

PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.



## NEC3 Professional Services Contract (PSC3)

Contract between Eskom Holdings SOC Ltd  
(Reg No. 2002/015527/30)

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

for PROVISION FOR DEBT COLLECTION SERVICES IN  
THE KZN AND FREE STATE OPERATING UNITS IN  
THE CENTRAL EAST CLUSTER FOR A PERIOD OF  
36 MONTHS.

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Contents:	No of pages
Part C1 Agreements & Contract Data	[•]
Part C2 Pricing Data	[•]
Part C3 Scope of Work: The Scope	[•]

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CONTRACT No. [Insert at award stage]

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PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.

**PART C1: AGREEMENTS & CONTRACT DATA**

Document reference	Title	No of pages
	<p><b>PROVISION FOR DEBT COLLECTION SERVICES IN THE KZN AND FREE STATE OPERATING UNITS IN THE CENTRAL EAST CLUSTER FOR A PERIOD OF 36 MONTHS.</b></p>	
C1.1	<p><b>Form of Offer &amp; Acceptance</b> [to be inserted from Returnable Documents at award stage]</p>	[•]
C1.2a	<p><b>Contract Data provided by the <i>Employer</i></b></p>	[•]
C1.2b	<p><b>Contract Data provided by the <i>Consultant</i></b> [to be inserted from Returnable Documents at award stage]</p>	[•]
C1.3	<p><b>Securities proforma</b></p>	[•]

# 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:

**PROVISION FOR DEBT COLLECTION SERVICES IN THE KZN AND FREE STATE OPERATING UNITS IN THE CENTRAL EAST CLUSTER FOR A PERIOD OF 36 MONTHS.**

The tenderer, identified in the Offer signature block, has

<i>either</i>	examined the documents listed in the Tender Data and addenda thereto as listed in the Returnable Schedules, and by submitting this Offer has accepted the Conditions of Tender.
<i>or</i>	examined the draft contract as listed in the Acceptance section and agreed to provide this Offer.

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 *Consultant* 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.

The offered total of the Prices exclusive of VAT is	<b>ACCEPTANCE OF THE 10% RATES FOR DEBT COLLECTION RECOVERY</b>
Value Added Tax @ 15% is	
The offered total of the Prices inclusive of VAT is	
(in words)	

If Option E or G apply, for each offered total insert in brackets, "(Not Applicable – Cost reimbursable)"

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 *Consultant* in the *conditions of contract* identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the tenderer:**

*(Insert name and address of organisation)*

Name & signature of witness

Date

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**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 Consultant 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: The Scope

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)

.....  
**THANDI ZUNGU**

Capacity

.....  
**MANAGER – DEBT MANAGEMENT**

**for the  
Employer**

.....  
**ESKOM HOLDINGS SOC LIMITED**

.....  
*(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.

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**Schedule of Deviations**

Note:

1. To be completed by the Employer prior to award of contract. 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 \_\_\_\_\_

THANDI ZUNGU \_\_\_\_\_

Name \_\_\_\_\_

MANAGER – DEBT MANAGEMENT \_\_\_\_\_

Capacity \_\_\_\_\_

ESKOM HOLDINGS SOC LIMITED \_\_\_\_\_

On behalf of \_\_\_\_\_  
*(Insert name and address of organisation)*

\_\_\_\_\_

Name & signature of witness \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

# C1.2 PSC3 Contract Data

## Part one - Data provided by the *Employer*

Clause	Statement	Data
1	<b>General</b>	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option	
	dispute resolution Option and secondary Options	<p><b>G: Term contract</b></p> <p><b>W1: Dispute resolution procedure</b></p> <p><b>X2 Changes in the law</b></p> <p><b>X10 <i>Employer's Agent</i></b></p> <p><b>X11: Termination by the <i>Employer</i></b></p> <p><b>X12: Partnering</b></p> <p><b>Z: <i>Additional conditions of contract</i></b></p>
	of the NEC3 Professional Services Contract (April 2013) <sup>1</sup>	
10.1	The <i>Employer</i> is (Name):	<b>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</b>
	Address	<b>Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg</b>
	Tel No.	<b>[•]</b>
	Fax No.	<b>[•]</b>
11.2(9)	The <i>services</i> are	<b>PROVISION FOR DEBT COLLECTION SERVICES IN THE KZN AND FREE STATE OPERATING UNITS IN THE CENTRAL EAST CLUSTER FOR A PERIOD OF 36 MONTHS.</b>
11.2(10)	The following matters will be included in the Risk Register	<b>- Poor Performance -Non Conformances</b>
11.2(11)	The Scope is in	<b>Part 3: Scope of Work</b>
12.2	The <i>law of the contract</i> is the law of	<b>the Republic of South Africa</b>

<sup>1</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009 and [www.ecs.co.za](http://www.ecs.co.za)

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13.1	The <i>language of this contract</i> is	<b>English</b>	
13.3	The <i>period for reply</i> is	<b>1 week (5 court days,1<sup>st</sup> day and last day included)</b>	
13.6	The <i>period for retention</i> is	<b>N/A</b>	
<b>2</b>	<b>The Parties' main responsibilities</b>		
25.2	The <i>Employer</i> provides access to the following persons, places and things	<b>access to</b>	<b>access date</b>
		1	customer information
			As per task order
<b>3</b>	<b>Time</b>		
31.2	The <i>starting date</i> is.	<b>to be advised</b>	
11.2(3)	The <i>completion date</i> for the whole of the services is.	<b>to be advised</b>	
11.2(6)	The <i>key dates</i> and the <i>conditions</i> to be met are:	<b>Condition to be met</b>	<b>key date</b>
		1	As per task order
			As per task order
		2	[•]
			[•]
		3	[•]
			[•]
31.1	The <i>Consultant</i> is to submit a first programme for acceptance within	<b>1 week (5 court days,1<sup>st</sup> day and last day included)</b>	
32.2	The <i>Consultant</i> submits revised programmes at intervals no longer than	<b>1 week (5 court days,1<sup>st</sup> day and last day included)</b>	
<b>4</b>	<b>Quality</b>		
40.2	The quality policy statement and quality plan are provided within	<b>1 week (5 court days,1<sup>st</sup> day and last day included)</b>	
42.2	The <i>defects date</i> is	<b>2 weeks(10 court days,1<sup>st</sup> day and last day included) after Completion of the whole of the services.</b>	
<b>5</b>	<b>Payment</b>		
50.1	The <i>assessment interval</i> is	<b>between the 25th day of each successive month.</b>	
50.3	The <i>expenses</i> stated by the <i>Employer</i> are	<b>Item</b>	<b>Amount</b>
		[•]	[•]
		[•]	[•]
		[•]	[•]

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		[●]	[●]
51.1	The period within which payments are made is	<b>4 weeks</b>	
51.2	The <i>currency of this contract</i> is the	<b>South African Rand</b>	
51.5	The <i>interest rate</i> is	<p>the publicly quoted prime rate of interest charged by [●] Standard Bank of South Africa Limited at the time an amount payable in SA Rand was due,</p> <p>and</p> <p>the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption “Money Rates” in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted <i>mutatis mutandis</i> every 6 months thereafter and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove</p>	
<b>6</b>	<b>Compensation events</b>	Refer to Clause 60 and all sub-clauses on the PSC	
<b>7</b>	<b>Rights to material</b>	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.	
<b>8</b>	<b>Indemnity, insurance and liability</b>		
81.1	The amounts of insurance and the periods for which the <i>Consultant</i> maintains insurance are		
	<b>Event</b>	<b>Cover</b>	<b>Period following Completion of the whole of the services or earlier termination</b>
	Liability for failure by the <i>Consultant</i> to use the skill and care normally used by professionals providing services similar to the <i>services</i>	<b>Whatever the <i>Consultant</i> deems necessary in respect of each claim, without limit to the number of claims</b>	<b>See Notes to Consultants in Annexure A</b>

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	death of or bodily injury to a person (not an employee of the <i>Consultant</i> ) or loss of or damage to property arising from or in connection with the <i>Consultant's</i> Providing the Services.	<b>Whatever the <i>Consultant</i> deems necessary for any occurrence or series of occurrences arising out of one event without limit to the number of claims.</b>	<b>See Notes to Consultants in Annexure A</b>
	death of or bodily injury to employees of the <i>Consultant</i> arising out of and in the course of their employment in connection with this contract	<b>As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Consultant's</i> common law liability for people falling outside the scope of the Act with a limit of indemnity of not less than R500 000-00 (five hundred thousand) in respect of each claim, without limit to the number of claims</b>	<b>As <i>Consultant</i> deems necessary</b>
81.1	The <i>Employer</i> provides the following insurances	<b>Refer to Annexure A for details of insurance provided by the <i>Employer</i>.</b>	
82.1	The <i>Consultant'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	<b>The total of the Prices</b>	
<b>9</b>	<b>Termination</b>	<b>Refer to Clause 90 and all sub-clauses on the PSC</b>	
<b>10</b>	<b>Data for main Option clause</b>		
<b>G</b>	<b>Term contract</b>		
21.4	The <i>Consultant</i> prepares forecasts of the total Time Charge and <i>expenses</i> at intervals no longer than	<b>4 weeks</b>	
50.4	The <i>exchange rates</i> are those published in	<b>[●] on [●] (date).</b>	
<b>11</b>	<b>Data for Option W1</b>		
W1.1	The <i>Adjudicator</i> is	<b>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 <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a>). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).</b>	
	Address	<b>[●]</b>	

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Tel No. [•]  
 Fax No. [•]  
 e-mail [•]

W1.2(3)	The <i>adjudicator nominating body</i> is:	<b>the Chairman of the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering. (See <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a>).</b>
W1.4(2)	The <i>tribunal</i> is:	<b>arbitration</b>
W1.4(5)	The <i>arbitration procedure</i> is	<b>the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.</b>
	The place where arbitration is to be held is	<b>[•] South Africa</b>
	The person or organisation who will choose an arbitrator	
	<ul style="list-style-type: none"> <li>• if the Parties cannot agree a choice or</li> <li>• if the <i>arbitration procedure</i> does not state who selects an arbitrator, is</li> </ul>	<b>the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.</b>

## **12 Data for secondary Option clauses**

<b>X2</b>	<b>Changes in the law</b>	
X2.1	The law of the project is	South African Law
<b>X10</b>	<b>The <i>Employer's Agent</i></b>	
X10.1	The <i>Employer's Agent</i> is	
	Name:	[•]
	Address	[•]
	The authority of the <i>Employer's Agent</i> is	[•]
<b>X11</b>	<b>Termination by the <i>Employer</i></b>	<b>There is no reference to Contract Data in this Option and terms in italics used in this Option are identified elsewhere in this Contract Data.</b>
<b>X12</b>	<b>Partnering</b>	
X12.1	The <i>Client</i> is (Name)	[•]
	Address	[•]
	Tel	[•]
	Fax	[•]
X12.1(4)	The Partnering Information is in	[•]

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X12.2(1)	The <i>Client's</i> objective is. [•]
<b>All Core Clauses and Sub Clauses are applicable as per the NEC3 PSC(Professional Services Contract)</b>	
Z	<b>The <i>Additional conditions of contract</i> are</b> Z1 to Z11 always apply.

### **Z1 Cession delegation and assignment**

- Z1.1 The *Consultant* 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 *Consultant* 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 *Consultant* 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 *Employer* within two weeks of the Contract Date of the key person who has the authority to bind the *Consultant* on their behalf.
- Z2.3 The *Consultant* 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 *Consultant* in writing.

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

- Z3.1 Where a change in the *Consultant's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Consultant's* B-BBEE status, the *Consultant* notifies the *Employer* within seven days of the change.
- Z3.2 The *Consultant* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Employer* within thirty days of the notification or as otherwise instructed by the *Employer*.
- Z3.3 Where, as a result, the *Consultant's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Consultant's* obligation to Provide the Services.
- Z3.4 Failure by the *Consultant* 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 those stated in core clause 91. The payment on termination includes a deduction of the forecast of the additional cost to the *Employer* of completing the whole of the *services* in addition to the amounts due in terms of core clause 92.1.

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**Z4 Ethics**

- Z4.1 Any offer, payment, consideration, or benefit of any kind made by the *Consultant* which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the *Consultant's* obligation to Provide the Services or taking any other action as appropriate against the *Consultant* (including civil or criminal action).
- Z4.2 The *Employer* may terminate the *Consultant's* obligation to Provide the Services if the *Consultant* (or any member of the *Consultant* where the *Consultant* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.
- Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the *Employer* or other people or organisations and including in circumstances where the *Consultant* or any such member is removed from the an approved vendor data base of the *Employer* as a consequence of such practice.
- Z4.3 If the *Employer* terminates in terms of this clause, the procedures on termination are those stated in core clause 91. The payment on termination includes a deduction of the forecast of the additional cost to the *Employer* of completing the whole of the *services* in addition to the amounts due in terms of core clause 92.1.

**Z5 Confidentiality**

- Z5.1 The *Consultant* 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 *Consultant*, enters the public domain or to information which was already in the possession of the *Consultant* at the time of disclosure (evidenced by written records in existence at that time). Should the *Consultant* disclose information to Others in terms of clause 23.1, the *Consultant* ensures that the provisions of this clause are complied with by the recipient.
- Z5.2 If the *Consultant* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Employer*.
- Z5.3 In the event that the *Consultant* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Consultant*, 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 *Consultant* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z5.4 The taking of images (whether photographs, video footage or otherwise) of the *Employer's* project works or any portion thereof, in the course of Providing the Services and after Completion, requires the prior written consent of the *Employer*. All rights in and to all such images vests exclusively in the *Employer*.

**Z6 Waiver and estoppel: Add to core clause 12.3:**

- Z6.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, 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.

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

Z7.1 The *Consultant* (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 from the last sentence in core clause 61.3, "unless the *Employer* should have notified the event to the *Consultant* but did not".

**Z9 *Employer's* limitation of liability**

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

**Z10 Termination: Add to core clause 90.1, 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 Delay damages: Addition to secondary Option X7 Delay damages (if applicable in this contract)**

Z11.1 If the *Consultant's* payment of delay damages reaches the limits stated in this Contract Data for Option X7 or Options X5 and X7 used together, the *Employer* may terminate the *Consultant's* obligation to Provide the Services.

Z11.2 If the *Employer* terminates in terms of this clause, the procedures on termination are those stated in core clause 91. The payment on termination includes a deduction of the forecast of the additional cost to the *Employer* of completing the whole of the *services* in addition to the amounts due in terms of core clause 92.1.

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## **Annexure A: Notes to Consultants**

*This is guidance to Consultants to assist their decision making about what cover to arrange in the insurance to be provided by the Consultant. The guidance is not part of the contract and the Employer carries no liability for it. The Consultant must obtain its own advice.*

1. For the purpose of works contracts, insurance provided by Eskom (the *Employer*) has been arranged on the basis of "project" or "contract" value, where the value is the total of the Prices at Completion of the whole of the works including VAT.

A "project" is a collection of contracts or work packages to be undertaken as part of a single identified capital expansion or refurbishment of a particular asset or facility.

A "contract" is a single contract not linked to or being part of a "project".

2. There are three main "formats" of cover and deductible structure; Format A, Format B and Format Dx.

**Format A** is for a project or contract value less than or equal to R350M (three hundred and fifty million Rand) inclusive of VAT.

**Format B** is for a project or contract value greater than R350M (three hundred and fifty million Rand) inclusive of VAT.

In the case of contracts / packages within a project:

- For a contract / package of R50M which is part of a R400M project, Format B will apply
- For a contract / package of R250M which is part of a R6 billion project, Format B will apply;
- For a contract / package of R120M which is part of a R350M project Format A will apply;

For a contract which is not part of a project the same limits apply:

- For a contract of R50M, Format A will apply
- For a contract of R355M, Format B will apply.

**Format Dx** applies only to Distribution Division projects and contracts. If a Distribution Division project or contract exceeds the Format A limit, the Eskom Insurance Management Services [EIMS] need to be contacted for advice on how to formulate the insurance cover. Cover and deductibles for Distribution Division are per the relevant policy available on the internet web link given below.

**Format A generally applies to Transmission Division** projects and contracts. If a Transmission Division project or contract exceeds the Format A limit, the Eskom Insurance Management Services [EIMS] need to be contacted for advice on how to formulate the insurance cover.

3. **Further information and full details of all Eskom provided policies and procedures may be obtained from:**

***[http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS\\_Policies\\_From\\_1\\_April\\_2014\\_To\\_31\\_March\\_2015.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx)***

4. The Insurance which the *Consultant* is to provide against his liability for claims made against him arising out of his failure to use reasonable skill and care (first row in the Insurance Table of clause 81.1 in the PSC3) should also indemnify the *Consultant* for those sums which he could become legally liable to pay as damages arising from any claim first made against him and reported to Insurers some time after Completion of the whole of the *services*. Hence the *Consultant* needs to ensure that his cover is in place at least until all his liabilities under the contract have expired. Such claims could arise out of any negligent act, error or omission committed or alleged to have been committed by the *Consultant* in the conduct of professional services in connection with the contract.

# C1.2 Contract Data

## Part two - Data provided by the *Consultant*

[Instructions to the tendering consultant: (delete these notes in the final draft of a contract)]

1. The tendering consultant is advised to read both the NEC3 Professional Services Contract, April 2013 and the relevant parts of its Guidance Notes (PSC3-GN)<sup>2</sup> in order to understand the implications of this Data which the tenderer is required to complete. An example of the completed Data is provided on pages 158 & 159 of the PSC3 April 2013 Guidance Notes.
2. The number of the clause in the PSC3 which requires the data is shown in the left hand column for each statement however other clauses may also use the same data.
3. Whenever a cell is shaded in the left hand column it denotes this data is optional in PSC3 and would be required in relation to the option selected. The *Employer* should already have made the selection and deleted the rows not required.

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

Clause	Statement	Data
10.1	The <i>Consultant</i> is (Name): Address Tel No. Fax No.	
22.1	The <i>key people</i> are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job Responsibilities: Qualifications: Experience:	
Only if required		<b>CV's (and further <i>key persons</i> data including CVs) are appended to Tender Schedule entitled .</b>
11.2(3)	The <i>completion date</i> for the whole or part of the <i>services</i> is	

<sup>2</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009 or [www.ecs.co.za](http://www.ecs.co.za)

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

11.2(10)	The following matters will be included in the Risk Register		
11.2(13)	The <i>staff rates</i> are:	<b>name/designation</b>	<b>rate</b>
	Either complete here or cross refer to a schedule in Part C2.2		
25.2	The <i>Employer</i> provides access to the following persons, places and things	<b>access to</b>	<b>access date</b>
		1	
		2	
		3	
31.1	The programme identified in the Contract Data is		
50.3	The <i>expenses</i> stated by the <i>Consultant</i> are	<b>item</b>	<b>amount</b>
<b>G</b>	<b>Term contract</b>		
11.2(25)	The <i>task schedule</i> is in		

## PART 2: PRICING DATA

### PSC3 Option G

Document reference	Title	No of pages
C2.1	Pricing assumptions : Option G	[•]
C2.2	<i>Staff rates, expenses and the task schedule.</i>	[•]

The rates are:

No.	Description	Amount / rate excluding VAT
	<ul style="list-style-type: none"> <li>For stopped accounts, commission to be based on recoveries only at 10%.</li> </ul>	Acceptance of the 10% rates for Debt Collection Recoveries
	<ul style="list-style-type: none"> <li>On active accounts, Debt Collectors to be paid 10% on recovery.</li> </ul>	Acceptance of the 10% rates for Debt Collection Recoveries
	Payments to Debt Collectors for Legal Collections <ul style="list-style-type: none"> <li>Eskom shall pay for standard charges as gazetted for the "Proceedings of Magistrate/High Courts of South Africa" and thereafter the applicable commission rate (e.g.10%) for all payments made by the debtor in the Eskom bank account.</li> </ul>	Acceptance of the 10% rates for Debt Collection Recoveries

**Acceptance of the 10% rates for Debt Collection Recoveries for the duration of the contract.**

Name of the Tenderer:

Name of the authorised representative:

Signature :

Date:

## C2.1 Pricing assumptions: Option G

### How work is priced and assessed for payment

From Option G: Term contract

- |                              |            |   |
|------------------------------|------------|---|
| Identified and defined terms | 11<br>11.2 | <p>(17) The Price for Services Provided to Date is, for each Task, the total of</p> <ul style="list-style-type: none"> <li>• the Time Charge for work which has been completed on time based items on the Task Schedule and</li> <li>• a proportion of the lump sum price for each other item on the Task Schedule which is the proportion of work completed on that item.</li> </ul> <p>(20) The Prices are</p> <ul style="list-style-type: none"> <li>• the Time Charge for items described as time based on the Task Schedule and</li> <li>• the lump sum price in the Task Schedule for each other item.</li> </ul> |
|------------------------------|------------|---|

From the Core Clauses:

- |                              |      |   |
|------------------------------|------|---|
| Identified and defined terms | 11.2 | <p>(13) The Time Charge is the sum of the products of each of the <i>staff rates</i> multiplied by the total staff time appropriate to that rate properly spent on work in this contract.</p> |
|------------------------------|------|---|

and

- |                          |      |   |
|--------------------------|------|---|
| Assessing the amount due | 50.3 | <p>The amount due is</p> <ul style="list-style-type: none"> <li>• the Price for Services Provided to Date,</li> <li>• the amount of the <i>expenses</i> properly spent by the <i>Consultant</i> in Providing the Services and</li> <li>• other amounts to be paid to the <i>Consultant</i> less amounts to be paid by or retained from the <i>Consultant</i>.</li> </ul> <p>Any tax which the law requires the <i>Employer</i> to pay to the <i>Consultant</i> is included in the amount due.</p> |
|--------------------------|------|---|

In effect Option G is a cost reimbursable form of contract with work ordered by the *Employer* on a Task by Task basis using the Task Schedule to compile the cost of carrying out a Task.

*Expenses* are calculated separately and added to the amount due for the services provided.

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

## **Staff rates and expenses**

Tendering consultants are advised to consult the NEC3 Professional Services Contract Guidance Notes before entering *staff rates* into Contract Data, or in section C2.2 which follows.

This is because *staff rates* can be established in one of three ways:

- rates for named staff,
- rates for categories of staff, or
- rates related to salaries paid to staff.

Rate adjustment for inflation, if necessary, can be based either on actual salary adjustments or by using Option X1: Price adjustment for inflation. See pages 13 and 14 of the PSC3 Guidance Notes.

*Expenses* associated with employing a staff member in Providing the Services can be listed separately either by the *Employer* in Contract Data provided by the *Employer* or by the *Consultant* in Contract Data provided by the *Consultant*.

As only the *expenses* listed may be claimed by the *Consultant*, all other cost to the *Consultant* associated with Providing the Services must be included within the *staff rates*.

Rate adjustment for inflation of *expenses* is explained on page 15 of the PSC3 Guidance Notes.

## **The function of the Task Schedule**

The Task Schedule may include items of work to be paid for on a rate (Time Charge) or on a lump sum price for the item. Any work ordered during the term of the contract – i. e. before the Completion Date – for which there is no priced item in the Task Schedule is priced using the compensation event procedure and the resulting Price is added into the Price List.

The *task schedule* is prepared by the *Employer* for the *Consultant* to price, or may be prepared jointly with the *Consultant*. It is typically priced in two parts as items of work to be carried out on a time basis and lump sum prices for other items of work. The task schedule must be as complete as possible and fully representative of all the work and *services* which the *Employer* may require the *Consultant* to carry out. The only unknown is when the work is to be carried out; the Task Order will be used to instruct when work to be done.

## PART 3: SCOPE OF WORK

### PROVISION FOR DEBT COLLECTION SERVICES IN THE KZN AND FREE STATE OPERATING UNITS IN THE CENTRAL EAST CLUSTER FOR A PERIOD OF 36 MONTHS.

Functionality requirements are **applicable**.

The following criteria will be applicable for this transaction under functionality criteria:

Criteria	Weight
Full score	75
Pass score	60
Threshold	80%

Tenderers who do not meet the threshold for functionality scoring of 60 points or 80% will be disqualified.

#### **Technical Mandatory Returnable (Disqualifiable)**

##### **Technical Criteria**

1. Proof of validity and registration as Debt Collectors - Registered with the Council.
2. Affiliation with ADRA (Association of Debt Recovery Agents)
3. Legal Department for Litigation. Registered to the law society
4. Debt Collectors/Attorneys will have to provide proof that they are allowed by law to do debt collection - Letter / Certificate
5. Debt Collectors to provide proof of capability to adverse listing on the Credit Bureau(s) - Registration/affiliation to Credit Bureau(s)
6. Debt Collectors to provide proof of capability to Trace customers - Registration/affiliation.
7. Debt Collection Reporting systems.
8. Call Centre Setup
9. Proven track record in the collection industry. Submission of References of Companies to whom rendering services.
10. Experience in the Debt Collection/Credit Control environment. Submission of Company profile.

#### **Site Validation Requirements**

A site validation inspection will be conducted by Eskom with the Service provider/s that have met the Gatekeepers and passed the Technical Evaluation. This is to confirm that all the requirements submitted at tender stage is on site. The results of the site visit will determine whether the supplier Technically compliant. The Service provider/s must meet the following requirements.

The Technical Evaluation will be deemed as failed if an overall score of less than **60** points is achieved.

#### **Technical Criteria**

Demonstration of compliance to all technical Gatekeepers will be required for the submission to be evaluated further. If the gatekeeper is met, then the mandatory evidence will be evaluated.

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

The technical evaluation for the mandatory evidence is scored out of 75 points. Negative marking applies. Partial scoring applies where indicated. The threshold is set at 60 points or 80% to pass.

Scores will be deducted if the evidence does not comply with the requirements stipulated and/or does not demonstrate compliance with the criteria.

The final scores for all submissions will be ranked from highest to lowest and the top successful tenderer/s submissions will be selected.

Site validation visits will be conducted on successful tenderer/s submissions in order to validate the results of the technical submission, prior to contract award. The results of the site visit will determine whether the supplier Technically compliant.

The following proof of evidence is required for the site evaluation:

1. Proof of existence of the Call Centre, Service Agent Staff, Organisational Structure/Plan, Computers and Telephones.

The criteria, evidence requirements and scoring are as follows:

<b>GATEKEEPERS</b>		
<b>Criteria</b>	<b>Requirement</b>	<b>Evidence Requirements</b>
Proof of validity and registration as debt collectors	Certificate	Valid registration with Council for Debt Collectors (CFDC).  The Certificate of Practice must not be expired. It must be valid on date of tender close.
Affiliation with ADRA	Debt collector affiliation	Affiliation certificate related to the tendering company. The certificate submitted must be valid (not expired) on the date of tender close.
Legal Department for Litigation	Registered to a law society.	Proof of the existence of a registered Legal Department that can handle litigation, which is a part of the  Tendering Company's Organisational plan, or structure.  Evidence will be the 1. Admission Certificate as an Attorney 2. Proof that you are registered as a Practising Attorney/Entity 3. Membership to the relevant Law Society.  OR  A proof of partnership (certificate of common understanding) with the Law Society.
Debt Collectors/Attorneys will have to provide proof that they are allowed by law to do debt collection	Letter / Certificate	Membership to Council for Debt Collectors or LSSA Code of conduct

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

Debt Collectors to provide proof of capability to adverse listing on the Credit Bureau(s)	Registration/affiliation to Credit Bureau(s)	Proof of Registration/affiliation to Credit Bureau(s)
Debt Collectors to provide proof of capability to Trace customers	Registration/affiliation	Proof of Registration/affiliation to a tracing service

The minimum requirement for the mandatory portion of the tender is required to be met in order for the company to proceed. Should the company exceed the requirement, they will receive a higher score which will assist them in being one of the top ranked suppliers.

<b>MANDATORY EVIDENCE</b>			
<b>Criteria</b>	<b>Requirement</b>	<b>Evidence Requirement</b>	<b>Rule Of Measurement</b>
Integrated Debt Collection System or Software for Listing	The Debt Collector Agency must be able to do the following: 1. list customers on National Credit Bureaus to collect debt  2. to provide account status and recommendations on a monthly basis	Minimum 2 Listing Tools is required, e.g. Trans Union, Compu Scan, etc.  Copy of software licence or contract for use of the software  or print screen from the software showing the license information.	If 0 systems 0 score, if 1 system 7.5 score, if 2 systems 15 score
Integrated Debt Collection System or Software for Tracing Systems	The Debt Collector Agency must be able to do the following: 1. trace customers and provide data to Eskom to update the Eskom systems 2. to provide account status and recommendations on a monthly basis	Minimum 2 Tracing systems are required, e.g. Traceps, CPB, Columbus, WinDeeds, etc.  Copy of software licence or contract for use of the software or print screen from the software showing the license information.	If 0 systems 0 score, if 1 system 7.5 score, if 2 systems 15 score
Call Centre Setup	Customers to be contacted for the settlement of the debt. Customers to pay directly into a designated Eskom's bank account and not into the Agency's bank account	Evidence will be the organogram showing the call centre structure (managers, supervisors, agents as a minimum) and job profiles within the structures of the Tendering Company.  It is critical to also include the number of available debt collection agents in order to meet the evidence requirements	Proof of Call Centre provided, 5 for between 1 and 4 agents, 10 for between 5 and 10 agents, 15 for between 11 and 15 agents and 20 for more than 15 agents, else 0.

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

<p>Proven track record in the collection industry</p>	<p>References of Companies rendering services to</p>	<p>Proof/Confirmation from the companies, debt collection services are rendered to by the Debt tenderer.  Evidence will be email or reference letter from a previous contract. Minimum of 1 required.</p>	<p>Proof in the form of a letter from the Company providing a service to, then 5, if no letter, 0</p>
<p>Experience in the Debt Collection/ Credit Control environment</p>	<p>Company profile</p>	<p>Number of years operating in a Debt Collection business demonstrated through a company profile document or suitable evidence</p>	<p>more than 5 years= 15 between 2 and 5 years = 10 between 1 and 2 years= 5 less than 1 year = 0</p>

**Tenderers to download the Technical Evaluation Criteria and the Site Visit/Validation Requirements in the Technical Folder from the Eskom e-tender portal and the National Treasury Website.**

**PROJECT OR CONTRACT TITLE: The provision of Debt Collection Services in the Kwa-Zulu Natal and the Free State Operating Units, for a period of thirty-six (36) months.**

<b>Document reference</b>	<b>Title</b>	<b>No of pages</b>
	<b>PROVISION FOR DEBT COLLECTION SERVICES IN THE KZN AND FREE STATE OPERATING UNITS IN THE CENTRAL EAST CLUSTER FOR A PERIOD OF 36 MONTHS.</b>	
<p>C3.1</p> <p>C3.2</p>	<p>This cover page</p> <p><i>Employer's Scope</i></p> <p><i>Consultant's Scope</i></p>	<p>1</p>
	Total number of pages	

## C3.1: EMPLOYER'S SCOPE

### Contents

When the document is complete, insert a 'Table of Contents'. To do this go to: Insert, → Reference, → Index and tables → Table of Contents. Three levels and the title (but not the subtitle) may be shown if the formats used in this template are retained.

Otherwise insert list of contents manually.

### Description of the services

#### Executive overview

#### DETAILED SCOPE OF WORK

##### **The provision of debt collection services in KwaZulu Natal and Free State Operating Units.**

Debt collection service on active and terminated accounts (LPU and SPU) in the KwaZulu-Natal and Free State Operating Unit/s. The requirement is for the debt collection agencies that specialize in debt collection, to collect debt on active and terminated accounts and adverse list the defaulting customers.

Furthermore, the agencies must be affiliated with ADRA and use an integrated debt collection system/software.

The agencies must have a wide access to data to trace customers, and must have the ability to adverse list customers who default. The customers must pay directly into the designated Eskom bank account – not into the agencies bank accounts.

The debt collector(s) should have the capability to initiate the required legal processes for debt recovery, after consultation with Eskom, to recover money where the debtor has chosen not to defend the action. A further requirement is that the Debt Collector must be registered on the list of "Suppliers for Legal Services" with Eskom.

- Have a solid and integrated Debt Collection system (i.e. tracing & recovery system, service provider and Eskom to have dual viewing functionality).
- Efficiently collect on all accounts handed over by Eskom with specific compliance to the National Credit Act 34 of 2005 Republic of South Africa.
- Perform Credit Collections Calls to customers in arrears through the Debt Collectors Contact Centre.
- On active accounts in the 31-60 days age bracket – to perform courtesy calls to as a reminder to customers to pay and to change the behaviour to pay on the due date.
- On active accounts, Debt Collectors to be paid 10% on recovery.

- Tracing for active SPU & LPU accounts - Where Eskom cannot locate a customer because of incorrect contact information on the account, such accounts will be handed to Debt Collectors to do the tracing and credit collections call.
- Information required in tracing can include ID numbers, work/home telephone numbers, cell numbers, etc.
- Information traced by the Debt Collector, to be provided to Eskom
- The debt collectors must effect Adverse listing on Credit Bureaus after following the necessary processes required by the National Credit Act 34 of 2005 Republic of South Africa.
- Have an audit trail of all interactions with customers including voice recordings (i.e. Query management).
- Perform Customer relationship management.
- Produce performance reports timeously and client to have easy access to online reports promptly.
- Write off management, i.e. recommend accounts for write off three months after hand over date if tracing or recovery is no longer feasible.
- Customers to make all payments directly into an Eskom bank account.
- Information of Eskom is confidential and proprietary and can only be used for the interest of Eskom.
- For stopped accounts, commission to be based on recoveries only at 10%.
  
- In the event that the matter requires the issuing of summons or other litigation processes, the matter will be handled as per the process for Legal collections below:
  - Inform & engage with Eskom on options available for debt recovery
  - Perform an assessment on the debtors “means to pay” and advise Eskom
  - Perform an assessment of expected legal services costs and advise Eskom (required for Eskom’s cost-benefit analysis)
  - Initiate legal debt collection on un-opposed matters only
  - The required Legal Processes are:
    - Registered Letter of Demand
    - Issue Summons
    - Lodge Default Judgement
  - The debt collector/attorney shall abide by the SLA for these processes and SLA time frames.
  
- Payments to Debt Collectors for Legal Collections shall be

- Eskom shall pay for standard charges as gazetted for the “Proceedings of Magistrate/High Courts of South Africa” and thereafter the applicable commission rate (e.g.10%) for all payments made by the debtor in the Eskom bank account.

### Interpretation and terminology

The following abbreviations are used in this Scope:

Abbreviation	Meaning given to the abbreviation
ADRA	Association of Debt Recovery Agents
LPU	Large Power User
SPU	Small Power User

## Specification and description of the services

### DETAILED SCOPE OF WORK

#### The provision of debt collection services in KwaZulu Natal and Free State Operating Units.

Debt collection service on active and terminated accounts (LPU and SPU) in the KwaZulu-Natal and Free State Operating Unit/s. The requirement is for the debt collection agencies that specialize in debt collection, to collect debt on active and terminated accounts and adverse list the defaulting customers.

Furthermore, the agencies must be affiliated with ADRA and use an integrated debt collection system/software.

The agencies must have a wide access to data to trace customers, and must have the ability to adverse list customers who default. The customers must pay directly into the designated Eskom bank account – not into the agencies bank accounts.

The debt collector(s) should have the capability to initiate the required legal processes for debt recovery, after consultation with Eskom, to recover money where the debtor has chosen not to defend the action. A further requirement is that the Debt Collector must be registered on the list of “Suppliers for Legal Services” with Eskom.

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- Perform Customer relationship management.
- Produce performance reports timeously and client to have easy access to online reports promptly.
- Write off management, i.e. recommend accounts for write off three months after hand over date if tracing or recovery is no longer feasible.
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- Information of Eskom is confidential and proprietary and can only be used for the interest of Eskom.
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  - Inform & engage with Eskom on options available for debt recovery
  - Perform an assessment on the debtors “means to pay” and advise Eskom
  - Perform an assessment of expected legal services costs and advise Eskom (required for Eskom’s cost-benefit analysis)
  - Initiate legal debt collection on un-opposed matters only
  - The required Legal Processes are:
    - Registered Letter of Demand
    - Issue Summons
    - Lodge Default Judgement

- The debt collector/attorney shall abide by the SLA for these processes and SLA time frames.
- Payments to Debt Collectors for Legal Collections shall be
  - Eskom shall pay for standard charges as gazetted for the “Proceedings of Magistrate/High Courts of South Africa” and thereafter the applicable commission rate (e.g.10%) for all payments made by the debtor in the Eskom bank account.

**Constraints on how the *Consultant* Provides the Services.**

**Management meetings**

The *conditions of contract* (e.g. Clause 15.2) and other sections of this Scope may require that a meeting be held. However the intention of all NEC contracts is that the Parties and their agents use the techniques of partnering to manage the contract by holding meetings designed to pro actively and jointly manage the administration of the contract with the objective of minimising the adverse effects of risks and surprises for both Parties.

Depending on the size and complexity of the *services*, it is probably beneficial for the *Employer’s Agent* to hold a weekly risk register meeting (Clause 15.2). This could be used to discuss compensation events, subconsulting, overall co-ordination and other matters of a general nature. Separate meetings for specialist activities such as programming and activities of a technical nature may also be warranted.

Describe here the general meetings and their purpose. Provide particulars of approximate times, days, location, and attendance requirements, stipulating that attendees shall have the necessary delegated authority to make decisions in respect of matters discussed at such meetings. The following text could be used as a model for this section:

Regular meetings of a general nature may be convened and chaired by the *Employer’s Agent* as follows:

Title and purpose	Approximate time & interval	Location	Attendance by:
Performance Meetings	Monthly ____	[•]	<i>Employer’s Agent</i> , <i>Consultant</i> and [•]__

Meetings of a specialist nature may be convened as specified elsewhere in this Scope or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the *services*. Records of these meetings shall be submitted to the *Employer’s Agent* 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.

***Consultant’s key persons***

State any additional constraining requirements on *Consultant’s key persons* over and above those already stated in clause 22.1 or in the Contract Data. Such as need to notify contact details, leave and mentoring requirements where applicable. This section could be used to solicit an organogramme from the *Consultant*

showing his people and their lines of authority / communication. This would be essential if the *Consultant* is a Joint Venture.

## Invoicing and payment

Clause 50.2 states invoices submitted by the *Consultant* include the details stated in the Scope to show how the amount due has been assessed. Also state what must be shown on the Invoice. The following text is suggested.

The following details shall be shown on or attached to each Invoice to show how the amount due has been assessed:

[List them]

The *Consultant* shall address the tax invoice to Eskom Holdings SOC Limited  
\_\_\_\_\_ and include on it the following information:

Name and address of the *Consultant* and the *Employer's Agent*;

The contract number and title;

*Consultant's* VAT registration number;

The *Employer's* VAT registration number 4740101508;

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)]

## Quality management

### System requirements

Clause 40.1 requires that the *Consultant* operate a quality management system as stated in the Scope. Include your requirements here

The Contractor / Consultant shall control his activities and processes in accordance with Eskom's Quality Assurance Standard QM58: Supplier contractor quality requirements specification

The Contractor / Consultant will be responsible for the verification and signing of the quality inspection points which must be maintained by the Contractor / Consultant and presented to Eskom on request

### Information in the quality plan

Clause 40.2 requires that the *Consultant* provide a quality policy statement and quality plan which complies with requirements stated in the Scope. Include your requirements here

- (a) The Contractor / Consultant shall demonstrate, provide and maintain a Quality Management System (QMS) that is ISO 9001 compliant or provide Quality Policy and Method statement or Contract Quality Plan
- (b) The Contractor / Consultant agrees to control and professionally preserve and store appropriate documents, records and recordings to guarantee the traceability of the services rendered and inspection thereof;
- (c) The delivered services shall be uniform in Quality and condition, consistent with good industry practices and adhere to requested Eskom requirements, without deviation.
- (d) Eskom shall have the right to conduct surveys and perform surveillance of the Contractor / Consultant's facilities to

- (e) Eskom reserves the right to inspect any or all of the work. Verification by Eskom shall not absolve the Contractor / Consultant of the responsibility to provide acceptable services, nor shall it preclude subsequent rejection by
  - (f) The services must comply with the agreed specifications and the applicable directives set out in the agreement. Defects notified by Eskom shall be remedied by the Contractor / Consultant upon demand by Eskom without undue delay and at no extra cost. The Contractor / Consultant shall continuously monitor and identify non-conformances, relating to the scope of work, as signals of opportunities for improvement making process and other relevant changes to prevent recurrence
  - (g) The Contractor / Consultant shall further identify potential problems before they occur by identifying deviations in patterns or trends in service or process performance.
  - (h) Nothing contained in the Contract shall relieve in any way the Contractor / Consultant from the obligation of Quality control thereof.
  - (i) The Contractor / Consultant guarantees that the quantity, Quality and outward appearance of the delivered services will comply with the requirements of the contract and/or relevant specifications.
  - (j) The Contractor / Consultant shall prove its ability, on request, to relate to the proposed scope of work which establishes the manner in which the Contractor / Consultant intends to perform the Contract.
  - (k) The Contractor / Consultant shall, on request, prove its organisational, logistics and support resources to ensure the requirements of the contract can be achieved.
- Eskom reserves the right to assess and measure , in the selection process, the qualifications , capability and competence of the key staff (assigned personnel ) in relation to the scope of work and to interview any / all Contractor / Consultant to confirm the Quality evaluation

### Management of work done by Task Order

Only use this heading if main Option G applies to this contract.

Please read Option G before drafting requirements here as much of the procedure for the use of Task Orders is already provided in Option G. For example clause 55.1 specifies what a Task Order should include.

Information included here could be:

- That Task Orders will be prepared in the format stated in an Annexure attached to the Scope
- What the basis or formula will be for calculation of delay damages for a Task Order (if required).
- How expenses for a Task will be assessed and managed.
- (etc)

### Health and safety

Clause 25.4 states that the *Consultant* acts in accordance with the health and safety requirements stated in the Scope. It is suggested that this part of the Scope address how the *Consultant* acts when doing his *services*. These requirements may be no more than just complying with the law. However if the *Consultant* is required to work on Eskom premises, then whatever requirements which personnel working in those premises need to comply with should be included here or referred to in an Annexure.

If when doing his *services* the *Consultant* is required to carry out a design which needs to take account of certain health and safety criteria, then this should be included in the specification of that design service stated elsewhere in the Scope. A draft for this section could start as follows:

The *Consultant* shall at all times comply with the health and safety requirements prescribed by law as they may apply to the *services*.

[If the *Consultant* may be required to work on Eskom premises, such as a power station, where health and safety requirements additional to those prescribed by law apply, specify these here or state,

The *Consultant* shall comply with the health and safety requirements contained in Annexure \_\_\_\_\_ to this Scope.]

**1. Annexure B**

Is the acknowledgement of **Eskom's SHE rules** and requirements form (**Annexure B**) signed and submitted by the tenderer?

**2. Safety, Health and Environmental Plan** for Scope of work not limited to the following:

- SHE organization within the Company-Responsibility & Accountability
- SHE Incident management
- Planning of conduct of work activities including planning for changes and emergency work
- Waste management
- PPE- Personal Protective Equipment
- Emergency planning and fire risk management
- Vehicle and driver behaviour safety
- Contractor or supplier selection and management
- Design and specifications
- Competency, training, appointments
- Communication and awareness
- Management commitment and visible felt leadership

**3. Baseline SHE Risk Assessment (BRA)**

Identification, assessment and management of Safety, Health and Environmental risks related to the scope of work. The methodology used for the risk assessment must be provided together with the BRA

**4. Valid Letter of Good Standing (COIDA or equivalent)**

**5. SHE policy signed by CEO/ MD-**

Comply to OHS Act Section 7 or OSHAS 18001

## Procurement

### BBBEE and preferencing scheme

Specify constraints which *Consultant* must comply with after contract award in regard to any Broad Based Black Economic Empowerment (B-BBEE) or preferencing scheme measures.

## Supplier Development and Localisation

### Section 1: Specific Goals

A maximum of 10/20 points may be awarded to a tenderer for the specific goal specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act, the contract must be awarded to the tenderer scoring the highest points.

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**NB: The following documents are required to claim preference points,**

- **Valid** BBBEE certificate issued by a SANAS accredited verification agency **or** a **valid** sworn affidavit **or** a **valid** BBBEE Certificate issued by CIPC for EME companies **or** for joint ventures a **valid** BBBEE certificate issued by a SANAS accredited verification agency in the **name of the joint venture**.

**NB: Supporting documents may be requested during evaluation (This list is not exhaustive):**

- Proof of ownership / shareholding (CIPC registration documentation) inclusive of shareholding breakdown
- ID copies of shareholder(s) or owner(s) of the business
- Proof of Disability of owner(s) of the business (where applicable)

**Tenderer failing to provide documentation for the allocation of preference points will not be disqualified, but**

- May only score point out of 90/80 for price
- Scores 0 points out of 10/20 for specific goals

**Section 2: Objective criteria**

The inclusion of objective criteria is not mandatory but a condition for contract award. If the tenderer does not meet objective criteria; it may lead to the second-ranked tenderer being recommended for award.

**2.1 Designated Sectors**

**When applicable the following stipulated minimum threshold for Local Production and Content must be achieved in full by the tenderer**

a) Is this Commodity or part of it a Designated Sector?

<b>YES</b>	<b>NO</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please indicate below Designated Components

Commodity	Components	Local Content Threshold
Not applicable	Not applicable	Not applicable

**NOTE: SBD 6.2 Declaration Form and Annex C (Local Content Declaration-Summary Schedule) is a tender returnable and is the condition for contract award.**

**2.2 CIDB Skills Development**

**Continuation of Mandatory Requirements**

a) Is there CIDB compulsory training?

If Yes, what is the % of the Construction Skills Development Goal % (CSDG)

<b>YES</b>	<b>NO</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Not applicable</b>	

If the answer above is Yes, it will then be mandatory for the supplier to match Eskom's targets

Criteria	Eskom Target	Tenderer Commitment
CSDG Percentage	N/A	
Description	N/A	

**NOTE: Failure by the Contractor/Service Provider/Supplier to meet the CIDB CSDG mandatory % will render their tender non-responsive.**

**2.3 National Industrial Participation Programme - Not Applicable**

Eskom will implement the NIPP requirement, which determines that the contractor/supplier must contact the Department of Trade, Industry and Competition (dtic) to arrange for support and development of local businesses. Eskom is required to inform the tenderers of this requirement. NIPP will only be applicable for contracts with an FGN component or content of USD 5 million or more.

The following narrative must be captured in all tenders that have import/foreign content equal to or in excess of USD 5 million:

“NIPP is a programme that seeks to leverage economic benefits and support the development of South African industry by effectively utilising the instrument of government procurement. The NIPP programme is mandatory for all government and parastatal purchases or lease contracts (goods and services) with an imported content equal to or exceeding USD 5 million.

“The programme targets South African and foreign industries, enterprises, and suppliers of goods and services to government/parastatals, where the imported content of such goods and services equals to or exceeds USD 5 million. The first customer of NIPP is the South African industry that benefits through the NIPP business plans, which, when implemented, generate new or additional business activities through one or more of the following: investment, export opportunities, job creation, increased local sales, SMME and BEE promotion, R&D, and technology transfer.

“Companies with an NIPP obligation must sign this obligation agreement with the Department of Trade, Industry and Competition (dtic) before the contract with Eskom Holdings SOC Ltd, as a purchasing entity, is signed. The obligation agreement governs the relationship between the dtic and the supplier. It defines the NIPP obligation value(s), requirements to fulfil the NIPP obligation, performance milestones, performance monitoring processes, and the NIPP credit allocation criteria.

“All tenders with an import content that is equal to or exceeds the threshold of USD 5 million compels the winning bidder to negotiate and enter into a NIPP obligation agreement with the dtic before signing the contract with Eskom.”.

#### **2.4 Mandatory Subcontracting as condition of award – Not applicable**

Subcontracting is mandatory on contracts above R30 million and is a condition for contract award.

Tenderers shall subcontract a minimum of 30% of the contract value to the following designated groups:

- an EME or QSE which is at least 51% owned by black people;
- an EME or QSE which is at least 51% owned by black people who are youth;
- an EME or QSE which is at least 51% owned by black people who are women;
- an EME or QSE which is at least 51% owned by black people with disabilities;
- an EME or QSE which is 51% owned by black people living in rural or underdeveloped area or townships;
- a cooperative which is at least 51% owned by black people;
- a EME or QSE which is at least 51% owned by black people who are military veterans

**NOTE 1:** Tenderers shall submit the following returnables for Subcontracting

- Subcontracting agreement signed by both parties **or**
- Copies of signed letters from the tenderer to the sub-contractors stating the intent to sub-contract
- Subcontractors' Company registration documents
- Subcontractor's valid BBBEE certificate issued by a SANAS accredited verification agency or valid sworn affidavit or valid BBBEE Certificate issued by CIPC for EME companies

Potential scope to be subcontracted and/or outsourced:

- **Not applicable**

Subcontracting, in this instance, will be treated as a condition for contract award. A supplier awarded a contract may not subcontract more than 25% of the value of the contract to any other entity that does not

have an equal or higher B-BBEE status level of a contributor than the supplier concerned unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

### **Section 3: SDL&I Objectives in line with Reconstruction and Development Programme (RDP) Goals**

Tenderers who complete and submit the objectives as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I objectives do not form part of scoring but commitments will form part of contractual obligations

#### **1. Transformation – BBEE Improvement or Retention Plan**

Transformation remains an area of focus, where Eskom continuously strives to align itself with national transformation imperatives to unlock growth, drive industrialization, create employment and contribute to skills development.

Eskom encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Tenderer/s will be allocated points in terms of a preference point system based on specific goals, Eskom also requests that tenderer/s submits their B-BBEE improvement or retention plan within 30 days of signing the contract.

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

Tenderer/s with a B-BBEE recognition status of Level 5 to Level 8 or non-compliant at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of Level 4 by the end of the first year of the contract and thereafter improve at least one B-BBEE Level higher of each year from the second year of the contract.

Tenderer/s are requested to submit their B-BBEE Improvement Plan as an essential document within 30 days of signing the contract.

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

**2. Local Procurement Content**

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

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

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

**3. Procurement spend on entities with a minimum 51% black ownership**

The winning tenderer is encouraged to procure/spend on designated groups on the following paid invoices for both:

- the indirect expenses (e.g. overheads) on goods and services supplied to the contractor/supplier by designated groups; and
- direct spend on goods and services supplied by the subcontractors for the execution of the scope of work.

Activities, as a proportion of the local procurement content, which may be subcontracted to designated black owned enterprises must be submitted in a table below.

Procurement from Designated Group	Eskom Target	Tenderer Proposal
Black Owned	4.0%	
Black Women Owned	3.0%	
Black Youth Owned	2.0%	
Black Persons with Disability	1.0%	

**4. Jobs.**

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

Jobs to be created	Jobs to be retained

**5. Skills development**

Tenderers are required to submit proposals in a table below for developing the skills of unemployed candidates in the country. Skills development is intended to address Eskom’s core, scarce and critical skills and the scarce and critical skills. These skills are also included in a 2020 list of occupations in high demand as stipulated in the Government Gazette 43937. Candidates shall be from the Free State and KZN area, and their composition shall be representative of the population demographics of South Africa.

Skill type / Occupation	Eskom Target	Supplier Response
Debt collection course	To train one person for every R200 000.00 invoiced to Eskom	

The process of developing these skills shall involve the participation by tenderers directly and through their supply network. In certain cases, the SETA’s accredited training providers can be approached to participate in developing critical and scarce skills.

**Note:** That these targets for skills development candidates categorically exclude Eskom employees and registered learners. The tenderers are required to take full responsibility for the total cost of developing the requisite skills, and Eskom shall not make any financial contribution towards the fulfilment of this obligation. Tenderers also are advised to approach their relevant SETAs to access grants, subsidies, and incentives as well as South African Revenue Services for tax rebates that are earmarked for skills development initiatives.

**Section 4: SDL&I Penalty and Performance Security**

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

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

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

## Section 5: Reporting and Monitoring

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

## Section 7: General Information on Validity of Sworn Affidavits

### The following must be considered when it comes to validity of Affidavits;

**Tenderers submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:**

- Name/s of deponent as they appear in the identity document and the identity number.
- Designation of the deponent as the **director, owner** or **member** must be indicated in order to know that person is duly authorised to depose of an affidavit. **(Mark the applicable option).**
- Name of enterprise as per enterprise registration documents issued by the CIPC, where applicable, and enterprise business address.
- Percentage of black ownership, black female ownership and designated group. In the case of specialised enterprises as per Statement 004, the percentage of black beneficiaries must be reflected. **(No blank spaces to be left).**
- Indicate total revenue for the year under review and whether it is based on **audited financial statements** or **management account.** **(Mark the applicable option).**
- Financial year end as per the **enterprise's registration documents**, which was used to determine the total revenue. **(Financial year end to be stipulated by day/month/year).**
- B-BBEE Status level. An enterprise can only have one status level. **(Tick applicable level)**
- Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for the empowering supplier status.
- Date deponent signed and date of Commissioner of Oath must be the same. **(The sworn affidavit must be signed in the presence of the Commissioner of Oath. Furthermore the Commissioner must also sign and stamp)**
- Commissioner of Oath cannot be an employee or ex officio of the enterprise because, a person cannot by law, commission a sworn affidavit in which they have an interest.