

PART 3: SCOPE OF WORK

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C3.1: *PURCHASER'S* GOODS INFORMATION

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1 Overview and purpose of the goods and services

The scope is for the supply and delivery for Burner Corners on an “as-and-when” required basis at Kendal Power Station.

2 Specification and description of the goods

Item NO	TOCK NO:	Description
1	190 355	GASKET , PRE CUT: DIMENSIONS: ID 680 X OD 860 X THK 5 MM; PCD: 778 MM; HOLES: (12) DIA 20 MM; FOR SQUARE TO ROUND ON BURNERS, CORRIGATED, STEEL ON OUTSIDE WITH TEADIT BRAND STYLE 1002 NON-ASBESTOS FILLER
2	190 423	GASKET , PRE CUT: DIMENSIONS: ID 680 X OD 820 X THK 5 MM; TYPE: FLANGE; MATERIAL: STL; SHAPE: RD; FOR SQUARE TO ROUND ON BURNERS, CORRIGATED, STEEL ON OUTSIDE WITH TEADIT BRAND STYLE 1002 NON-ASBESTOS FILLER, WITHOUT HOLES
3	193301	SEAL : DIMENSIONS: DIA 716 MM; MATERIAL: EPDM; APPLICATION: COUPLING; APPROXIMATETLY 28 IN DIAMETER, FOR PF MILL
4	101 431	JOINT , EXPANSION: MATERIAL: RUBBER; APPLICATION: SEAL AIR PIPES; DRAWING NO: BRN020015 REV 1; WITH CLAMPS FOR SEAL AIR PIPES
5	193 345	AIR NOZZLE TIP ; DRAWING NO: 0.64/29865 REV 1; ESKOM 0.64/29865 REV 1
6	193 346	COAL NOZZLE TIP ; APPLICATION: BOILER BURNER CORNER; DRAWING NO: 0.64/29862 REV.6 REV 1; 0.64/36544 REV 1; ESKOM 0.64/29862 REV 1
7	193 344	AIR NOZZLE TIP ; DRAWING NO: ESKOM 0.64/36546 REV 1; 0.64/36546 REV 1
8	193 343	OIL NOZZLE TIP ; APPLICATION: BURNER COVER; DRAWING NO: ESKOM 0.64/36548 REV 1; 0.64/36548 REV 1
9	193 342	ADJUSTABLE COAL NOZZLE TIP ; DRAWING NO: ESKOM 0.64/36544 REV 1; 0.64/36544 REV 1
10	193 347	CASTING : TYPE: RECT TO RD; DIMENSIONS: WD 0.613 X LG 680 MM; MATERIAL: CI; REFERENCE NO: 41675 0; 630 MM OUTSIDE DIAMETER; USED ON BOILER PLANT; DIAMETER 660 MM PULVERISED FUEL PIPE; COAL NOZZLE TRANSITION PIECEVENDORS ARE RESPONSIBLE FOR ENSURING THAT THEY ARE PERFORMING AGAINST THE CORRECT DRAWING REVISION NUMBER (IF APPLICABLE).
11	98 682	COAL NOZZLE SEAL PLATE : TYPE: MATERIAL: SS; DRAWING NO: 902-2862-A REV 1; REFERENCE NO: FT3-050-316; 53823
12	728 333	APPLICATION: BOILER BURNER ASSEMBLY : TYPE: ASSEMBLY; CORNER; DIMENSIONS: L1380 X W708 X H 850 MM; MATERIAL: 1215CS; SPECIFICATION: 1215CS ASSEMBLY; COMPRISING: 146.6 KG; BURNER CORNER OIL COMPARTMENT ASSEMBLY TOTAL MASS 146.6KG MATERIAL 1215 CARBON STEEL LENGTH 1380 MM WIDTH 707MM OVERALL HEIGHT 850 MM IT IS THE VENDORS RESPONSIBILITY TO ENSURE THAT THEY ARE PERFORMING AGANST THE CORRECT DRAWING REVISION NUMBER IF APPLICABLE

3 Supply Requirements

The Supply Requirements for this contract are in an Annexure to the Contract Data provided by the Purchaser.

All deliveries must be done at the Warehouse

The delivery note must reference to the order number

Deliveries must be made between 07:15 - 16:30 Monday to Thursday and Friday 07:15 – 12:15.

4 Constraints on how the *Supplier* Provides the Goods

4.1 Programming constraints

The Supplier shall in his programme indicate lead delivery time of supply for each item in the scope of work. The supplier must stick to their estimated lead time as per the program submitted to and accepted by the Supply Manager. The accepted lead delivery time will not exceed the maximum of 2 months. Any changes in the programme should be communicated to the employer in time and amended programme shall be submitted thereto.

The contractor must always keep stock for in case of urgent orders that might arise.

4.2 Constraints at the delivery place and place of use

- When delivering materials to site, each item must be marked with Material number and they must be on pallets.
- Eskom Holdings Limited will only accept items stipulated in the Eskom Holdings Limited 's purchase order.
- No delivery will be made without a purchase order number (450....)
- Wrong deliveries will not be accepted and will be returned to the supplier
- Quality Check will be done and material with poor quality will be returned without exceptions. The supplier will have to replace the goods.
- The supplier will deliver the quantities as per the order and perform Mill inspection every two weeks.
- The prices includes delivery but excludes VAT
- Material damaged due to inadequate protection will not be accepted on site. The Supplier is urged to ensure that sufficient packing protection is given to equipment that may be susceptible to damage in transit.

4.3 Services & other things to be provided by the *Purchaser* or *Supplier*

During off loading, Eskom will assist with a fork lift. It will be appreciated if the driver off-loading the material can have a permit to operate fork lift should there be a need, this will fast track the off loading process.

4.4 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:
Risk register and compensation events	As an when required	Kendal Power Station	Purchaser, Supplier and stakeholders from both parties as and when required

Meetings of a specialist nature may be convened as specified elsewhere in this Goods Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the manufacture of the *goods*. Records of these meetings shall be submitted to the *Supply 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.

4.5 Documentation control

All documents submitted by the supplier shall be of good quality and shall be subject to the Purchaser's approval. All goods to be delivered must be accompanied by a delivery note as per the purchase order.

4.6 Health and safety risk management

The Contractor shall comply with the health and safety requirements as follows:

Supplier to comply with the latest version of Occupational Health and Safety Act No. 85 of 1993, other applicable legislation, Eskom Health and Safety policy, and other applicable procedures, specifications and guidelines including the provided project SHE specification. ISO 45001 Standard/ OHSAS 18001.

4.7 Environmental constraints and management

The Contractor shall comply with the environmental requirements as follows:

- The contractor(s) will be contractually required to undertake their activities in an environmentally responsible manner,
- Contributing to sustainable development by controlling or influencing the way products and services are designed, manufactured, distributed, consumed, and disposed by using a life cycle perspective that can prevent environmental impacts from being unintentionally shifted elsewhere within the life cycle and the Cradle to grave perspective.
- The Contractor must conform to the NEMA principles and regulations "polluter pays principle", User pay principle, precautionary principle and principle of responsibility duty of care and other Requirements.

4.8 Quality

The contractor shall comply with the latest ISO 9001:2015 Quality management systems-requirements. The documented management system shall be available and implemented and effective as per the ISO 9001:2015 QMS standard requirements. The contractor shall meet the minimum requirements stated in the Eskom supplier Quality Management Specification 240-105658000 or QM-58 and ensure that all these requirements are met before contract award/execution as per the QM-58 such as Contract Quality Plan, QCPs and other related procedures or documented information which are required during tendering process

General

- a) The *Contractor* complies with the *Employer's* quality and technical requirements including those listed in the *Employer's* specification document QM58 (Quality Management Specification 240-105658000).
- b) The *Contractor* submits a QMS as a returnable schedule and uses it for all phases of the Project. The QMS complies with the requirements of ISO 9001 standard. The *Contractor* provides evidence of a fully implemented QMS as and when requested by the *Employer*. The *Employer* may at his sole discretion carry out an audit on the Contractor, the *Contractor's* suppliers and Subcontractors.

Quality Management documents requirements

The *Contractor* submits the following document after contract award to the *Employer* for review and acceptance and prior to the commencement of work

The *Contractor* will supply the *Employer* with a QCP which will detail the *Contractor's* organisation, quality assurance and quality control procedures specific to this project. The QCP must be aligned to, and reference ISO 10005:2005 QMS, guidelines for quality plans and in compliance with the guideline in QM 58(Quality Management Specification 240- 105658000). The QCP will make reference to the *Contractor's* QMS Procedures to be used in this Contract:

- a) The *Contractor's* QMS compliance with the requirements of ISO 9001
- b) *Contractor's* quality manual
- c) *Contractor's* quality procedures
- d) *Contractor's* quality forms and work instructions
- e) *Contractor's* quality system documents referenced in this Works Information

The *Contractor* supplies the *Employer* with a QCP or ITP for review and acceptance.

The *Contractor* provides CVs of the quality management employees who will be responsible for quality on site.

Quality Management employee's responsibilities include but are not limited to the following:

- a) Administration of QA/QC functions
- b) Verification of approval status of their or Subcontractor's QCP and procedures
- c) On-and -offsite inspections
- d) Co-ordination, inspection and verification of the Employer's intervention points
- e) Review of Contractor testing and inspection documents (procedures, test results)
- f) Reporting on quality performance

The *Contractor* submits as a minimum the following documents, as required by the *Employer*, which requirement does not constitute a compensation event, during the execution of the Works:-

- a) Updated QCP register
- b) Inspection notifications accompanied by their inspection report
- c) Non-conformance and Defects registers and reports
- d) Updated Site and off site inspection schedules.
- e) Inspection and or FAT dates.
- f) Inspections completed/outstanding.
- g) Inspection, audits and test reports
- h) Monthly contract quality progress report

Data books for the completed Works, before commissioning can commence (refer to the data book specification)

Quality Responsibility

- a) The *Contractor* is accountable for the quality of the output and liable for any failures.
- b) The *Contractor* is responsible for defining the level of intervention of QA/QC or inspections. These are in line with the Employers requirements.
- c) The interventions points include all witness, hold, verification and review points required by the Employer. The *Contractor's* failure to allow the intervention points will constitute a non-conformance.

Inspections

- a) The *Contractor* is responsible for the inspection of all the Works that is performed and the Employer only verifies that the Works is conducted as per the Contract.
- b) The *Contractor* conducts all inspections in accordance with the accepted QCP / ITP.
- c) The *Contractor* drafts a QCP or ITP which shows each activity from the Works Information and submits to the Employer for acceptance.
- d) The *Contractor* provides suitably qualified personnel to conduct on-and-offsite inspections
- e) The *Contractor* ensures that all Works are inspected and approved before the Employer is invited for verification.

Non Conformances and Defects

Where NCR's and Defect notifications are issued, the *Contractor* acknowledges receipt as per reply period and proposes corrective and preventive actions to the *Employer* as per the contract response period. The corrective and preventive actions will include the implementation and completion dates. Progress on all NCR's and Defect notifications issued to the *Contractor* must be reported to the *Employer* on weekly basis.

- a) The *Contractor's* quality manager keeps a register of all NCR's and Defect notifications issued
- b) Deviations from the Contract are treated as a non-conformance.
- c) Records of NCRs and Defect notifications are kept and form part of the data book records.

During the contract execution phase, the *Contractor* will be monitored by the *Employer* for performance on quality related aspects. The monitoring will be in the form of audits and assessments.

Quality Reporting

The *Contractor* submits a monthly quality report, on the last working day of the month. The report includes but not limited to the following:

- a) A register of NCRs and defects
- b) Updated QCP / ITP register
- c) QA monthly report summary
- d) Planned and completed local and foreign inspection dates
- e) Completed and outstanding Inspections
- f) Audit findings report

4.9 Invoicing and payment

Within one week of receiving a payment certificate from the *Supply Manager* in terms of core clause 51.1, the *Supplier* provides the *Purchaser* with a tax invoice showing the amount due for payment equal to that stated in the *Supply Manager's* certificate.

The *Supplier* shall address the tax invoice to *Purchaser*

Eskom Holdings SOC Ltd
Kendal Power Station
Private Bag X7272
Emalaheni
1035

and include on each invoice the following information:

- Name and address of the *Supplier* and the *Supply Manager*;
- The contract number and title;
- *Supplier's* VAT registration number;
- The *Purchaser's* VAT registration number.
- Description of *goods* and *services* provided for each item invoiced based on the Price Schedule;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;

All Invoices must be emailed to invoicesseskomlocal@eskom.co.za

It is important that the value stated on the Invoice must be the same as the value stated on the Order. If the invoice value is different from the Order value payment of the invoice will be delayed. It is strongly recommended that if there are any discrepancies on the Invoice, it be rectified BEFORE it is submitted for payment.

4.10 Insurance provided by the *Purchaser*

As stated in the C1.2 SC3 Contract Data (Data Provided by the *Purchaser*) of this NEC3 SC3 document.

5 Procurement

5.1 Supplier Development Localisation and Industrialisation (SDL&I) Requirements

5.1.1 B-BBEE Requirements

Tenderer is required to improve and/or at a minimum maintain their BBEE status throughout the contract period.

5.1.2 Local Procurement Content

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

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

5.1.3 Subcontracting Requirement

Tenderers shall subcontract a minimum of 5% of the contract value to the following designated groups ***if feasible:***

- an EME or QSE which is 51% or more 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 works

Transportation

PPE

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 (QSE/EME)	5.0%	

5.1.4 Jobs if applicable

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

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

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

5.1.5 SDL&I Penalty and Performance Security

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

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

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

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

5.1.6 Reporting and Monitoring

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

Kendal Power Station Specific Constraints
Rev 11 August 2018
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Legend for the contract persons under the NEC Family of Contracts:

Form of NEC Contract	Eskom Holdings Limited	The contract person representing Eskom Holdings Limited	The Contracting Party	Tick ✓ and highlight the box applicable to this Contract
ECC3 – The Engineering and Construction Contract	<i>The Employer</i>	<i>The Project Manager</i>	<i>The Contractor</i>	
ECSC3 – The Engineering and Construction Short Contract	<i>The Employer</i>	<i>The Employer's Representative</i>		
TSC3 – The Term Service Contract	<i>The Employer</i>	<i>The Employer's Representative</i>		
TSSC3 – The Term Service Short Contract	<i>The Employer</i>	<i>The Employer's Representative</i>	<i>The Contractor</i>	
PSC3 – The Professional Services Contract	<i>The Employer</i>	<i>The Employer's Agent</i>	<i>The Consultant</i>	

Legend for the contract persons under the Eskom Holdings SOC Limited Contracts:

Form of Eskom Holdings SOC Limited Contract	Eskom Holdings SOC Limited	The contract person representing Eskom Holdings Limited	The Contracting Party	Tick ✓ and highlight the box applicable to this Contract
Eskom's Standard Condition of Tendering	<i>The Purchaser</i>	<i>The End user</i>	<i>The Supplier</i>	
SC3 – The Supply Contract	<i>The Purchaser</i>	<i>The Purchaser's Representative</i>	<i>The Supplier</i>	✓

1. The Contracting Party notes and complies with the following:

- a) Eskom Holdings Limited reserves the right to have any of the Contracting Party's personnel removed from site without cancelling the contract if, in Eskom Holdings SOC Limited's opinion, it is warranted.
- b) Eskom Holdings SOC Limited reserves the right to request disciplinary/corrective action if, and when, required.
- c) The Contracting Party operates under the direction and instructions of the Kendal Power Station Manager or such person/s as may be appointed by him if not in conflict with the Occupational Health and Safety Act and the Generation Plant and Safety Regulations.
- d) The Contracting Party maintains a high standard of workmanship expected by Eskom Holdings SOC Limited and complies with any quality assurance and quality procedures implemented by Eskom SOC Holdings Limited.
- e) The Contracting Party provides all overalls for his staff with clearly identifying motifs.
- f) The Contracting Party provides the necessary supervision to ensure that activities are conducted safely.

2. Security Arrangements:

- a) The Contracting Party applies for a photo permit (if on site for longer than two- (2) months) at Protective Services at the Kendal Power Station main security gate, prior to the start of any work on site.
- b) All Contracting Party's personnel are issued with a temporary access permit if not on site for at least two- (2) months which contains the following information:
 - Name
 - ID Number
 - Company
 - Validity date

- c) In order to assist Protective Services with the issuing of permits and the identification of personnel on site, the Contracting Party supplies a list of all personnel that he intends using on site, at least 24-hours prior to entry of the Kendal Power Station Security Area. This list is hand delivered to Protective Services, or can be faxed to (013) 647-9100. The list, identified with the Contracting Party's name, contains the following information:
 - Employee name
 - Employee ID Number
 - Signature of the contract person representing Eskom Holdings SOC Limited
 - Copy of the first page of the ID book of every employee of the Contracting Party
- d) The list of details is completed on the special form attached to the Contractor's Safety Manual, available on request from the contract person representing Eskom Holdings SOC Limited.
- e) The Contracting Party's personnel are required to be in possession of their Contractor's Permits at all times.
- f) All Contractor Permits are submitted to Protective Services when the relevant personnel leave the site after completion of the work.
- g) Lost permits are paid for by the Contracting Party to Protective Services at a cost of R200,00 per lost permit.
- h) The Contracting Party's visitors and all personnel conform at all times, to the security arrangements in force at the time. Application forms for visitors are filled in by the Contracting Party's Site Manager and approved by the contract person representing Eskom Holdings SOC Limited, one- (1) day before the visit and submitted to the Protective Services office. Visitors are not allowed on site if the necessary forms are not in the possession of security staff.
- i) The Chief of Protective Services may with valid cause remove any of the Contracting Party's personnel from the site, either temporarily or permanently. He may deny access to the site to any person, whom, in the opinion of the said Chief of Protective Services, constitutes a security risk.
- j) No unauthorised vehicles are allowed on site. Only the Contracting Party's vehicles with displayed Contract Vehicle Permit disks are allowed on site. Contract Vehicle Permit applications are directed to the contract person representing Eskom Holdings SOC Limited.
- k) The Contracting Party is restricted to the areas associated with his place of work. The Contracting Party is forbidden to enter any other areas, and ensures that his employees, subcontractors and/or sub consultants abide by these regulations.
- l) Parking inside the Kendal Power Station building is strictly forbidden, except for loading and off-loading purposes.
- m) No recruiting of labour, casual or otherwise, may be done on the Kendal Power Station premises, including the area outside the Kendal Power Station main security gate.

Health and Safety:

2.1.Plant Safety Regulations:

- a) Eskom Holdings SOC Limited, on request from the Contracting Party, isolates required plant from all sources of danger as described in the Plant Safety Regulations
- b) Eskom Holdings SOC Limited, on request from the Contracting Party, makes available a copy of the latest revision of the Plant Safety Regulations to the Contracting Party.
- c) The Contracting Party conforms to all rules and regulations applicable to Plant Safety and completes the Workman's Register prior to working on the plant.

2.2. Fire Precautions:

- a) Any tampering with Eskom Holdings SOC Limited's fire equipment is strictly forbidden.
- b) All exit doors, fire escape routes, walkways, stairways and stair landings and access to electrical distribution boards are kept free of obstruction and are used for work or storage at any time. Fire fighting equipment remains accessible at all times.
- c) In case of fire, report the location and extent of the fire to the Kendal Power Station Electrical Operating Desk at 6795/6/7.
- d) Take the necessary action to safe guard the area to prevent injury and spreading of the fire.

2.3. Reporting of accidents:

Eskom Holdings SOC Limited 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 Contracting Party is expected to co-operate fully to achieve this objective. The Contractor shall notify the client of any incident occurring during the contract period preferable immediately/ before end of the shift and therefore submit the notification of the incident by means of flash report within 24 hours.

NOTE: This report does not relieve the Contracting Party 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 and Eskom incident management procedure 32-95.

2.4. Speed limit:

All vehicles are driven with due consideration for personnel and property. A maximum speed limit of 40 km per hour is adhered to on the Kendal Power Station premises at all times.

2.5. Health and Safety Arrangements:

- a) The Contracting Party ensures that all his personnel attend a Health and Safety Induction Course prior to starting with the work. A SHEQ induction session is provided by Eskom Holdings SOC Limited and is valid for the duration of one- (1) year.
- b) The Contracting Party complies with the guidelines set out in the provided SHE specification. The Contracting Party shall submit a health and safety file to the client for evaluation and approval by the Safety Risk Department before taking access of the areas associated with his place of work.
- c) Kendal Power Station Safety Risk Management reserves the right and authority to visit and inspect the Contracting Party's workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.
- d) The contract person representing Eskom Holdings SOC Limited may instruct the Contracting Party to stop work, without penalty to Eskom Holdings Limited, where the Contracting Party's personnel fail to conform to safety standards or contravene health and safety regulations. The contract person representing Eskom Holdings SOC Limited may cause the Contracting Party to discipline his employees and to submit a disciplinary action report to Eskom Holdings SOC Limited. The Contracting Party implements additional health and safety precautions where necessary.
- e) The following Health & Safety requirements are also complied with:
 - i) The Contracting Party's proof of registration with the Compensation Commissioner and assessment of payment is verified.
 - ii) The Contracting Party demonstrates that all of his/her employees have been made aware and understand the risks and hazards associated with the type of work or activity to be carried out.
 - iii) The Contracting Party shall ensure that all employees performing work under his management have been trained and are competent to perform any work allocated to them.
 - iv) The Contracting Party demonstrates to Eskom Holdings SOC Limited that he/she is capable of providing adequate free issue (preferably SABS approved) Personal Protective Equipment (P.P.E.) for use by his employees.
 - v) The Contracting Party obtains an Eskom OHS Act section 37(2) agreement to be signed at procurement during the signing of the NEC contract, it is the responsibility of the project manager to ensure that the 37(2) agreement is signed and a copy be kept in the contractor file at procurement.
 - vi) Contractors - the Principal Contractor (Contracting Party) states if the use of contractor/s are envisaged and who the contractor/s are.
 - vii) Noisy equipment and tools - no equipment or tools > 105dB (A) are supplied or used by the Contracting Party.
 - viii) Contractors - the Principal Contractor (Contracting Party) states if the use of contractor/s are envisaged and who the contractor/s are. Proof is provided to Eskom Holdings SOC Limited that the sub-contractor/s has the necessary competence and resources to carry out the work safely and to ensure that the obligation of care to the environment is exercised.
 - ix) The Contracting Party complies with medical examination processes.

2.6. Vehicle and driver safety

All drivers, passengers and pedestrians must obey all vehicle safety requirements in terms of the National Road Traffic Act, Act No 93 of 1996, as amended, including other relevant provincial or local requirements.

Transportation of passengers

- a) The contracting party shall comply with requirements National Road Traffic Act an OHSA act.
- b) All motor vehicles driven / operated by contractors within the contract shall, in all respects, comply with the National Road Traffic Act.
- c) Eskom does not approve the conveying of passengers in the back of vehicles designed to carry equipment/loads (any truck/trailer), irrespective of whether crew cabs are fitted and seating with four-point seat belts is fitted. Eskom procedure 240-62946386.

2.7. Eskom Life Saving Rules:

- a) Five Life Saving Rules have been developed that will apply to all Eskom Holdings SOC Limited employees, agents, consultants and contractors.
- b) Due to the importance to save life's and apparatus of Eskom it is recommended that if a contractor abuse any Life saving rules, the affected work allocated to the contractor will immediately put on hold until final outcome with investigation. Safety is the combined responsibility of the team and therefore team leader or team will be disciplined together. There are five life saving rules that may not be broken by the Team Leader and his/her team.

The five Eskom Life saving Rules are as follows:

- **Rule 1:** Open, Isolate, Test, Earth, Bond, and/or Insulate before touch - that is any plant operating above 1 000 V.
- **Rule 2:** Hook up at heights - no person may work at height where there is a risk of falling.
- **Rule 3:** Buckle up – no person may drive any vehicle on Eskom business and/or on Eskom premises unless the driver and all passengers are wearing seat belts.

Eskom takes a "ZERO TOLERANCE" attitude to drivers and passengers who do not wear safety belts when driving in any vehicle on Eskom Business and/or on Eskom premises. The violation of this very important safety rule as well as any safety rule while performing work for or on behalf of Eskom may result in Eskom terminating your obligation to perform work in terms of your contract with Eskom.

All occupants must wear their safety belts properly, and must never put the shoulder belt under their arm or behind their backs. Drivers and all passengers must buckle-up at all times for the sake of themselves and their families.

- **Rule 4:** Be sober (no person is allowed to work under the influence of drugs or alcohol).
- **Rule 5:** Use a permit to work – where an authorization limitation exists, no person shall work without the required permit to work.

2.8. Thermal and Flash Suits – Personal Protective Equipment (If applicable)

The following Health & Safety requirements are also complied with:

- a) **Policy:**
Generation Policy GGP 36-941 Rev 0 – "SAFETY MEASURES AND APPROVED PROTECTIVE CLOTHING AND PERSONAL PROTECTIVE EQUIPMENT AGAINST THERMAL HAZARDS OF AN ELECTRIC ARC FOR METAL CLAD SWITCHGEAR (UP TO 11Kv) NOT INTERNAL ARC PROOF" was issued in February 2008, and all Generation BU's are to comply with it.

b) Standard:

Standard GGS 36-941 Rev 0 - "SAFETY MEASURES AND APPROVED PROTECTIVE CLOTHING AND PERSONAL PROTECTIVE EQUIPMENT AGAINST THERMAL HAZARDS OF AN ELECTRIC ARC FOR METAL CLAD SWITCHGEAR (UP TO 11Kv) NOT INTERNAL ARC PROOF" was issued in February 2008, and sets out the requirements to ensure safety with this plant.

c) Procedure:

A proper Procedure is required at each Station to ensure that all involved and affected staff are fully aware of the dangers attached to MV and LV Switchgear, and the approved methods of managing the risks involved.

For externally mounted Switchgear, GGS 36-942 prescribes the following standard Flash Protection Boundaries:

FLASH PROTECTION BOUNDRY	
VOLTAGE (VOLTS)	DISTANCE (METERS)
50 TO 750	0.9
750 TO 1,000	1.2
1,000 TO 11,000	4.8

2.9. Plant Safety Regulations - Appointment of a Responsible Person, Appointed Person and/or an Authorised Supervisor (36-681)

The OHS Act states that anyone entering Eskom Holdings SOC Limited's premises must adhere to its set of regulations, i.e. Plant Safety Regulations, as Eskom Holdings SOC Limited is responsible for the Contractor's safety while they are on Eskom Holdings SOC Limited's sites.

It is required that all Contractors must appoint a Responsible Person or an Authorised Supervisor to supervise work done by the Contracting Party.

An Appointed Person can be appointed by the Contracting Party to do isolations if required.

2.9.1. Process to appoint a Responsible Person, Appointed Person and/or Authorised Supervisor

The Contracting Party will identify a person who will represent him as a Responsible Person, Appointed Person and/or an Authorised Supervisor. The Contracting Party may send more than one person for training.

The appointed person/s will be trained by Eskom Holdings SOC Limited. There are two Formal sets of training, i.e. Theoretical Training and Practical Training

2.9.2. Training

i) Practical training

The Contracting Party will send a representative for training to become a Responsible Person, an Appointed Person and/or an Authorised Supervisor to be instructed in the Practical aspects of the plant, Isolations, Plant Identification, Plant systems etc.

ii) Theoretical training

During his practical training period, the representative of the Contracting Party must attend a theoretical course of 5 days for a Responsible Person and 2.5 days for an Authorised Supervisor. From the time that the person has written the Exam for the theoretical test to the time that he must appear before the Authorisation Committee is three months.

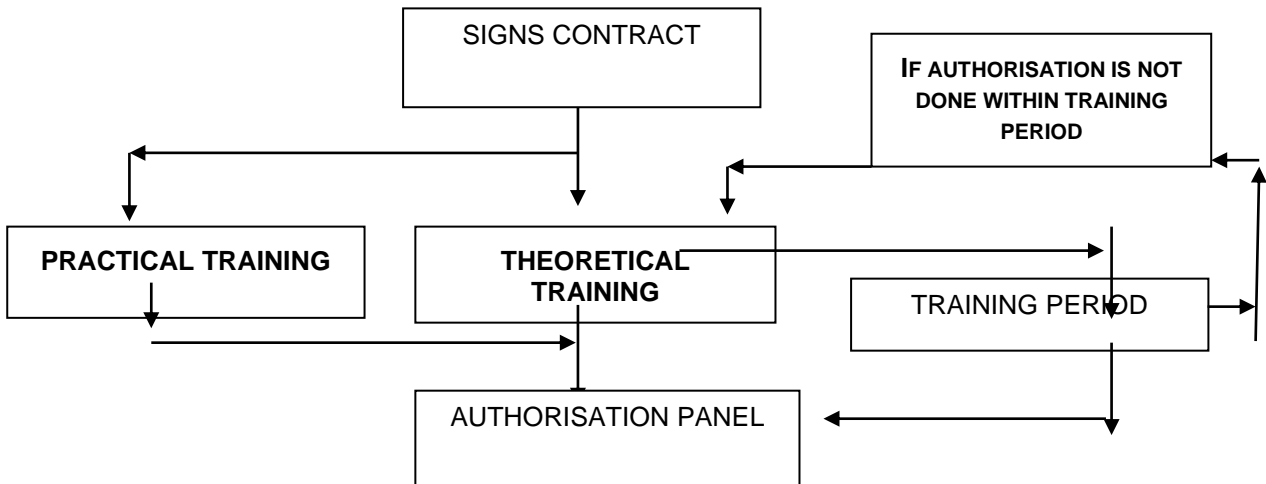
If he does not appear before the Authorisation Committee during the three months, he must redo the theoretical exam.

The duration and cost for Practical and Theoretical training, as a package, will be determined by Ms Matshego Koto (Legislation Instructor – Kendal Power Station).

He can be contacted at +27 13 647 6999, to arrange for training.

The costs will be handled as a compensation event.

2.9.3. Training process



2.9.3.1 Costs related to training

The Contracting Party will be responsible for all costs related to the training. The costs must be shown separately in the price list.

2.9.3.2 Accreditation and validity period and area

A certificate will be issued to the Responsible Person, an Appointed Person and/or an Authorised Supervisor which will be valid for 2 years and it will only be applicable to Kendal Power Station.

If a person who is authorised moves from one Contracting Party to another, his/her authorisation automatically lapses.

2.9.3.3 Contact Person - Kendal Power Station

Ms Matshego Koto (Legislative Instructor - Kendal Power Station) is the custodian at Kendal Power Station for the above training and accreditation and he can be contacted at Tel +27 13 647 6999.

No work will be done at Kendal Power Station by the Contracting Party if she did not appoint an accredited Responsible Person for Kendal Power Station.

2.10. Authorisation of contractors in term of ORHVS (Operating Regulations for High Voltage Systems) and PSR (Plant Safety Regulations):

Eskom Holdings SOC Limited employs many contractors to work not only on new installations but to a greater extent on existing plant and networks and the contractors are therefore required to comply with Eskom Holdings SOC Limited's relevant regulations.

To enable contractor's staff to be authorized as responsible persons or other authorizations in terms of the ORHVS, PSR, and Directive ESKADAAU4 there has been much speculation as to what the requirements are in terms of the OHS act.

In order to clarify these issues, many discussions with our Legal department and consulting advocates had taken place and the following are minimum requirements to ensure that reasonable steps are taken.

1. It is absolutely necessary at the outset to stipulate in the tender documents what the requirements are in terms of the ORHVS and PSR. These requirements must include (inter alia):
 - Competencies required of the contractor or their employees.
 - What knowledge of the ORHVS and PSR parts thereof, is required by the relevant persons.
 - The scope of the contractor's responsibilities in terms of any authorizations.
 - What the contractor will be required to satisfy with respect to the requirements of the OHS Act.

2. Contracts shall include:
 - In terms of Section 37(2) of the OHS Act an agreement to ensure compliance by the mandatory with the provisions of the Act. It is not possible to quote a single standard that will cater for all contracts, each contract shall be handled on a case by case basis.
 - The above-mentioned requirements that were requested in the call for Tender.
 - The contractor's person designated in terms of Section 16 of the Act. The contractor shall also declare in writing their employees competent in terms of the relevant requirements.
3. Once a contract is awarded, the Eskom Holdings SOC Limited person designated in terms of the General Machinery Regulation 2, shall ensure the following before work in terms of the ORHVS and PSR is done.
 - The contractor or their employees shall be evaluated against the scope of authorization.
 - The Eskom Holdings SOC Limited regulations applicable to the scope of the work to be done shall be handed to the contractor. Depending on the nature of the contract it may be beneficial for the contractors person/s requiring authorization to attend the relevant formal regulation course.
 - With regard to the actual authorization the contractor shall declare in writing their Section 16 appointee competent and define the extent of his responsibility. The Eskom Holdings SOC Limited GMR2 appointee shall approve the acceptability of the contractor's Responsible Person (Section 16 appointee) or shall authorize any other duties in terms of the ORHVS and PSR
 - All authorizations shall be for specific contracts and limited to a specific time frame.
 - Notwithstanding the Section 37(2) agreement that was concluded between Eskom Holdings SOC Limited and the contractor, Eskom Holdings SOC Limited is not absolved from a "Duty of Care" requirement over the "mandatory". This implies that for example, when contractors are working on, or in close proximity to Eskom Holdings SOC Limited's live apparatus they shall be supervised to the extent of what would be considered reasonable.

2.11. Barricading / Screens and Scaffolding:

The Contracting Party provides and installs barricades and warning devices to ensure that equipment and persons are not exposed to danger or to prevent access to dangerous areas. Eskom Holdings SOC Limited supplies scaffolding. Arrangements of such is made at least one- (1) week in advance by the Contracting Party. (Tampering of any approved scaffold is not allowed for any adjustments – The contract person representing Eskom Holdings SOC Limited is notified for any adjustments.

2.12. Asbestos (if applicable):

- a) All stripping of asbestos material shall be undertaken strictly in accordance with the Kendal Power Station management of asbestos and asbestos containing material work *1018298 and other relevant standards and updates, with special reference to the asbestos regulations according to the Occupational Health and Safety Act number 85 of 1993.
- b) The contract person representing Eskom Holdings SOC Limited advises the Contracting Party whether areas that are to be stripped of lagging have been identified as containing asbestos. If the Contracting Party is not sure whether lagging contains asbestos, he is to notify Safety Risk Management who will identify whether the lagging contains asbestos.
- c) The Contracting Party shall be obliged to ascertain from the contract person representing Eskom Holdings SOC Limited in advance whether areas required to be stripped are non-asbestos. Any contractor, other than the contractor appointed to remove asbestos shall strip lagging material containing asbestos fibres.
- d) The contractor appointed to remove asbestos, may not begin removal without first obtaining the necessary permission from the Inspector of Labour and Risk Management.

3. Construction/ Erection/ Maintenance work on site:

- a) The Contracting Party is responsible for the provision of all or any temporary or expendable materials required allowing for storage of material.
- b) The Contracting Party is responsible for the safeguarding, care and security of all items whilst in the Contracting Party's custody and control, until completion of the work.
- c) The Contracting Party is responsible for all craneage and equipment that is required to complete the work.

- d) The Contracting Party is responsible to check and verify correctness of civil work installed by others prior to commencement of installation/erection.
- e) The Contracting Party is responsible for the repair, replacement or correction as necessary of any and all items of plant and/or materials supplied by Eskom Holdings SOC Limited, which are damaged and/or lost while in the Contracting Party's custody and control.
- f) The site where the work was done must be clean when the Contracting Party leaves Eskom's premises.

5. Use of Eskom Holdings SOC Limited's Tools and Equipment:

- a) For the purpose of expediting the work, Eskom Holdings SOC Limited may make facilities and services available to the Contracting Party at no cost to the Contracting Party. The Contracting Party will not receive any reimbursement or make any change to the beneficial use of the facilities or services.
- b) Eskom Holdings SOC Limited may allow the Contracting Party, for the execution of the work, the reasonable use of its workshop, cranes, tools and equipment, provided that the Eskom Holdings SOC Limited's own work and business are not interfered with in any manner by such use. The Contracting Party shall leave all workshops, cranes, tools and equipment in as good a condition as he found them, fair wear and tear excepted, and shall be liable for any damages as a result of any act of negligence by the Contracting Party, his employees or sub-contractor while using such workshop, cranes, tools and equipment.
- c) The Contracting Party is responsible for the repair, replacement or correction as necessary of all pieces of tools and equipment supplied by Eskom Holdings Limited which are damaged and/or lost whilst in the Contracting Party's custody and control.
- d) The Contracting Party ensures that any one of his employees or subcontractor, operating hoist equipment belonging to Eskom Holdings SOC Limited, is authorised by the Contracting Party.

6. Plant Identification Labels:

The Contracting Party replaces or repairs all plant identification labels that are removed or damaged during the execution of the work.

7. Quality Requirements:

- a) Quality requirements for Engineering and Construction Works QM 58 is adhered to. This document is available on request, from the contract person representing Eskom Holdings SOC Limited.

8. Waste Disposal:

All waste introduced to and/or produced on Eskom Holdings SOC Limited's premises by the Contracting Party for this contract, is handled in accordance with the minimum requirements for the Handling and Disposal of Hazardous Waste in terms of Government Legislation as proclaimed by the Department of Water Affairs and Forestry Act, 1994 Ref: ISBN0621-16296-5.

9. Hazardous substances

If any products used by the Contracting Party are classified as a hazardous substance, Material safety data sheet, must accompany delivery in accordance with the Occupational Health and Safety Act (OHSA), Act 85 of 1993 section 10 and Hazardous chemical substance regulations.

If any hazard is identified by the Contracting Party, he immediately informs the contract person representing Eskom Holdings SOC Limited.

The Contracting Party must make sure that hazardous waste is not dumped in improper areas at the Station, it should be handled according to the above Act. The site where the work was done must be clean when the Contracting Party leaves Eskom's premises.

10. Environmental Requirements:

The Contracting Party ensures that the following environmental requirements are complied with at all times:

- Environmental Management System (ISO 14001, 2015)
- Kendal Waste and Recycling Management Work Instruction (*1024102). All waste must be disposed in a legal manner and environmental department must be provided with a waste manifest and safe disposal certificate.
- Non-Conformance, corrective and preventive Action *1017357.

- Environmental Legal and other requirements *1015685.
- Environmental communication *1015692.
- Environmental Management procedure for contractors *1018332.
- The contractor must have an oil spill kit on site and a trained person in oil spillage management.
- The contractor must provide the department with Environmental file which must be checked and approved by environmental department before the contractor can start to work.
- The contractor must report any Environmental incident immediately to environmental department.
- No water shall be drained into the clean water dam/ storm water drains.

11. Contracting Party terms and conditions of employment

The terms and conditions of employment of the Contracting Party is made available to the contract person representing Eskom Holdings SOC Limited before any work commences.

12. Rigging, working at elevated places and with mobile equipment (if applicable)

The Contracting Party ensures that:

- a) all the necessary resources (people, materials and tools, etc) are available.
- b) all his employees who are appointed in terms of the OHS Act are trained and made aware of their legal liabilities (16(2)'s, etc).
- c) all supervisors and drivers are trained in the HIRA technique of risk assessment.
- d) where applicable, special tools/auxiliary equipment such as tractors, trailers, cranes and any mobile equipment are inspected and declared fit and roadworthy for the task at hand.
- e) adequate Risk Assessments are conducted in advance to identify all the anticipated hazards associated with the task/activity. Special attention is given to rigging, working at elevated places and with mobile equipment.
- f) pre-job briefs are conducted before commencement of the planned activities. The detail of the task and the details of the anticipated hazards are explained and mitigation measures are understood by all.
- g) during the task execution regular job observations by the incumbent supervisor takes place, especially where high risks had been anticipated.
- h) for each task/activity the relevant Procedure/Works Instruction is current and approved.

13. Accommodation:

Eskom Holdings SOC Limited does not supply accommodation. The Contracting Party provides accommodation for his employees and the cost for this is deemed to be included in the contract prices.

14. Messing Facilities:

Eskom Holdings SOC Limited does not provide meals. The Contracting Party provides meals for his employees and the cost for this is deemed to be included in the contract prices. However, the Contracting Party can make use of the Tuck-shop on site.

15. Medical Facilities:

Eskom Kendal Power Station Medical Centre and Ambulance assistant facilities are available for incidents occurring within Kendal Power Station Boundaries.

Eskom Kendal Power Station Medical Centre is entitled however to recover the reasonable costs incurred in respect thereof from the Contracting Party.

After-hours all incident must be reported to Kendal Power Station Electrical Operating desk 013 647 6795, Internal Pax 7911.

16. Scrap Removal

Scrap bins are provided at set points. These are for scrap metal only and not for cement or any other form of debris. The Contracting Party takes cognizance of the fact that scrap metal and rubber are stored in two different locations.

17. Irregularities

In accordance with Eskom's Directive "ESKADABK9 - Protecting Disclosure of Crime and Irregularities in the Workplace", the Contracting Party is encouraged to report any crime and irregularities in accordance with the provisions of the Protected Disclosures Act 26 of 2000 as follows:

1. You may direct any concerns or process related queries, in writing, to the Kendal Power Station Manager.
2. Kindly include the following information with your concerns:

- 2.1: Enquiry or Purchase orders number (if available).
- 2.2: Date of enquiry or purchase order.
- 2.3: Name of person or buyer.
3. Contact details of the Kendal Power Station Manager is as follows:
Kendal Power Station
The General Manager
Mr Kobus Steyn
Private Bag X7272
Witbank
1035 Mpumalanga
Fax: 013 647 9115
4. Alternatively, to disclose any concerns or process related queries you may contact:
Eskom's Corporate Investigations and Security
Phone toll free: 0800 11 27 22
Speak to a person: (011) 800 4444
Via the Internet: ciands@eskom.co.za

All information will be handled and dealt with extreme confidentiality.

18. Abuse of alcohol and/or intoxicating substances

Eskom Kendal Power Station will test the Contracting Party's employees for being under the influence of alcohol and/or intoxicating substances on an ad hoc basis. The Contracting Party informs his employees that such behaviour is in contravention of the Occupational Health and Safety Act and Eskom Life Saving Rules Procedure (Rule 4 :Be Sober). The Contracting Party shall enforce compliance to these rules and implement disciplinary measures where the rules are contravened. Should such behaviour persist, Eskom Holdings SOC Limited reserves the right to review this contract. The Contracting Party's co-operation in this regard is paramount.

19. Assessment and Invoicing

To enable payment, the Contracting Party ensures conformance to the following:

- An official 4500..... Order Number is available BEFORE commencing work.
- An assessment is jointly completed by the contract person representing Eskom Holdings Limited and the Contracting Party and that they are in agreement on at least the following:
 - * Completed scope
 - * Completed quantity
 - * Value of work completed
- Preparation of an invoice in accordance with the assessment and deliver it directly to the Accounts Payable Department at the Commercial Building, Kendal Power Station.
- A copy of the invoice is forwarded to the contract person representing Eskom Holdings SOC Limited.

Invoices - Value-Added Tax Act No 89 of 1991 (the VAT Act)

A valid invoice is an invoice that corresponds per line to the applicable valid order, complies with all tax law requirements and is addressed to Eskom Holdings SOC Limited for attention, Kendal Power Station.

Particulars to be included on the Contracting Party's Tax Invoice:

Contract number and/or Order number

The word "TAX INVOICE" in a prominent place (preferably at the top of the page)

An individual serial number (tax invoice number)

Name, address and VAT registration number of the Contracting Party *

Name, address and VAT registration number of Eskom Holdings SOC Limited *

(Eskom Holdings SOC Ltd, Kendal Power Station - VAT No 4740101508)

Date of issue of Tax Invoice

A full and proper description of goods delivered and/or service/s rendered

Quantity or volume of goods or services supplied *

Where the supply is subject to VAT at the standard rate, the following in Rand:

- The value, VAT amount and consideration OR
- The total consideration with a statement that VAT is included @ 15% OR
- The total consideration and the amount of VAT charged

Address where service was rendered

Value and VAT amount

Task Order number

Discounts

- * These two requirements do not apply where the consideration (VAT inclusive amount) is less than R3 000,00.

Scanned tax invoices sent by e-mail are not acceptable to Eskom Holdings SOC Limited- only original tax invoices are considered for payment.

Address where invoices are to be forwarded

invoiceseskomlocal@eskom.co.za

20. Cost Price Adjustment (CPA) implementation

If CPA is applicable, the contract person representing Eskom Holdings SOC Limited and the Contracting Party confirms the increase/decrease with the buyer BEFORE the revised prices are stated on the Invoice.

21. Invoice price versus order price

It is important that the value stated on the Invoice corresponds with the Order. If the Invoice value is different to the Order value payment is likely to be delayed. The Contracting Party confirms that there are no discrepancies on the Invoice to ensure timely payment in accordance with the contractual terms of payment. Any discrepancies are resolved by the Contracting Party with the Buyer BEFORE it is submitted for payment.

22. Labour

All labour laws must be adhered to.