authorisation to do so.

The *Contractor* will at his cost ensure that his employees are authorised for the use of all lifting equipment including folk lifts, hoists, cranes, and that all Artisans are trained and Authorised to do basic rigging.

The *Employer* will provide the Spares and Materials required for maintaining the Plant.

116 Working on the Affected Property

Whilst working on site the *Contractor* will adhere to all Eskom and Majuba Power Station site regulations.

117 *Employer's* site entry and security control, permits, and site regulations

The *Contractor* shall prepare and submit the safety plan and other documents in a file within one week of the contract start date and which shall be corrected if necessary to be approved within one week thereafter. Safety induction is provided subject to the safety file being approved by one of the Safety Risk Officers of Majuba Power Station and thereafter, the file must always be available when work is done on site.

Access to site is dependent on the all workers undergoing a short (1 hour) safety induction and then only will access permits be issued for workers and construction vehicles to enter. Work will not be allowed without induction provided by the *Employer* for each and every worker.

Medical certificates of workers can only be issued by Occupational Health Practitioners and includes hearing, sight and lung-function tests and may include psychological evaluations for workers who work at heights and/or any other requirement stipulated by the Safety Risk Officers.

See **BIA/RM/STD/01** for all relevant details or contact the Safety Risk Officers at 017 799 3121 or 017 799 3445.

118 Security and Access Arrangements

- a) The **Contractor** may apply for a temporary or permanent photo permit (if on site for longer than two months) as well as vehicle permits at the Security office, after completing induction.
- b) The following information is required for permits to be approved (temporary permit forms will be provided by the Safety Risk Officer conducting the safety induction):
 - o Employee name and ID Number
 - o Company
 - o Contract validity date
 - o **Employer's Representative signature**
 - o Copy of the first page of the ID book of each employee
- c) The **Contractor's** personnel will be required to be in possession of their access permit at all times and will produce them at the security gate on every occasion or whenever requested. All **Contractors'** permits must be returned to Protective Services when the relevant personnel leave the site permanently and upon Completion of the services. Any lost photo permits will be paid for by the **Contractor**.
- d) The **Contractor's** visitors and all personnel shall conform at all times, to the security arrangements in force at the time. Application forms for visitors must be completed by the **Contractor's** Site Manager and approved by the **Employer's Representative** at least one day before the visit and submitted to the Protective Services office. Visitors will not be allowed on site if the necessary forms are not in the possession of security staff.
- e) Protective Services may with valid cause, remove any of the **Contractor's** personnel from the site, either temporarily or permanently. Access may be denied to site to any person, whom in the opinion of Protective Services, constitutes a security risk. No compensation is claimable by the **Contractor** if this occurs.
- f) No unauthorised vehicles will be allowed on site. Only **Contractor's** vehicles with contract vehicle permit disks will be allowed on site. Contract Vehicle Permit Applications should be directed to the **Employer's Representative**.
- g) The **Contractor** will be restricted to the working areas associated with his place of work. The **Contractor** is forbidden to enter any other area, and must ensure that his employees abide by these regulations.
- h) Parking inside the Power Station buildings or in front of driveways, doors and gates is strictly forbidden, except for loading purposes.
- i) No recruiting of casual labour may be done on the **Employer's** premises, including the area outside the Power Station security gate.

119 People restrictions, hours of work, conduct and records

120 Only authorised persons may have site access and perform work.

121 Majuba Power Station normal working hours are:

- o Monday to Thursday – 07:30 to 16:45
- o Friday – 07:30 to 12:30

The Contractor will however, provide the services during all hours.

122 Working Hours

As per the Labour Regulations Act and the Basic Conditions of Employment Act, no person is allowed to work more than 12 continuous hours per shift. The **Contractor** shall ensure that workers are relieved from duty after working twelve hours.

123 Removal from Site

The Employer reserves the right to have any of the Contractor's personnel removed off site if, in the **Employer's** opinion, it is warranted.

124 Health and safety facilities on the Affected Property

There is a medical station on site and a fire and rescue service for assistance with serious incidents and treatment of all serious injuries during normal working hours. Emergency services are available during normal working hours by dialling 9222 from any site phone or else 017 799 2138 (medical centre) 017 799 3192 (fire and rescue) and also available after hours by dialling 9222 from any site phone or else contacting the Electrical Operating Desk (EOD) at 017 799 3803 (all hours). However, the *Contractor* is expected to handle all minor incidents in-house by providing a first aider and a first aid kit.

125 Cooperating with and obtaining acceptance of Others

Proper co-ordination and work planning must be done when working in any area where others are performing work or activities. Interfacing may be required with the site maintenance personnel and others.

126 Records of *Contractor's* Equipment

The *Contractor* will bring a typed list of all his equipment and tools (with serial numbers, wherever possible). This list needs to be approved by the Security office before the items are taken onto site on each occasion. Equipment that is not listed on a tool/equipment list cannot be removed from site. Equipment and vehicles left on site is done so at the *Contractor's* own risk.

127 Equipment provided by the *Employer*

Scaffolding can be supplied after notification and call-out of the relevant scaffolding service provider. Other equipment such as forklift and cranes may be supplied upon request and if available at the time on site.

Rigging Equipment, lights, hand tools and other equipment will not be provided by the Employer and The Contractor is to conduct his operation in such a way as to make lending of tools from the Employer or other contractors on Site unnecessary.

128 General

All equipment, tools, transport and consumables for performing the services are to be supplied by the *Contractor*. The *Contractor's* tools and equipment must be on a planned maintenance schedule and must be inspected before dispatched to Majuba Power Station.

The *Contractor* shall maintain a calibration and inspection schedule for all measuring equipment used and shall make the Schedule and results available to the Employer upon request.

Access to site with equipment and tools will only be granted upon the submission of a printed tool/equipment list to the security department. Any items not on the list and brought onto site, may not be removed from site thereafter.

The Contractor will maintain his equipment in a serviceable condition and comply with legal requirements regarding testing and maintenance of equipment. The *Contractor* presents the Maintenance and inspection schedule to the Service manager on a 6 monthly basis.

129 Rigging

The *Contractor* will provide all rigging equipment, for performing the services. All the *Contractor's* equipment must be serviceable and on a planned maintenance schedule and must be inspected each time before being used on the Plant. All the *Contractor's* Rigging equipment must comply with the Relevant Legal requirements.

The Employer will provide the following Equipment Required to Maintain the Plant:

- Flatbed Truck
- 25 ton Crane
- 100 Ton Jacks and power Pack

- Fork Lift Truck

130 Site services and facilities

131 Provided by the *Employer*

Sanitary services, water, compressed air and electricity shall be provided by Eskom at fixed points on the plant. There is also a site kitchen which serves lunch only and meal tickets may be purchased at the Petty Cash Office in the Finance Building. Furthermore there is also a tuck-shop on site but both of these operate only on week days and are for the *Contractor's* own cost.

132 Provided by the *Contractor*

The *Contractor* is to supply all the personal protective equipment, transport, accommodation, tools, equipment and consumables to perform all the required tasks on site.

133 Contractor's yard

The Contractor is to establish a Site yard in the location indicated by the Employer. Permission will be granted once the Contractor provides an accepted layout plan. Expected site yard size 40 by 40 meters.

The Contractor will be responsible for supplying all the required buildings including separate venues for eating ablution and office work, etc.

The Contractor will ensure that all the required services are connected and that the relevant building codes and by laws are adhered to.

Site Establishment will only be assessed for payment once a Certificate of Compliance issued by a duly Authorised person is provided to the Service Manager.

134 Control of noise, dust, water and waste

135 Waste Disposal

Waste is to be disposed of in bins supplied by Eskom – yellow bins for general waste and red bins for hazardous waste. However, the *Contractor* is expected to remove all his own waste from site, as far as possible.

136 Noise

Noisy equipment and tools emitting noise more than 105dB (A) may not be supplied/utilised by the supplier.

137 Tests and inspections

The site maintenance staff or Quality Control personnel shall inspect the *Contractor's* work and sign off all relevant documentation, if the work is satisfactory. Thereafter, plant shall be test run and the *Contractor* informed of any defects. The *Contractor* may be present for any test running.

138 Service Level Table

The following table depicts the level of performance required of the *Contractor*. Should the *Contractor* be unable to meet these requirements, Low Service Damages will be claimed from the *Contractor*.

The total Low Service Damages will be limited to 10% per month.

Table 6: Service Level Table for Low Service Damages (KPIs and Damages)

No.	Description	Employer's Requirement	Damages payable by Contractor
1	Approval of safety file	2 weeks Before Contract Commences	R500.00 per day without approved safety file.
2	Approval of Quality Management System	Within 2 weeks of contract start date.	R500.00 per day without approved quality file.
3	Authorisation of Supervisors	Within 2 months of contract start date.	R750.00 per day without an Authorised Supervisor.
4	Authorisation of Artisans	Within 3 Months of contract start date.	R750.00 per day without an Authorised Artisan.
5	Arrival on site for call-out	Within 1 hours of call-out.	R1,000.00 per hour of delay or part thereof.
6	Non Attendance of meetings	Every listed meeting to be attended	R500.00 per incident.
7	Excessive Task Duration	Within the time specified by Contractor's plan as approved By the Service Manager.	R500.00 per hour of extended Duration or 10% of the monthly contract value whichever value is lower
8	Scheduled Compliance	More than 95%	1% of monthly contract value
9	PM compliance	More than 98%	1% of monthly contract value
10	Statutory work order violation	No violations	5% of monthly contract value
11	P1 work order not closed within 24 hours	Less than 1 outstanding	R1000 for each one per month
12	P2 work order not closed within 72 hours	Less than 3 outstanding	R1000 for each one per month
13	Safety Work orders not attended to within 24 hours	No violations	1% of monthly contract value
14	Work order back log	No more than 60 outstanding	R100 for each outstanding
15	Major break downs not identified and actioned	All failure that put the plant or redundant plant at risk must be prevented	1% of monthly contract value
16	Planning information not submitted as required	Work executed without Approved Plan	1% of monthly contract value
17	Work Not Executed as Planned	Work committed By the contractor not executed	R250 per Job per day of not complying up to 10% of the monthly contract value.
17	Plant Failure after returning from Maintenance work and rework	No Delays when returning plant to service or rework	R500.00 per hour of extended Duration or 10% of the monthly contract value whichever value is lower
18	Standby team arrive to site late on callout	Standby team to start with repair work within 1.5 hours of being called	R1000 per Hour or 10% of the monthly contract value whichever value is lower
19	Reaction to Breakdowns	Permit must be requested within 30 minutes and be correct.	R500.00 per hour of delay in requesting permit 10% of the monthly contract value whichever value is lower

20	Maintenance crew on work site in time	Maintenance crews to be on the job within 30 minutes of permit issue. With all the correct tools.	R500.00 per hour of delay in team being on site, 10% of the monthly contract value whichever value is lower
21	Supervision	No Supervision and Management during high Risk break downs	As per Major Plant Break Down in 1.3.above. limited to 10% of the contract value
22	Spares Requirements	Spares and Materials not requested at least 2 months before being required	R500.00 per day or 10% of the monthly contract value whichever value is lower
23	Safety File not Submitter for Monthly Audit on time	Safety File must be Submitted Monthly to the Employers Safety Department For Audit.	5% of Monthly Contract Value.
24	COID and SARS Letter of Good Standing	Letters not Provided to the Service Manager before the previous year expires	15% of Monthly contract Value.
25	Exit Medical	All excite medical certificates not included in the Safety File	Final contract payment.

139 List of Documents

140 Drawings issued by the *Employer*

Drawings are available from the *Employer*.

141 Relevant Documents

The following Employer documents are relevant for this contract.

Drawing number	Revision	Title
32-727	-	SHEQ Policy
RA/RM/STD/01		SHE Specification for Contractors Rev 1
MAJ/187	0	S.H.E. PLAN CHECKLIST
37.2 Agreement		SECTION 37(2) AGREEMENT
		APPOINTMENT OF THE PRINCIPAL CONTRACTOR
240- 77471499		Annexure A SUPPLIER RISK CATAGORY
240- 77471499		Annexure B ACKNOWLEDGEMENT FORM FOR ESKOM SHE RULES AND OTHER REQUIREMENTS
240-77471969		Annexure C 2: SHE Tender Evaluation and Scoring Card
240-77472561		Annexure D 1 : SHE Post-contract Reviews
240-77471651		Annexure C 1 (1) : SHE Tender Evaluation and Scoring Card
32-1034	-	ESKOM PROCUREMENT AND SUPPLY CHAIN MANAGEMENT PROCEDURE
23-726	-	SHE REQUIREMENTS FOR ESKOM COMMERCIAL PROCESS
BRIEFING NOTE 23-726		SHE REQUIREMENTS FOR ESKOM COMMERCIAL PROCESS
32-136	-	CONTRACTOR HEALTH AND SAFETY REQUIREMENTS

32-296	-	INTEGRATED SHE ORGANISATION; ROLES AND RESPONSIBILITIES AND STATUTORY APPOINTMENTS
240-62196227	-	LIFE-SAVING RULES
32-418	-	WORKING AT HEIGHTS
32-345	-	ESKOM VEHICLE SAFETY SPECIFICATIONS
QM-58		SUPPLIER CONTRACT QUALITY REQUIREMENTS SPECIFICATION
Gen 030109		JOB PROFILE: PLANNER WORK MANAGEMENT
GEN 090211		JOB PROFILE: SUPERVISOR
Gen 220211		JOB PROFILE: ARTISAN RIGGER
GEN 210211		JOB PROFILE: ARTISAN FITTER
Gen 180211		JOB PROFILE: ARTISAN CODED WELDING
PS Gen 286		JOB PROFILE: MECHANICAL TECHNICIAN/ ENGINEERING ASSISTANT
36-505	1	WELDING RULE BOOK: Personnel and Entities Performing Welding Related Special Processes on Eskom Plant
36-775	1	WELDING RULE BOOK: Control of Plant Construction Repair and Maintenance Welding Activities
APPENDIX Ai		
APPENDIX Aii		SAMPLE MAINTENANCE PLANNED TASK LIST
APPENDIX B		
APPENDIX B1		
APPENDIX C		SAMPLE UNIT OUTAGE SCOPE
		ANCYL PROTEST Majuba Actions