



NEC3 Term Service Contract (TSC3)

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

and [Insert at award stage]
(Reg No. _____)

for **THE PROVISION OF MILLING PLANT AND PF PIPING
MAINTENANCE SERVICES AT KUSILE POWER STATION
on Full time basis” for a period of Five (5) years**

Contents:

**No of
pages**

Part C1 Agreements & Contract Data

Part C2 Pricing Data

Part C3 Scope of Work

CONTRACT No. [Insert at award stage]

PART C1: AGREEMENTS & CONTRACT DATA

Contents:	No of pages
C1.1 Form of Offer and Acceptance	[•]
[to be inserted from Returnable Documents at award stage]	
C1.2a Contract Data provided by the <i>Employer</i>	[•]
C1.2b Contract Data provided by the <i>Contractor</i>	[•]
[to be inserted from Returnable Documents at award stage]	

C1.1 Form of Offer & Acceptance

Offer

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

THE PROVISION OF MILLING PLANT AND PF PIPING MAINTENANCE SERVICES AT KUSILE POWER STATION ON FULL TIME BASIS" FOR A PERIOD OF FIVE (5) YEARS

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 [•]
	Sub total	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) Christopher Nani

Capacity General Manager

For the tenderer: Eskom Holdings SOC Limited
 Kusile Power Station
 R545 Kendal/Balmoral Rd
 Haartebeesfontein Farm
 Witbank

Name & signature of witness

Date

Tenderer's CIDB registration number:

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

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s) _____ Christopher Nani _____
Capacity _____ General Manager _____

for the Employer Eskom Holdings SOC Limited
Kusile Power Station
R545 Kendal/Balmoral Rd
Haartebeesfontein Farm
Witbank

(Insert name and address of organisation)

Name & signature of witness _____ Date _____

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

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

Note:

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

No.	Subject	Details
1	[•]	[•]
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 _____

Christopher Nani _____

Name _____

General Manager _____

Capacity _____

Eskom Holdings SOC Limited
 Kusile Power Station
 R545 Kendal/Balmoral Rd
 Haartebeesfontein Farm
 Witbank _____

On behalf of *(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:	
	dispute resolution Option and secondary Options	<p>A: Priced contract with price list</p> <p>W1: Dispute resolution procedure</p> <p>X1: Price adjustment for inflation</p> <p>X2 Changes in the law</p> <p>X17: Low service damages</p> <p>X18: Limitation of liability</p> <p>X19: Task Order</p> <p>Z: Additional conditions of contract</p>
	of the NEC3 Term Service Contract April 2013 ¹ (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
	Tel No.	011 800 8111
	Fax No.	
10.1	The <i>Service Manager</i> is (name):	
	Address	Kusile Power Station R545 Kendal/Balmoral Rd Haartebeesfontein Farm Witbank
	Tel	
	Fax	
	e-mail	

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 www.ecs.co.za

11.2(2)	The Affected Property is	Kusile Power Station
11.2(13)	The <i>service</i> is	
11.2(14)	The following matters will be included in the Risk Register	<ol style="list-style-type: none"> 1. Community unrest around Kusile site 2. Breakdown of contractor testing equipment 3. Poor response time by Contractor. 4. Non-compliance with SANS 1475 accreditation 5. Non-compliance with site SHEQ requirements 6. Any work or task undertaken outside the agreed scope of work 7. Any work or task undertaken outside the agreed price list 8. Failure to return fire extinguishers within 5 working days of removal from site
11.2(15)	The Service Information is in	Part 3: Scope of Work and SHE Specification document
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	24 hrs
2	The Contractor's main responsibilities	
21.1	The <i>Contractor</i> submits a first plan for acceptance within	One week of the Contract
3	Time	
30.1	The <i>starting date</i> is.	30 August 2025
30.1	The <i>service period</i> is	5 years
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 after invoice submitted and processed.
51.4	The <i>interest rate</i> is	the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the South African Reserve Bank 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

(ii) the REPO rate applicable at the time for amounts due in other currencies.

6	Compensation events	
7	Use of Equipment Plant and Materials	
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	None
9	Termination	There is no Contract Data required for this section of the conditions of contract
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 <i>service</i> at intervals no longer than	(4) Four 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 **South Africa**

The person or organisation who will choose an arbitrator

- if the Parties cannot agree a choice or
- if the arbitration procedure does not state who selects an arbitrator, is

the Chairman for the time being or his nominee 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 *base date* for indices is **Anniversary of the contract from the start date of the contract.**

Proportion	Linked to index	Index Prepared by
15%	Fixed portion	

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.**

X17 Low service damages

X17.1 The *service level table* is in

Clauses	Low services damage description	Compliance to employer requirement	Contractor
X17.1.1	PSR authorisation with 2 months	Unavailability of responsible person (RP) after two months of contract kick-off	2.5% of monthly fixed cost of the contractor rate of pay
X17.1.2	PSR authorisation with 3 months	Unavailability of responsible person (RP) after three months of contract kick-off	10% of monthly fixed cost
X17.1.3	Response time to breakdowns	Not complying to the 30 minutes report time to the control room after being notified	1% of monthly fixed cost per incident
X17.1.4	Response time to weekend standby	Not complying to the 45 minutes respond time to site after a callout	1% of monthly fixed cost per incident /call out
X17.1.5	Defect rework	The contractor shall be held responsible and liable for all the defect rework with 5 days of correcting the defect provided the equipment has been placed in service	All-inclusive cost to correct the defect + 2% monthly fixed cost
X17.1.6	Weekly PM compliance	Ensure compliance to Preventative Maintenance work orders per maintenance strategy	2% of monthly fixed cost per month after the monthly report
X17.1.7	Weekly Schedule compliance	Ensure Schedule compliance to Maintenance work orders per maintenance strategy	2% of monthly fixed cost per month after the monthly report
X17.1.8	Reduce corrective backlog by 10%	Ensure backlog compliance as per online maintenance index	2% of monthly fixed cost per month after the monthly report
X17.1.9	NCR raised on defects that are not corrected in time	Ensure that no NCR is raised against the contractor	5% of monthly fixed cost per incident
X17.1.10	Not completing work as per submitted execution plan	Maintain or improve on the execution timeline submitted by the contractor	5% of monthly fixed cost per incident

X18 Limitation of liability

X18.1 The *Contractor's* liability to the *Employer* for indirect or consequential loss is limited to **The Contractor's liability to the Employer for indirect or consequential loss is limited to the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on**

X18.2 For any one event, the Contractor's

	liability to the Employer for loss of or damage to the Employer's property is limited to	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	<p>The greater of</p> <ul style="list-style-type: none"> • the total of the Prices at the Contract Date • and • the amounts excluded and unrecoverable from the Employer's insurance (other than the resulting physical damage to the Employer's property which is not excluded) plus the applicable deductibles in the Employer's assets and works / maintenance policies available on http://www.eskom.co.za/live/content.php?ItemID=9248
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	<p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <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	12 months after the end of the <i>service period</i>.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	one day of receiving the Task Order
Z	The <i>additional conditions of contract</i> are	Z1 to Z14 always apply.

Z1 Cession delegation and assignment

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

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 Confidentiality

- Z4.1 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.
- Z4.2 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*.
- Z4.3 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.
- Z4.4 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*.

Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to core clause 12.3:

Z5.1 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.

Z6 Health, safety and the environment: Add to core clause 27.4

Z6.1 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.

Z6.2 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.

Z7 Provision of a Tax Invoice and interest. Add to core clause 51

Z7.1 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.

Z7.2 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.

Z7.3 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.

Z8 Notifying compensation events

Z8.1 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.

Z9 Employer's limitation of liability

- Z9.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 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.

Z10 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

- Z10.1 or had a business rescue order granted against it.

Z11 Ethics

For the purposes of this Z-clause, the following definitions apply:

Affected Party means, as the context requires, any party, irrespective of whether it is the *Contractor* or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,

Coercive Action means to harm or threaten to harm, directly or indirectly, an Affected Party or the property of an Affected Party, or to otherwise influence or attempt to influence an Affected Party to act unlawfully or illegally,

Collusive Action means where two or more parties co-operate to achieve an unlawful or illegal purpose, including to influence an Affected Party to act unlawfully or illegally,

Committing Party means, as the context requires, the *Contractor*, or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,

Corrupt Action means the offering, giving, taking, or soliciting, directly or indirectly, of a good or service to unlawfully or illegally influence the actions of an Affected Party,

Fraudulent Action means any unlawfully or illegally intentional act or omission that misleads, or attempts to mislead, an Affected Party, in order to obtain a financial or other benefit or to avoid an obligation or incurring an obligation,

Obstructive Action means a Committing Party unlawfully or illegally destroying, falsifying, altering or concealing information or making false statements to materially impede an investigation into allegations of Prohibited Action, and

Prohibited Action means any one or more of a Coercive Action, Collusive Action Corrupt Action, Fraudulent Action or Obstructive Action.

- Z11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Services if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor's* obligation to Provide the Services for this reason.
- Z11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Services for this reason, the amounts due on termination are those intended in core clauses 92.1 and 92.2.

Z11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Z12 Insurance

Z 12 .1 Replace core clause 83 with the following:

Insurance cover 83

- 83.1 When requested by a Party, the other Party provides certificates from his insurer or broker stating that the insurances required by this contract are in force.
- 83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for 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	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u> The amount required by the applicable law.
Liability for death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract	The amount required by the applicable law

Z 12.2 Replace core clause 86 with the following:

Insurance by the Employer

86

86.1 The *Employer* provides the insurances stated in the Insurance Table B

INSURANCE TABLE B

Insurance against or name of policy	Minimum amount of cover or minimum limit of indemnity
Assets All Risk	Per the insurance policy document
Contract Works insurance	Per the insurance policy document
Environmental Liability	Per the insurance policy document
General and Public Liability	Per the insurance policy document
Transportation (Marine)	Per the insurance policy document
Motor Fleet and Mobile Plant	Per the insurance policy document
Terrorism	Per the insurance policy document
Cyber Liability	Per the insurance policy document
Nuclear Material Damage and Business Interruption	Per the insurance policy document
Nuclear Material Damage Terrorism	Per the insurance policy document

Z13 Nuclear Liability

Z13.1 The *Employer* is the operator of the Koeberg Nuclear Power Station (KNPS), a nuclear installation, as designated by the National Nuclear Regulator of the Republic of South Africa, and is the holder of a nuclear licence in respect of the KNPS.

Z13.2 The *Employer* is solely responsible for and indemnifies the *Contractor* or any other person against any and all liabilities which the *Contractor* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Contractor* or any other person or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.3 Subject to clause Z13.4 below, the *Employer* waives all rights of recourse, arising from the aforesaid, save to the extent that any claims arise or liability is incurred due or attributable to the unlawful intent of the *Contractor* or any other person, or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.4 The *Employer* does not waive its rights provided for in section 30 (7) of Act 47 of 1999, or any replacement section dealing with the same subject matter.

Z13.5 The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.

Z14 Asbestos

For the purposes of this Z-clause, the following definitions apply:

AAIA	means approved asbestos inspection authority.
ACM	means asbestos containing materials.
AL	means action level, i.e. a level of 50% of the OEL, i.e. 0.1 regulated asbestos fibres per ml of air measured over a 4 hour period. The value at which proactive actions is required in order to control asbestos exposure to prevent exceeding the OEL.
Ambient Air	means breathable air in area of work with specific reference to breathing zone, which is defined to be a virtual area within a radius of approximately 30cm from the nose inlet.
Compliance Monitoring	means compliance sampling used to assess whether or not the personal exposure of workers to regulated asbestos fibres is in compliance with the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles.
OEL	means occupational exposure limit.
Parallel Measurements	means measurements performed in parallel, yet separately, to existing measurements to verify validity of results.
Safe Levels	means airborne asbestos exposure levels conforming to the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles.
Standard	means the <i>Employer's</i> Asbestos Standard 32-303: Requirements for Safe Processing, Handling, Storing, Disposal and Phase-out of Asbestos and Asbestos Containing Material, Equipment and Articles.
SANAS	means the South African National Accreditation System.
TWA	means the average exposure, within a given workplace, to airborne asbestos fibres, normalised to the baseline of a 4 hour continuous period, also applicable to short term exposures, i.e. 10-minute TWA.

Z14.1 The *Employer* ensures that the Ambient Air in the area where the *Contractor* will Provide the Services conforms to the acceptable prescribed South African standard for asbestos, as per the regulations published in GNR 155 of 10 February 2002, under the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("Asbestos Regulations"). The OEL for asbestos is 0.2 regulated asbestos fibres per millilitre of air as a 4-hour TWA, averaged over any continuous period of four hours, and the short term exposure limit of 0.6 regulated asbestos fibres per millilitre of air as a 10-minute TWA, averaged over any 10 minutes, measured in accordance with HSG248 and monitored according to HSG173 and OESSM.

Z14.2 Upon written request by the *Contractor*, the *Employer* certifies that these conditions prevail. All measurements and reporting are effected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited and Department of Employment and Labour approved AAIA. The *Contractor* may perform Parallel Measurements and related

control measures at the *Contractor's* expense. For the purposes of compliance the results generated from Parallel Measurements are evaluated only against South African statutory limits as detailed in clause Z14.1. Control measures conform to the requirements stipulated in the AAIA-approved asbestos work plan.

- Z14.3 The *Employer* manages asbestos and ACM according to the Standard.
- Z14.4 In the event that any asbestos is identified while Providing the Services, a risk assessment is conducted and if so required, with reference to possible exposure to an airborne concentration of above the AL for asbestos, immediate control measures are implemented and relevant air monitoring conducted in order to declare the area safe.
- Z14.5 The *Contractor's* personnel are entitled to stop working and leave the contaminated area forthwith until such time that the area of concern is declared safe by either Compliance Monitoring or an AAIA approved control measure intervention, for example, per the emergency asbestos work plan, if applicable.
- Z14.6 The *Contractor* continues to Provide the Services, without additional control measures presented, on presentation of Safe Levels. The contractually agreed dates to Provide the Services, including the Completion Date, are adjusted accordingly. The contractually agreed dates are extended by the notification periods required by regulations 3 and 21 of the Asbestos Regulations, 2001.
- Z14.7 Any removal and disposal of asbestos, asbestos containing materials and waste, is done by a registered asbestos contractor, instructed by the *Employer* at the *Employer's* expense, and conducted in line with South African legislation.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

[Instructions to the contract compiler: (delete this notes before issue to tenderers with an enquiry)

Whenever a cell is shaded in the left hand column it denotes this data is optional and would be required in relation to the option selected. In the event that the option is not required select and delete the whole row.]

Notes to a tendering contractor:

1. Please read both the both the NEC3 Term Service Contract April 2013 and the relevant parts of its Guidance Notes (TSC3-GN)¹ in order to understand the implications of this Data which the tenderer is required to complete.
2. The number of the clause which requires the data is shown in the left hand column for each statement however other clauses may also use the same data.
3. Where a form field like this [] appears, data is required to be inserted relevant to the option selected. Click on the form field **once** and type in the data. Otherwise complete by hand and in ink.

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	

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 5391902 or www.ecs.co.za

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
C	Target contract with price list
11.2(12)	The <i>price list</i> is in
11.2(20)	The tendered total of the Prices is R
E	Cost reimbursable contract
11.2(12)	The <i>price list</i> is in

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title: PROVISION OF FOR THE PROVISION OF MILLING PLANT AND PF PIPING MAINTENANCE SERVICES AT KUSILE POWER STATION	No of pages
C2.1	Pricing assumptions: Option A	2
C2.2	The <i>price list</i>	1

C2.1 Pricing assumptions: Option A

1. How work is priced and assessed for payment

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

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

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.

2. 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.

3. 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).

4. Preparing the *price list*

Before preparing the *price list*, both the *Employer* and tendering contractors should read the TSC3 Guidance Notes pages 14 and 15. In an Option A contract, either Party may have entered items into the *price list* either as a process of offer and acceptance (tendering) or by negotiation depending on the nature of the *service* to be provided. Alternatively the *Employer*, in his Instructions to Tenderers or in a Tender Schedule, may have listed some items that he requires the *Contractor* to include in the *price list* to be prepared and priced by him.

It is assumed that in preparing or finalising the *price list* the *Contractor*:

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;
- Has listed and priced items in the *price list* which 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;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

4.1. Format of the *price list*

(From the example given in an Appendix within 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*

BILL OF QUANTITIES						
PROJECT DESCRIPTION: MILLING PLANT, PF PIPING AND SMOKE STACK SYSTEM MAINTENANCE CONTRACT AT KUSILE POWER STATION FOR A PERIOD OF FIVE (5) YEARS						
Item No.	Description	Unit	Qty	Duration	Rate	Amount
PRELIMINARIES AND GENERAL						
A	Fixed					
1a	Site Establishment for: Offices + Kitchen (Parkhome)	Once Off	1			
1b	Site Establishment for: Ablutions	Once Off	1			
2	Transportation and Joining of the Parkhome and Ablutions	Once Off	1			
3	PPE	Per Person	58	5		
4	Safety file	Once Off	1			
5	Medicals - Entry	Per Person	58	5		
	Medicals - Exit	Per Person	58	1		
6	Security Clearance certification	No	58			
7	Tools and Equipment (including Lifting Equipment) - As per the Attached Equipment and Tools List	Once Off	1	1		
8	Storage Container	Once Off	1			
9	Sheltered Dining Area with 6 seater outdoor picnic benches	Once Off	1			
B	Time Related					
1a	Transportation of Site Management Crew - 2No of LDV	Monthly	2	60		
1b	Transportation of Site Crew - 2No of 22 Seater	Monthly	2	60		
1c	Transportation of Site Crew - 1No of 13 Seater	Monthly	1	60		
	Sub-total P&Gs:					
Item No.	Resources	Unit	Qty	Hours for 5 Years	Rate	Amount
	NORMAL HOURS (DAY-SHIFT) - 40 Hours per week					
1	Site Manager	Hours/Person	1	10016		
2	Mechanical Supervisors	Hours/Person	2	10016		

3	Site Clerk	Hours/Person	1	10016		
4	Planner	Hours/Person	1	10016		
5	Safety Officer	Hours/Person	1	10016		
6	Mechanical Fitters	Hours/Person	14	10016		
7	Semi-Skilled Assistants	Hours/Person	10	10016		
8	QC/QA Coordinator	Hours/Person	1	10016		
9	C&I Technician	Hours/Person	2	10016		
10	Rigger / Overhead Crane Driver	Hours/Person	2	10016		
11	Boilermaker	Hours/Person	2	10016		
12	Welder B Class	Hours/Person	2	10016		
13	Driver (Truck and Forklift)	Hours/Person	1	10016		
14	Welder A Class	Hours/Person	1	10016		
15	Pipe Fitter	Hours/Person	1	10016		
	NORMAL HOURS (NIGHT-SHIFT) - 40 Hours per week					
1	Mechanical Supervisor	Hours/Person	1	10016		
2	Safety Officer	Hours/Person	1	10016		
3	Mechanical Fitters	Hours/Person	6	10016		
4	Semi-Skilled Assistants	Hours/Person	4	10016		
5	C&I Technician	Hours/Person	1	10016		
6	Boilermaker	Hours/Person	1	10016		
7	Welder B Class	Hours/Person	1	10016		
8	Driver (Truck and Forklift)	Hours/Person	1	10016		
	Sub-total Normal Hours - Day and Night Shifts:					
	OVERTIME (WEEKDAYS and SATURDAYS) - x1.5					
						1.50
1	Mechanical Supervisor	Hours/Person	3	1502		
2	Safety Officer	Hours/Person	2	1502		
3	Mechanical Fitters	Hours/Person	20	1502		
4	Semi-Skilled Assistants	Hours/Person	14	1502		
5	C&I Technician	Hours/Person	3	1502		
6	Rigger / Overhead Crane Driver	Hours/Person	2	1502		
7	Boilermaker	Hours/Person	3	1502		
8	Welder B Class	Hours/Person	3	1502		
9	Driver (Truck and Forklift)	Hours/Person	2	1502		
10	Welder A Class	Hours/Person	2	1502		
11	Pipe Fitter	Hours/Person	2	1502		
	Sub-total Overtime (Weekdays and Saturdays):					
	PUBLIC HOLIDAYS/SUNDAYS - x2					2.00

1	Mechanical Supervisor	Hours/Person	3	1002		
2	Safety Officer	Hours/Person	2	1002		
3	Mechanical Fitters	Hours/Person	20	1002		
4	Semi-Skilled Assistants	Hours/Person	14	1002		
5	C&I Technician	Hours/Person	3	1002		
6	Rigger / Overhead Crane Driver	Hours/Person	2	1002		
7	Boilermaker	Hours/Person	3	1002		
8	Welder B Class	Hours/Person	3	1002		
9	Driver (Truck and Forklift)	Hours/Person	2	1002		
10	Welder A Class	Hours/Person	2	1002		
11	Pipe Fitter	Hours/Person	2	1002		
	Sub-total for Public Holiday/Sundays:					
	STANDBY					
1	Mechanical Supervisor	Hours/Person	2	2389		
2	Mechanical Fitters	Hours/Person	14	2389		
3	Semi-Skilled Assistants	Hours/Person	10	2389		
4	C&I Technician	Hours/Person	2	2389		
5	Rigger	Hours/Person	1	2389		
6	Boilermaker	Hours/Person	2	2389		
7	Welder B Class	Hours/Person	2	2389		
8	Driver (Truck and Forklift)	Hours/Person	1	2389		
9	Welder A Class	Hours/Person	2	2389		
10	Pipe Fitter	Hours/Person	2	2389		
	Sub-total for Standby:					
	NIGHTSHIFT ALLOWANCE - 10% of HOURLY RATE				10%	
1	Mechanical Supervisor	Hours/Person	1	21900		
2	Mechanical Fitters	Hours/Person	6	21900		
3	Semi-Skilled Assistants	Hours/Person	4	21900		
4	C&I Technician	Hours/Person	1	21900		
5	Boilermaker	Hours/Person	1	21900		
6	Welder B Class	Hours/Person	1	21900		
	Sub-total for Nightshift Allowance:					
					TOTAL AMOUNT EXCL VAT	

Tools and Equipment (including Lifting Equipment)

Item No.	Description	Unit	Qty	Rate	Amount
A	Swing out device Hydraulic Packs	Per Mill	6		
B	Turn Buckles				
1	10mm Drop Forged eye-Eye Turn Buckle	Per Mill	6		
2	22mm Drop Forged eye-Eye Turn Buckle	Per Mill	6		
3	30mm Drop Forged eye-Eye Turn Buckle	Per Mill	6		
4	48mm Drop Forged eye-Eye Turn Buckle	Per Mill	6		
C	Hydraulic Jack and Pumps				
1	10 Ton Hydraulic Jack	Per Mill	2		
2	50 Ton Hydraulic Jack	Per Mill	2		
D 1	Hydraulic Torque Wrench and S300 Head	No	2		
2	Torque Wrench Pump - 230V	No	2		
3	6m Twin Hose	No	2		
E	Chain Blocks				
1	2 Ton Chain Block	Per Mill	2		
F	Coffin Hoist				
1	3 Ton	Per Mill	2		
G	Blocking devices	Set/Mill	1		

PART 3: SCOPE OF WORK

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

C3.1: EMPLOYER'S SERVICE INFORMATION

Contents

Part 3: Scope of Work	1
C3.1: Employer's service Information	2
1 Description of the service	5
1.1 Executive overview.....	5
1.2 Employer's requirements for the service.....	5
1.2.1 Contract Roles and Responsibilities	5
1.3 Interpretation and terminology	10
1.4 Employer's requirements for the service.....	11
2 Management strategy and start up	15
2.1 The Contractor's plan for the service	15
2.2 Management meetings	15
2.3 Contractor's management, supervision and key people	16
2.4 Provision of bonds and guarantees.....	16
2.5 Documentation control.....	16
2.6 Invoicing and payment.....	17
2.7 Contract change management.....	17
Refer to NEC TSC Core clause 6, in the event any change to the Contract needs to be managed.	17
2.8 Records of Defined Cost to be kept by the Contractor.....	18
2.9 Insurance provided by the Employer.....	18
2.10 Training workshops and technology transfer	18
1. Plant Safety Regulations (PSR).....	18
2. Operating Regulations for High Voltage (ORHVS)	18
2.11 Design and supply of Equipment	18
2.12 Things provided at the end of the service period for the Employer's use	18
2.12.1 Equipment	18
2.12.2 Information and other things.....	18
2.13 Management of work done by Task Order	18
3 Health and safety, the environment and quality assurance	19
3.1 Health and safety risk management.....	19
3.1.1 General.....	19
3.2 Environmental constraints and management	20
3.3 Quality assurance requirements	21
3.3.1 Quality Requirements.....	21
3.3.2 QCP's, Safe Work Procedures and Job Observations	21

3.3.3	Quality	21
4	Procurement	21
4.1	People.....	21
4.1.1	Minimum requirements of people employed	21
4.1.2	BBBEE and preferencing scheme	21
4.1.3	Supplier Development and Localisation (SD&L)	21
4.1.4	Accelerated Shared Growth Initiative – South Africa (ASGI-SA).....	22
4.2	Subcontracting	22
4.2.1	Preferred subcontractors.....	22
4.2.2	Subcontract documentation, and assessment of subcontract tenders	23
4.2.3	Limitations on subcontracting.....	23
4.2.4	Attendance on subcontractors.....	23
4.3	Plant and Materials.....	23
4.3.1	Specifications.....	23
4.3.2	Correction of defects	23
4.3.3	<i>Contractor’s</i> procurement of Plant and Materials	23
4.3.4	Tests and inspections before delivery.....	23
4.3.5	Plant & Materials provided “free issue” by the <i>Employer</i>	24
	Both parties shall agree if there is any Plant and Material that the Contractor require to execute work. All other Plant and Materials are to be provided by the Contractor.....	24
4.3.6	Cataloguing requirements by the <i>Contractor</i>	24
5	Working on the Affected Property	24
5.1	<i>Employer’s</i> site entry and security control, permits, and site regulations.....	24
5.1.1	Permits	24
5.2	People restrictions, hours of work, conduct and records.....	24
5.2.1	Time Clocking	24
5.2.2	Hours of work.....	24
5.3	Health and safety facilities on the Affected Property.....	25
5.4	Environmental controls, fauna & flora	25
5.5	Cooperating with and obtaining acceptance of Others.....	25
5.6	Records of <i>Contractor’s</i> Equipment	25
5.7	Equipment provided by the <i>Employer</i>	25
5.8	Site services and facilities.....	25
5.8.1	Provided by the <i>Employer</i>	25
5.8.2	Provided by the <i>Contractor</i>	25
5.9	Control of noise, dust, water and waste	25
5.10	Hook ups to existing works.....	25
5.11	Tests and inspections.....	25
5.11.1	Description of tests and inspections	25
5.11.2	Materials facilities and samples for tests and inspections.....	26

6 List of drawings.....27

6.1 Drawings issued by the *Employer*.....27

6.2 Performance measure27

6.3 Low Services Damage index27

1 Description of the service

1.1 Executive overview

Kusile Power Station Management have decided to outsource the total Milling Plant and Pulverized Fuel (PF) Piping System Mechanical and Control and Instrumentation (C&I) Maintenance Scope service function to a suitably qualified, experienced and well established Contractor for a duration of 60 months. The Contractor shall execute preventative and corrective maintenance as described in the scope of work Kusile Documents Identifier: 240-160541765 Kusile Power Station Milling and PF Piping Maintenance Scope of Work

1.2 Employer's requirements for the service

Refer to Kusile Documents Identifier: 240-160541765 Kusile Power Station Milling and PF Piping Maintenance Scope of Work for all the Employer's requirements pertaining to the contract. (Below is an overview or extract of the Employer and Contractor roles and responsibilities in regard to the contract).

1.2.1 Contract Roles and Responsibilities

1. The Employer is responsible for Total Fluid Management.
2. The Employer and Contractor in this SOW is committed towards the following;
 - ✓ Retention of critical skills
 - ✓ Continuous cost reduction
 - ✓ Health & Environment Safety
 - ✓ Transfer of operational experience and skills
3. The Contractor shall compile improvement programmes to enhance plant performance and achieve cost reductions and the Employer will approve such programmes.
4. The Contractor shall be responsible for all mechanical and C&I maintenance as per Employer's instructions, processes and systems.
5. The contractor shall be responsible for calibration of plant C&I equipment and to provide calibration certificates after as and when required.
6. The employer shall be responsible for inspection, replacement and maintenance of all DCS equipment.
7. The contractor shall be responsible to assist in execution of any approved modification work.
8. The Contractor shall employ a competent person who is accredited and responsible to perform all statutory plant tests in regards to this SOW.
9. The Contractor shall be responsible for all equipment alignment requirements within this scope of work.

10. The contractor shall provide their own tools associated with Fuel Oil, LPG and Burner System day to day maintenance. Such tools will include **but not be limited to**:
 - a. Comprehensive tool box for all mechanical
 - b. Torque wrenches and torque multipliers
 - c. Torque machines and all accessories
 - d. Hydraulic jacks and pumps
 - e. Alignments tools and machines
 - f. Sets of socket spanners, combination spanner and flogging spanners
 - g. Electrical and pneumatic impact wrenches
 - h. Portable lighting and extension cables
 - i. Power tools such as grinders and drilling machines, etc.
 - j. Welding machines and welding consumables
11. The contractor shall provide all lifting equipment needed for all lifting activities.
12. The contractor will be penalized should any job stand due to damaged or unavailable tools, damaged or unavailable lifting equipment or due to tools or lifting equipment having invalid certificates.
13. The contractor shall ensure that all tools and lifting equipment requiring load testing and/or calibration are load tested, calibrated and certified at intervals stipulated by law or by manufacturers of such equipment. Such certificates will be filed by the contract and made readily available to Eskom as and when required and for Eskom audit purposes. (The Eskom Contracts Manager will do 3 monthly formal audits).
14. The Contractor is responsible for implementing a system in place for managing the tools and lifting equipment, which will involve serial coding and the signing in and out of such tools and equipment.
15. The contractor shall ensure that he supply all the required tools and equipment to repair the Mill as requested by the client, except for equipment listed to be supplied by the client
16. Kusile Gx will only supply special mill maintenance tools such as lift out device, donkey drive, etc. (see Appendix B for a comprehensive list).
17. The Contractor is obliged to submit ITP/QCP documents for all Mill Services and Inspections, such as but not limited to 1 000, 2 000, 4000 and 10 000hours Service; such quality documentation must be completed and signed during such activities.
18. The Contractor shall be responsible for producing formal inspection reports for all inspections undertaken. The inspection reports to capture in detail all findings as well as associated recommendations to remedy the findings.

19. The Contractor shall be responsible for the inspection, repair and replacement of all structural and support steel work in this scope of work including but not limited to;
- a. Walkways
 - b. Grating
 - c. Handrails
 - d. Cat ladders
 - e. Hangers
 - f. Supports etc.
20. The Contractor shall make use of local black economic empowerment through the use of black business. The Contractor during the duration of the contract shall train persons from the local community in relation to the works; such proof shall be given to the Employer for verification and acceptance.
21. Performance is measured by the Employer against those areas which contribute to the Employer's business. (e.g. Reliability, Availability and Safety).
22. Areas of measurement include the Employer's key business indicators and will be redefined from time to time.
23. The following complementary services to improve Plant and labour performance can be defined as follows;
- a. Project management
 - b. Value engineering
 - c. Procedure and documentation writing
 - d. Design services
 - e. Spares management
 - f. Technical advice
 - g. Operational and production process review
 - h. Asset management in accordance with PAS55
 - i. Component failure analysis reporting
24. The Employer may request the Contractor to ensure that an accurate description of spare parts is maintained in the Employer's stores and the Contractor informs the Employer as to any recommended changes.

25. The Contractor is to ensure that any service rendered does not interfere with the Employer's scheduled work and should align himself with the Employer's work control management process.
26. Should the Employer become aware of any changes to the activity schedule (programme of notifications), the Employer may issue the Contractor with a revised programme.
27. The contract entered into with the Contractor is non-exclusive and work against this contract can only be performed upon receipt of a Task Order.
28. All statutory tests or inspections done by the Contractor shall be reviewed and accepted by the Employer.
29. The Contractor shall be responsible for statutory inspections/tests as defined by the Employer and supply the Employer with proof of such tests.
30. All works will be subject to anytime inspection from the Employer.
31. Please note that equipment will only form part of the works once the respective area has been commissioned and handed over to Generation. The Contractor shall take cognisance of the fact that the contract start date can deviate.
32. The Contractor maintains an all year round agreed base crew at Kusile Power Station which is supervised by the Contractor with any changes to the crew being negotiated and agreed upon with the Employer.
33. This contract is for preventative, predictive, corrective maintenance (breakdowns) and outage SOW.
34. Spillage is viewed to be very important for plant housekeeping as well as Environmental Management and any spillage caused as a result of the Contractor shall be cleaned by the Contractor.
35. The Contractor shall perform leak checks on all responsible plant areas and inform the Employer's representative accordingly. Defects must be raised on the system to address any plant deviations.
36. The Contractor shall ensure the integrity of plant labelling and that deficiency with regards to KKS labelling is reported immediately.
37. The Contractor must ensure that they have responsible persons (in terms of PSR and ORHVS) for any work performed on plant. This requires individuals to successfully complete a written and oral examination for the relevant regulation based on the Plant Safety Regulations and Operating Regulations for High Voltage Systems.

38. All technically qualified (above semi-skilled) personnel will be trained and authorised (in terms of PSR and ORHVS) within 3 months of the contract award date. Training will be supplied by the Employer.
39. The Contractor must ensure that all personnel successfully complete a written examination for the relevant regulation based on the Fossil Fuel Firing Regulations (FFFR). Training will be provided by the Employer.
40. Before any work starts on site the Contractor is responsible to submit their Safety File to the Employer for review and acceptance.
41. The Contractor is also responsible for their employees annual medical checks which must be up to date and also kept in the Safety File. Site Induction must be done before any work is done by any Contractor on site.
42. The contractor shall supply all their PPE such as safety shoes/safety boots, branded reflective trousers and branded jackets, hard hat with secure chin strap, industrial dust mask, disposable dust coveralls, goggles, face shield, gloves, undergarments and ear plugs/muffs.
43. The contractor shall ensure that all safety valves are sealed and that nameplates are fitted to all pressure equipment.
44. **Note:** The Contractor shall be responsible for auxiliary cooling downstream from the last isolating valve on the inlet to the coolers and up-stream to the first isolating valve on the outlet of the coolers; this includes all lubrication, hydraulic and gear oil coolers.
45. The contractor will be expected to have a night shift team consisting of at least 3 mechanical fitters, 3 semi-skilled assistants and 1 PSR Responsible Person (RP) and a standby team consisting of at least 3 mechanical fitters, 3 semi-skilled assistants, 1 supervisor, 1 boilermaker, 1 B-class welder, 1 rigger and 1 crane/truck/forklift operator. Such teams will be rotated on a weekly basis.
46. Eskom will not pay for employees that are not on site due to any kind of leave.
47. The contractor shall be responsible to ensure the following are achieved as per Business Objectives or KPI

Business Objectives or KPI	Action
Weekly PM Compliance >100%	Execute all Preventative Maintenance Work Orders as per Maintenance Strategies in place
Weekly Schedule Compliance >100%	Weekly Schedule Lockdown meetings to take place between Contractor Supervisors and RWM (Routine Works Management) to ensure the following weeks schedule is reviewed and agreed upon for execution
Reduce Maintenance Backlog by Corrective	Weekly meetings to take place between execution supervisors and RWM planners to ensure Lockdown is reviewed and Priority 3 notifications are

10%/month	planned and executed on a weekly basis
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1.3 Interpretation and terminology

Contractor:	Service Provider contracted for providing specific service to Eskom, Kusile Power Station
Employer:	Eskom, or Eskom Kusile Power Station

The following abbreviations are used in this Service Information:

Abbreviation	Explanation
BOM	Bill of Material
BS	British Standard
C&I	Control and Instrumentation
DCS	Distributed Control System
DIN	German Institute of Standard
DP	Differential Pressure
ISO	International Standards Organisation
KKS	Kraftwerk Kennzeichen System
NEC	New Engineering Contract
ORHVS	Operating Regulations for High Voltage Systems
PAS 55	Publically Available Specification 55
PCLF	Planned Capability Loss Factor
PF	Pulverized Fuel
PSR	Plant Safety Regulations
SANS	South African Bureau of Standards
SAP	Systems, Applications, Products (Plant Maintenance, Procurement, Finance and Materials Management) integrated maintenance management system.
SOW	Scope of Work
STEP	Station Thermal Efficiency Program
UCF	Unit Capability Factor
UCLF	Unplanned Capability Loss Factor

1.4 Employer's requirements for the service

a) Milling Plant

Milling Plant	<p>The Milling Plant is defined as the plant and equipment interfacing with coal, that exists between the following points;</p> <ul style="list-style-type: none"> - the coal bunker (excluding bunker inlet chute), and - outlet of the mill classifier including the gate valve (HHE 11-51 AA501). <p>It has the following plant within its boundary.</p> <p>Coal Bunker The plant and equipment interfacing with coal, that includes the following;</p> <ul style="list-style-type: none"> - bunker walls and lining, and - bunker hopper and lining. <p>Feeder The plant and equipment interfacing with coal, that exists between the following points;</p> <ul style="list-style-type: none"> - the bunker outlet shut-off gate valve, and - the raw coal pipe between conveyor and mill. <p>This implies the following plant and equipment;</p> <ul style="list-style-type: none"> - bunker outlet shut-off gate valve - transition chute with compensator - feeder belt conveyor system (including drive train) - fuel bed controller - coal weighing system - raw coal piping with compensator - purge air inlet damper - feeder outlet chute - clean out chain conveyor system (including drive train) - feeder housing - feeder outlet shut-off gate valve <p>Mill (Vertical Spindle) The plant and equipment interfacing with coal, that exists between the following points;</p> <ul style="list-style-type: none"> - raw coal inlet chute to the mill, and - outlet of the classifier including isolating gate valves <p>This implies the following plant and equipment;</p> <ul style="list-style-type: none"> - grinding elements (i.e.track & rollers) - mill body - static classifier - loading frame and tension rods - hydraulic system, - discharge duct - reject box including upper and lower hydraulic gate valves - seal air fans (include. all sealing medium supply) - all lubrication sets, - drive unit (i.e. motor and gearbox) - common mobile mill turning device - mill air supply inlet (including control & isolating dampers, rotating throat)
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(i) Applicable S.O.W

a) All Mechanical maintenance shall be executed according to the following maintenance

Strategies:

- Kusile Power Station Maintenance Strategy for the Coal Milling Plant.
- Kusile Power Station Maintenance Strategy for PF Pipe and Burners.

b) Inspection, testing, maintenance and replacement of the following.

- Drive unit coupling
- Mill motor bearings
- Gearbox
- Lubrication system maintenance (i.e. valves, pumps, filters/strainers, etc.)
- Oil lubrication heat exchangers
- Mill housings and wear plates
- All internal components of the mill (i.e. nozzle rings, grinding rollers and tracks, loading frame, tension rods, pendulum joints and adjustments, reject scrapers etc)
- Hydraulic system including cylinders
- Seal air system
- Scavenging air system
- Steam system used for purging
- Classifier
- Classifier chute liners
- Classifier vanes
- Reject box including upper and lower hydraulic gate valves
- Feeder system
- All valves, Pneumatic and hydraulic actuators,
- Dampers and orifice.
- All manholes, doors and inspection hatches including all bolts, gaskets and rubber seals
- Inspect and maintain integrity of drive unit base and all holding down bolts.
- Maintain related compressed air distribution system.
- Mill motor mounting and dismounting
- Electrical actuator mounting/dismounting.
- Temperature, pressure, flow and level measuring equipment
- Feeder scale
- Limit switches
- Level switches
- C&I Cabling
- Power supplies
- Relays and fuses
- Modules
- Solenoid coils
- Roller positioner
- AUMA actuator matics

b) PF Piping

Applicable Plant Area	Boundaries of Plant Area
PF Piping	The PF Distribution system is defined as the plant and equipment interfacing with coal and primary air, that exists between the following points. - exit point of the PF from the mill classifier excluding the isolating valve, and Inlet to the PF Burner (square flange).

	<p>This implies the following plant and equipment.</p> <p>PF Piping</p> <ul style="list-style-type: none"> - PF pipe work & ducting - Expansion bellows - Supports
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(ii) Applicable S.O.W

- a) Inspection, testing, maintenance and replacement of the following:
 - i. PF piping and connections
 - ii. All ceramic lined bends and expansion joints
 - iii. Hangers and supports
 - iv. PF system dampers and 3-way valves including actuator mounting/dismounting.
 - v. Including all C&I components attached to the system

c) Ducting

Applicable Plant Area

Plant Area	Boundaries of Plant Area
Ductings	<p>Flue Gas Ductings Boundaries starts,</p> <p>From the outlet of the Boiler Furnace to the inlet of the GAH From the outlet of the GAN to the inlet of the PJFF From the outlet of the PJFF to the inlet of the ID FAN From the outlet of the ID FAN to the inlet of the FGD Absorber From the outlet of the FGD Absorber to the inlet of the Smoke Stack</p> <p>Air Ductings boundaries starts,</p> <p>From the Air intake to the inlet of the FD FAN From the outlet of the FD FAN to the inlet of the PA FAN From the outlet of the PA FAN to the inlet of the GAH From the outlet of the FD FAN to the inlet of the SAH From the outlet of the SAH to the inlet of the GAH From the outlet of the GAH to the inlet of the Burner and inlet of the Mills.</p>

a. Applicable S.O.W

Inspection, maintenance and replacement of the following.

- All Flue Gas Ducts
- All Air Ducts (Ducting surrounding Air heaters and Draught Group Fans included)
- Supports and Hangers
- Expansion Bellows
- Dampers

1.4.1 Exclusions

- i. Scaffolding & Insulation
- ii. Coal Bunker rope access inspections.
- iii. Non Destructive Testing
- iv. Unauthorised Modifications
- v. Civil Maintenance
- vi. Electrical Maintenance
- vii. Condition monitoring
- viii. Refurbishment of Motors
- ix. Re-metaling of Motor Bearing

2 Management strategy and start up.

2.1 The Contractor's plan for the service

The Contractor's plan must be in line with the 240-99326136 Kusile Power Station Milling and PF Piping Maintenance Scope of Work, as well as all the applicable maintenance strategy documents and the plant maintenance schedules. The Contractor must note that the maintenance strategies and the plant maintenance schedules will be provided by the Employer.

2.2 Management meetings

Regular meetings of a general nature may be convened and chaired by the *Supply Manager* as follows:

Title and purpose	Approximate time & interval	Location	Attendance by:
Monthly Contractual meeting, Overall Contract progress, assessments, Contract risk discussion and feedback	Monthly	Kusile Power Station	Contract Managers, Site Manager, Contract Site Manager, Gx Contract Supervisors, Secretary
Monthly Integrated Risk Management meetings	Monthly	Kusile Power Station	MMD Line Managers, MMD Technicians, All MMD Site Managers, All mmd Safety and quality officers
Monthly Executive SHEQ meeting	Monthly	Kusile Power Station	Kusile EXCO, Kusile Safety Management, Kusile Line Managers, All Site Managers, Kusile Departmental SHE Reps
Prioritization meetings	Daily (Monday – Friday)	Kusile Power Station	Production managers, Contractors, Supervisors, Technicians

Meetings of a specialist nature may be convened as specified elsewhere in this Service Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the *service*. Records of these meetings shall be submitted to the *Service Manager* by the person convening the meeting within five days of the meeting.

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

2.3 Contractor's management, supervision and key people

- Site Manager
 - Supervisors
 - Safety Officers
 - Drivers or Equipment Operators
 - Responsible Persons
 - Quality Inspector
- a) The Contractor shall ensure that only competent persons be allowed to work on plant. The Employer's service Manager is entitled to verify the qualifications of the Contractor.
- b) The Contractor must be knowledgeable about the condition and scope of work contained in this contract and capable of executing the scope of work.
- c) The services manager may, having stated reasons, instruct the Contractor to remove a key person. The contractor then arranges that, after one day, the key person has no further connection with the work included in this contract.
- d) The Contractor may not replace any of the key persons without prior written request and approval thereof from the Service Manager.

2.4 Provision of bonds and guarantees

The form in which a bond or guarantee required by the conditions of contract (if any) is to be provided by the Contractor is given in Part 1 Agreements and Contract Data, document C1.3, Sureties.

The Employer may withhold payment of amounts due to the Contractor until the bond or guarantee required in terms of this contract has been received and accepted by the person notified to the Contractor by the Service Manager to receive and accept such bond or guarantee. Such withholding of payment due to the Contractor does not affect the Employer's right to termination stated in this contract.

2.5 Documentation control

The Contractor implements the following procedures or paperwork over the first month of this Contract:

- Business Organisation Chart
- Safety procedures

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

- Site Regulations – Kusile site Regulations
- BIA/RM/STD/01 – Safety, health and environmental requirements to be met by Contractors
- Hot work procedures
- All specifications produced via the RCM or Kusile maintenance process
- Eskom Kusile Site transport requirements
- Construction Regulations
- Kusile Maintenance Quality Manual
- Occupational, health and Safety Act
- Eskom Life saving Rules
- BIA/QA/STD/01 – Quality requirements for engineering and construction works
- All Relevant Kusile Power Station standards, policies and procedures
- All quality, health, environmental and safety costs are included in the contract price

2.6 Invoicing and payment

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 showing the amount due for payment equal to that stated in the Service Manager's payment certificate.

Invoices can be submitted using emails to invoiceseskomlocal@eskom.co.za

- Ensure that the Eskom order number is clearly indicated on your invoice together with the line number on the order you are billing for.
- All Electronic invoices must be sent in PDF format only.
- Each PDF file should contain one invoice; or one debit note; or one credit note only as Eskom's SAP system does not support more than one PDF being linked into workflow at a time.
- Your E-mail may contain more than one PDF file (e.g. 2 invoices on 2 separate PDF files in one e-mail)
- For Foreign invoices, suppliers will still be required to physically deliver hard copies of original documents to the respective documentation management centers even though you have e-mailed those invoices
- A PDF file that was created directly from a system meets the definition of original document and is allowed (including saving documents from excel to PDF, word to PDF etc.)
- An Invoice that was printed and then scanned to PDF by the Vendor is **not acceptable** as this is not an original tax invoice by SARS definition but a copy.
- The following wording needs to appear on the invoice: "Your invoice is encrypted in order to comply with SARS requirements that invoices and statements sent electronically are tamperproof."
- If there is Cost Price Adjustment (CPA) on your invoice we recommend that you issue a separate invoice for CPA so that if there are any issues on the CPA the rest of the invoice can be paid while resolving the CPA issues.
- You do not require a goods receipt (GR) number to submit your invoices. When the GR number is received you can then send the GR number to the FSS contact center at FSS@eskom.co.za or 011 800 5060.
- All queries and follow up on invoice payments should be made by contacting the FSS Contact Centre: **Tel: 011 800 5060**

Payment will be made within 30 Days after receipt of an acceptable invoice at the address stated in the order and the acceptance of the goods by Eskom. Payments are made on Friday's only. and include on each invoice the following information:

and include on each invoice the following information:

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

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

2.7 Contract change management

Refer to NEC TSC Core clause 6, in the event any change to the Contract needs to be managed.

2.8 Records of Defined Cost to be kept by the Contractor

The Contractor is required to keep record and submit proof of all the actuals, in order to be verified at the completion of the Payment Certificate and assessment, should the Service Manager request to do so.

2.9 Insurance provided by the Employer

The contractor shall ensure that they provide insurance during their contractual phase with Eskom, the employer does not provide insurance for the service provider or contractor

2.10 Training workshops and technology transfer

Training and transfer of skills will be provided by either the Contractor or the Employer, part of the following training will be provided by the Employer as stated in the Kusile Document Identifier: 240-99326136

1. Plant Safety Regulations (PSR)
2. Operating Regulations for High Voltage (ORHVS)

2.11 Design and supply of Equipment

Equipment supplied must be in safe working order at all times, irrespective whether the equipment is supplied by the Employer or Contractor. Regular maintenance must be done on all equipment used to execute the service required.

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

2.12.1 Equipment

Any equipment (assets) bought during the service period will be transferred to the Employer at the end of the service period

2.12.2 Information and other things

In the event that the information and other things are required, it will be discussed by the two Parties, and the provision of information and other things will be mutually agreed upon.

2.13 Management of work done by Task Order

- A Task Order starting with 45* series number will be issued to the Contractor at the beginning of every month for the service.
- In the case of emergency repairs outside the SOW started in Kusile Document Identifier: 240-99326136, different Task Order will be send to the Contractor for the works. Respond to the issued Task Order must be dealt with as per secondary option X19 of the agreement.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

3.1.1 General

- The Contractor must ensure that all his personnel attend a Health and Safety Induction Course prior to starting with their work. The Induction Course can, on request, be provided by the Employer and will be valid for the duration of one year.
- The Contractor must ensure that all his employees have a valid X-ray medical for the duration of the contract. X-ray medicals needs to be done yearly.
- 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.
- Station Cleaning Manager shall be entitled to instruct the Contractor to stop work, without penalty to the Employer, where the Contractor's personnel fail to confirm to safety standards or contravene health and safety regulations. The Station Cleaning Manager is entitled to cause the Contractor to discipline his employees and to submit disciplinary action, and submit a report to Station Cleaning Manager. The Contractor shall implement additional health and safety precautions where necessary.
- The Contractor will provide all his personnel with the required personal protective equipment.
- Risk Assessments, Pre-Job Briefs, Post – Job Briefs & Job Observations will be conducted for all jobs.
- All Construction Regulation - safety requirements should also be adhered to.
 - Safety Plan
 - Working at height
 - Fall Protection Plan (cleaning on height)
 - Confined space
 - 16.1 and 16.2 appointments

3.1.2 Fire Precautions

- Any tampering with the Employer's fire equipment is strictly forbidden.
- All exit doors, fire escape routes, walkways, stairways, stair landings and access to electrical distribution boards must be kept free of obstruction, and not be used for work or storage at any time. Firefighting equipment must remain accessible at all times.
- In case of a fire, report the location and extent of the fire to the Electrical Operating Desk at extension 3803.
- Take the necessary action to safe guard the area to prevent injury and spreading of the fire.

3.1.3 Reporting of accidents

- The Employer follows an accident prevention policy that includes the investigation of all accidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incidents.
- The Contractor is expected to fully co-operate to achieve this objective. The Station Cleaning Manager must be informed immediately of any incidents and any damage to property or equipment must be reported within 24 hours.
- NOTE! This report does not relieve the Contractor of his legal obligation to report certain 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.

3.1.4 Barricading

The Contractor will provide and install barricades and warning devices to ensure that equipment and persons are not exposed to danger or to prevent access to the area where there is industrial cleaning.

3.1.4 Speed Limit

All vehicles must be driven with due consideration for personnel and property. A maximum speed limit of 40 kilometres per hour will be adhered to on the premises at all times.

3.1.5 Safety

- The Contractor complies with the Occupational Health and Safety Act, 1993, (the Act) and all Safety procedures issued by the Employer. The Contractor must furthermore comply with the Employer's Safety, health and Environmental requirements for Contractors, BIA/RM/STD/ 240-73416879, which is available from the Kusile Documentation Centre.
- The Contractor will carry out work according to Procedure GGR 0992 (Plant Safety Regulations). The Contractor will qualify his supervisors to take out permits on the Employer's permit to work system in order to always have one authorised person available to take out permits per shift.
- The Contractor will conform to all rules and regulations applicable to Plant Safety and shall complete a proper risk assessment and Worker's Register prior to working on the plant.
- The Contractor will ensure that his representatives are duly authorised in terms of the Plant Safety Regulations as a responsible person upon commencement of work.
- The Employer shall on request from the Contractor isolate required plant from all sources of danger as described in the Plant Safety Regulations.
- The Employer will provide the Plant Safety Regulation training to the Contractor.
- The Employer shall make a copy of the Plant Safety Regulations available to the Contractor.
- The Contractor will attend monthly safety meetings, and conduct monthly safety meetings with staff.
- The Contractor provides all personal safety equipment, including safety belts and harnesses
- The Contractor will appoint a full time safety officer for the entire duration of the contract.
- The Contractor will adhere to the Eskom Lifesaving rules.
- The Contractor will not be allowed to transport any of its workers in open vehicles to and from site as prescribed in the Eskom safety policy.

3.2 Environmental constraints and management

- The Contractor should adhere to the Kusile Power Station Environmental Management System that must meet the requirements of ISO 14001:2004.
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- The EMS requirements are detailed in the latest revision of the following documents, which are available from the Kusile Power Station Documentation Centre or Internal Web site, and include:
 - Environmental Management Policy BIA/ENV/04
 - Environmental Management System Manual BIA/ENV/03
 - Waste Management at Kusile BIA/ENV/01
 - Oil Spill Management at Kusile BIA/ENV/02
 - Environmental Legal Register (List of Environmental Legislation applicable to Kusile) ENG/ENV/01
- The Contractor will be responsible for complying to any new environmental requirements, relevant to the Works Information, that may come into effect as part of Kusile Power Station's EMS for the duration of this contract.
- If there is uncertainty around any environmental issues, the Environmental Department at Kusile Power Station may be contacted.
- All work complies with the relevant environmental regulations. In this case the Contractor uses such hazardous substances in accordance with the applicable regulations and procedures and is disposed of by the Contractor in accordance with the applicable law.

3.3 Quality assurance requirements

3.3.1 Quality Requirements

The Supplier shall comply with the Eskom's QM 58 (240-105658000) Supplier Quality Management Specification

- Quality requirements include visual inspection by the Employer, who will be entitled to witness progress of work at any time. The Employer shall also have the right to stop work and re-instruct the Contractor, who will comply with the requests.
- The Employer may, by arrangement, inspect completed work. If, in opinion of the Employer, the work does not comply with the quality requirements expected from the Contractor, the Employer shall instruct the Contractor to rectify the faults. The Contractor will comply with the instructions.

3.3.2 QCP's, Safe Work Procedures and Job Observations

- QCP's with action plans, safe work procedures and job observations shall be produced at the request of the Employer. QCP's must be signed and approved by quality controller / Cleaning Supervisor.

3.3.3 Quality

- The Contractor will comply with the Employer's Quality Requirements as specified in procedure BIA/QA/STD/01 latest revision, which is available from the Documentation Centre or the internal Kusile Web site.
- All Quality Control documentation must be submitted to the Employer's Representative for acceptance prior to any work commencing.

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

As per Technical Evaluation Doc no: KUS-20250218

4.1.2 BBBEE and preferencing scheme

The company shall maintain or improve upon their current B-BBEE Contribution level for the duration of the contract. The supplier will be required to submit a new B-BBEE certificate within 3 months, should ownership of the company change during the life of the contract.

4.1.3 Supplier Development and Localisation (SD&L)

1. Skills Development Requirement

The SD&L Matrix is not an evaluation criterion; however Tenderer are encouraged to make proposals before they are eligible for award in accordance with develop the skills in line with the SOW as illustrated on a below table. Skills development candidates should be from the Local Municipality area.

The supplier will be required to train at least ten (10) learners per annum,

- Riggers
- Boiler Makers
- Welders

2. Job Opportunities

Not Applicable

3. SDL&I Bond

The Tenderer or awarded Contractor shall submit a bond equivalent to 2.5% of the Contract Value and shall only be released to the Contractor upon fulfilment of all SDL&I Obligations

4. Reporting and Monitoring

- The suppliers shall on a monthly/quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 60 (sixty) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.
- Upon notification by Eskom that the suppliers have not met their SDL&I obligations, the suppliers shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- Every contract shall be accompanied by the SDL&I Implementation Schedule which must be completed by the suppliers and returned to SDL&I representative for acceptance 28 days after contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments

4.1.4 Accelerated Shared Growth Initiative – South Africa (ASGI-SA)

The Contractor complies with and fulfils the Contractor's obligations in respect of the Accelerated and Shared Growth Initiative - South Africa in accordance with and as provided for in the Contractor's ASGI-SA Compliance Schedule stated below

The Contractor shall keep accurate records and provide the Service Manager with reports on the Contractor's actual delivery against the above stated ASGI-SA criteria. [Elaborate on access to and format of records and frequency of submission etc.]

The Contractor's failure to comply with his ASGI-SA obligations constitutes substantial failure on the part of the *Contractor* to comply with his obligations under this contract.

4.2 Subcontracting

4.2.1 Preferred subcontractors

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.

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

4.2.2 Subcontract documentation, and assessment of subcontract tenders

NOTE 1: Tenders shall submit the following Mandatory Returnables for Subcontracting:

1. Subcontracting agreement (signed by both parties) with subcontractor company registration documents (CK, CSD, B-BBEE certificate or sworn affidavit).
2. Copies of sub-contracting contracts (agreements) or copies of letters from the tenderer to the sub-contractors, stating the intent to sub-contract. Both documents should be signed by the Tenderer and the Sub-contractor(s) earmarked.
3. B-BBEE certificate from SANAS accredited rating agency or Sworn Affidavit from National Treasury / DTI certified by commissioner of oath will be used to verify supplier's status

4.2.3 Limitations on subcontracting

30% of the scope of work will be subcontracted to the above subcontractor for machinery.

4.2.4 Attendance on subcontractors

Not applicable

4.3 Plant and Materials

4.3.1 Specifications

Plant and materials provided by the Contractor and the preventative maintenance thereof will be the responsibility of the Contractor.

4.3.2 Correction of defects

The intention of the Contract is preventative maintenance first and foremost however corrective maintenance can be results of the component failure. In the event where plant component have failed, this will be dealt with in accordance with the maintenance strategies and plant maintenance schedule to restore the components to its original state i.e. by repairing and or replacing components. This will be governed by as per core clause 4, testing and defects

4.3.3 Contractor's procurement of Plant and Materials

Replacement materials/components will be kept as the Employer's Inventory/stock and issued as stock items when required. The Contractor must inform the Employer immediately of any constraints experienced during the procurement process of plant and materials whenever required to procure any materials.

4.3.4 Tests and inspections before delivery

- It is the Contractor's responsibility to ensure the machinery and equipment intended for use on this contract are inspected, tested and certified prior to delivery to site.
- Regular inspections can be carried out by the Employer on an as and when required basis.
- The Contractor and the Employer must maintain communication regarding the test and inspections that must be done, and give feedback on the result obtained. The Contractor must inform the Employer in time for a test or inspection to be arranged and done before doing the work that will obstruct the test or inspection.

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

Both parties shall agree if there is any Plant and Material that the Contractor require to execute work. All other Plant and Materials are to be provided by the Contractor.

4.3.6 Cataloguing requirements by the *Contractor*

Not applicable

5 Working on the Affected Property

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

The Entry to site is only approved once the following is adhered to:

1. The Contractors Safety file is to be approved by the Employer's Safety department.
2. All personnel must undergo screening for Criminal records and outstanding warrants
3. Site-specific induction is to be done by all personnel.

5.1.1 Permits

1. The Contractor will ensure that he/she is informed of all the requirements of Eskom's Plant Safety Regulations and ORHVS and that he/she at all times comply to the requirements of these Regulations.
2. The Contractor ensures his supervisors are trained and authorised as Authorised Supervisors.
3. Training is provided by Eskom Kusile and is done according to a schedule, thus arrangements need to be made with the Service Manager well in advance.
4. The Contractor will have at least three Responsible Persons as per Plant Safety Regulations.
5. Two supervisors should be authorised within 3 months of contract award.

5.2 People restrictions, hours of work, conduct and records

5.2.1 Time Clocking

- 1 The Contractor uses a biometric time clocking system
- 2 No clocking will result in non-payment. If a person clocked in but not out or did not clock in, but clocked out, the person will not receive payment for that specific day.
- 3 Proof of clocking to be submitted to the Employer from files directly generated from the clocking system (no manual intervention)

5.2.2 Hours of work

- All work will be coordinated by the Employer. Working times can be subject to change, the Employer will inform The Contractor well in advance.
- A standby roster will be determined by the parties.
- The Contractor will align his operating shifts to that of the Employer's five shift cycle.
 1. Normal working hours is Eskom working hours:
 - a. Monday to Thursday **07:00 - 16:15**
 - b. Fridays **07:00 - 12:00 (No lunch break)**
 2. Outage working hours is :
 - a. Monday to Friday **07:00 - 19:00**
 3. All Timesheets are to be kept for records purposes i.e. man-hours worked safely etc.
 4. Other hours will be determined as per critical path activities during outages/breakdowns.
 5. Overtime to be approved by the Service Manager
 6. Daily time sheet must be kept up to date of normal and overtime worked at all times.
 7. All overtime worked must comply with Eskom rest period requirements

5.3 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

However, the Contractor is expected to handle all minor incidents in-house by providing a first aider and a first aid kit.

5.4 Environmental controls, fauna & flora

Not applicable to the contract

5.5 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.

5.6 Records of Contractor's Equipment

1. The Contractor to declare all equipment and tools via a pre-set up list at the main entrance, where removal permit will be issued by Security personnel.
2. Contractor need to have a list of inventory of their equipment on site.
3. Proof of site entrance needs to be provided before equipment can be removed from

5.7 Equipment provided by the Employer

Equipment provided by the Employer is to be signed out on the tools register and returned in a serviceable condition.

5.8 Site services and facilities

5.8.1 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 tuck-shop on site but both only operate on week days and are for the Contractor's own cost.

5.8.2 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.

5.9 Control of noise, dust, water and waste

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

5.10 Hook ups to existing works

Hooking up on heights is a non-negotiable lifesaving rule of Eskom, Kusile Power Station applies Zero Tolerance to non-compliance of the rule or any other lifesaving rule. The same disciplinary process and procedure will be followed when any of the lifesaving rules have been breached.

5.11 Tests and inspections

5.11.1 Description of tests and inspections

The test and inspection to be carried out by the Contractor, the Employer and others will be determined and communicated by the Employer when Contract commenced.

5.11.2 Materials facilities and samples for tests and inspections

The materials facilities and samples for test and inspection to be carried out by the Contractor, the Employer and others will be determined and communicated by the Employer when the Contract commences.

X17.1.2	PSR authorisation with 3 months	Unavailability of responsible person (RP) after three months of contract kick-off	10% of monthly fixed cost
X17.1.3	Response time to breakdowns	Not complying to the 30 minutes report time to the control room after being notified	1% of monthly fixed cost per incident
X17.1.4	Response time to weekend standby	Not complying to the 45 minutes respond time to site after a callout	1% of monthly fixed cost per incident /call out
X17.1.5	Defect rework	The contractor shall be held responsible and liable for all the defect rework with 5 days of correcting the defect provided the equipment has been placed in service	All-inclusive cost to correct the defect + 2% monthly fixed cost
X17.1.6	Weekly PM compliance	Ensure compliance to Preventative Maintenance work orders per maintenance strategy	2% of monthly fixed cost per month after the monthly report
X17.1.7	Weekly Schedule compliance	Ensure Schedule compliance to Maintenance work orders per maintenance strategy	2% of monthly fixed cost per month after the monthly report
X17.1.8	Reduce corrective backlog by 10%	Ensure backlog compliance as per online maintenance index	2% of monthly fixed cost per month after the monthly report
X17.1.9	NCR raised on defects that are not corrected in time	Ensure that no NCR is raised against the contractor	5% of monthly fixed cost per incident
X17.1.10	Not completing work as per submitted execution plan	Maintain or improve on the execution timeline submitted by the contractor	5% of monthly fixed cost per incident