



NEC3 Term Service Contract (TSC3)

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

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

for **The Fabrication, Supply and delivery and installation of Flue Gas
Desulphurisation Spray banks pipping and nozzles for the Outage
Department at Kusile Power Station**

Contents:	No of pages
Part C1 Agreements & Contract Data	[•]
Part C2 Pricing Data	[•]
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CONTRACT No. [Insert at award stage]

PART C1: AGREEMENTS & CONTRACT DATA

Contents:	No of pages
C1.1 Form of Offer and Acceptance	[•]
[to be inserted from Returnable Documents at award stage]	
C1.2a Contract Data provided by the <i>Employer</i>	[•]
C1.2b Contract Data provided by the <i>Contractor</i>	[•]
[to be inserted from Returnable Documents at award stage]	
C1.3 Proforma Guarantees	[•]

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:

Title of the Contract

The Fabrication, Supply and delivery and installation of Flue Gas Desulphurisation Spray banks pipping and nozzles for the Outage Department at Kusile Power Station

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto and by submitting this Offer has accepted the Conditions of Tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance the tenderer offers to perform all of the obligations and liabilities of the *Contractor* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data.

Options A or C	The offered total of the Prices exclusive of VAT is	R [●]
Option E	The first forecast of the total Defined Cost plus the Fee exclusive of VAT is	R [●]
	Sub total	R [●]
	Value Added Tax @ 15% is	R [●]
	The offered total of the amount due inclusive of VAT is ¹	R [●]
	(in words) [●]	

This Offer may be accepted by the Employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Contractor* in the *conditions of contract* identified in the Contract Data.

Signature(s)

Name(s) _____

Capacity _____

For the tenderer:

(Insert name and address of organisation)

Name & signature of witness

Date

Tenderer's CIDB registration number:

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

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s)

Capacity

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

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

Note:

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

No.	Subject	Details
1	[•]	[•]
2	[•]	[•]
3	[•]	[•]
4	[•]	[•]
5	[•]	[•]
6	[•]	[•]
7	[•]	[•]

By the duly authorised representatives signing this Schedule of Deviations below, the Employer and the tenderer agree to and accept this Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules, as well as any confirmation, clarification or changes to the terms of the Offer agreed by the tenderer and the Employer during this process of Offer and Acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Form shall have any meaning or effect in the contract between the parties arising from this Agreement.

For the tenderer:

For the Employer

Signature _____

Name _____

Capacity _____

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

(Insert name and address of organisation)

Name & signature of witness _____

Date _____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

[

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
	dispute resolution Option and secondary Options	<p>A: Priced contract with price list</p> <p>W1: Dispute resolution procedure</p> <p>X2 Changes in the law</p> <p>X17: Low service damages</p> <p>X18: Limitation of liability</p> <p>X19: Task Order</p> <p>Z: <i>Additional conditions of contract</i></p>
	of the NEC3 Term Service Contract April 2013 ¹ (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	[•]
	Fax No.	[•]
10.1	The <i>Service Manager</i> is (name):	[•]
	Address	Kusile power station
	Tel	[•]
	Fax	[•]
	e-mail	[•]
11.2(2)	The Affected Property is	Kusile power station

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

11.2(13)	The <i>service</i> is	The Fabrication, Supply and delivery and installation of Flue Gas Desulphurisation Spray banks pipping and nozzles for the Outage Department at Kusile Power Station
11.2(14)	The following matters will be included in the Risk Register	Risk Identification and assessment meeting to be held subsequent to contract award and risk register compiled and managed.
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	24hrs
2	The Contractor's main responsibilities	Data required by this section of the core clauses is also provided by the Contractor in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data
21.1	The <i>Contractor</i> submits a first plan for acceptance within	1 weeks of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	To be announced
30.1	The <i>service period</i> is	6 months
4	Testing and defects	Defect date is 52 weeks after completion of each Task Order. The defect search and correction shall be 24 hours.
5	Payment	
50.1	The <i>assessment interval</i> is	between the 20th and 25th] day of each successive month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	8 weeks.
51.4	The <i>interest rate</i> is	the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and (ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal

then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted *mutatis mutandis* 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.

6	Compensation events	According to TSC conditions
7	Use of Equipment Plant and Materials	<ul style="list-style-type: none"> - Compressed air up to 6bar will be provided in the plant (contractors to bring their own moisture trap). - 380 v and 220 V power points are provided in the plant. <p>Scaffolding will be provided by the employer and must be requested 24hrs in advance</p>
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	<p>1. [●]</p> <p>2. [●]</p> <p>3. [●]</p>
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for "Format TSC3" available on http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (See Annexure A for basic guidance).
83.1	The <i>Employer</i> provides these additional insurances	as stated for "Format TSC3" available on http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (See Annexure A for basic guidance)
83.1	The <i>Contractor</i> provides these additional insurances:	[●]
83.1	The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
83.1	The insurance against loss of or damage to the <i>works</i> , Plant and Materials is to include cover for Plant and Materials provided by the <i>Employer</i> for an amount of	[●]
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of	

	the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..
9	Termination	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.
10	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than	Based on urgency, impact and criticality of the task and/or as stated in each Task Order or agreed between parties
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
	Address	[•]
	Tel No.	[•]
	Fax No.	[•]
	e-mail	[•]
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.
W1.4(2)	The <i>tribunal</i> is:	arbitration
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.
	The place where arbitration is to be held is	[•] South Africa
	The person or organisation who will choose an arbitrator	
	- if the Parties cannot agree a choice or	the Chairman for the time being or his nominee

	- if the arbitration procedure does not state who selects an arbitrator, is	of the Association of Arbitrators (Southern Africa) or its successor body.
12	Data for secondary Option clauses	
		<p>1.00</p>
X2	Changes in the law	There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.
X17	Low service damages	The contractor's performance will be measured based on meeting the delivery dates, adherence to program and quality of the works done as per table no: 1 on the services information
X17.1	The <i>service level table</i> is in	
X18	Limitation of liability	
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	R0.0 (zero Rand)
X18.2	For any one event, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	The greater of <ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on

<p>X18.4</p>	<p>The <i>Contractor's</i> total liability to the <i>Employer</i>, for all matters arising under or in connection with this contract, other than the excluded matters, is limited to</p>	<p>http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> <p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <ul style="list-style-type: none"> • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and • infringement of an intellectual property right.
<p>X18.5</p>	<p>The <i>end of liability date</i> is</p>	<p>12 months after the end of the <i>service period</i>.</p>
<p>X19</p>	<p>Task Order</p>	
<p>X19.5</p>	<p>The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within</p>	<p>Within 24 hours after receipt of task order</p>
<p>Z</p>	<p>The <i>additional conditions of contract</i> are</p> <p>Z1 to Z11 always apply.</p>	

Z1 Cession delegation and assignment

Z1.1 The *Contractor* does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the *Employer*.

Z1.2 Notwithstanding the above, the *Employer* may on written notice to the *Contractor* cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry.

Z2 Joint ventures

Z2.1 If the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the *Employer* for the performance of this contract.

Z2.2 Unless already notified to the *Employer*, the persons or organisations notify the *Service Manager* within two weeks of the Contract Date of the key person who has the authority to bind the *Contractor* on their behalf.

Z2.3 The *Contractor* does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the *Employer* having been given to the *Contractor* in writing.

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

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Service.
- Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Confidentiality

- Z4.1 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.
- Z4.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.
- Z4.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z4.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to core clause 12.3:

- Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

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

- Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the “Principal Contractor” (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) (“the Construction Regulations”) for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
 - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor’s* direction and control, likewise observe and comply with the foregoing.
- Z6.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor’s* direction and control, likewise observe and comply with the foregoing.

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

- Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer’s* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z7.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z7.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer’s* VAT number 4740101508 on each invoice he submits for payment.

Z8 Notifying compensation events

- Z8.1 Delete the last paragraph of core clause 61.3 and replace with:

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

Z9 Employer’s limitation of liability

- Z9.1 The *Employer’s* liability to the *Contractor* for the *Contractor’s* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 The *Contractor’s* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer’s* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.

Z10 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet

point, after the words "against it":

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

Z11 Ethics

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

Affected Party	means, as the context requires, any party, irrespective of whether it is the <i>Contractor</i> or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,
Coercive Action	means to harm or threaten to harm, directly or indirectly, an Affected Party or the property of an Affected Party, or to otherwise influence or attempt to influence an Affected Party to act unlawfully or illegally,
Collusive Action	means where two or more parties co-operate to achieve an unlawful or illegal purpose, including to influence an Affected Party to act unlawfully or illegally,
Committing Party	means, as the context requires, the <i>Contractor</i> , or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,
Corrupt Action	means the offering, giving, taking, or soliciting, directly or indirectly, of a good or service to unlawfully or illegally influence the actions of an Affected Party,
Fraudulent Action	means any unlawfully or illegally intentional act or omission that misleads, or attempts to mislead, an Affected Party, in order to obtain a financial or other benefit or to avoid an obligation or incurring an obligation,
Obstructive Action	means a Committing Party unlawfully or illegally destroying, falsifying, altering or concealing information or making false statements to materially impede an investigation into allegations of Prohibited Action and
Prohibited Action	means any one or more of a Coercive Action, Collusive Action Corrupt Action, Fraudulent Action or Obstructive Action.

Z 11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.

Z 11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor's* obligation to Provide the Service for this reason.

Z 11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Service for this reason, the procedures and amounts due on termination are respectively P1, P2, P3 and P4, and A1 and A3.

Z 11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Annexure A: Insurance provided by the Employer

These notes are provided as guidance to tendering contractors and the Contractor about the insurance provided by the Employer. The Contractor must obtain its own advice. Details of the insurance itself are available from the internet web link given below.

1. Services provided in a TSC3 contract could include some element of construction or refurbishment as well as a continuous maintenance or operational service activity. If an event occurs which causes loss or damage, a claim could be made either against the *Employer's* "works" type policy which may be in place for the *Employer's* portion of the Affected Property concerned or against the *Employer's* assets policy which may be in place for the *Employer's* portion of the Affected Property concerned, or both.
2. The cover provided and the deductibles under the works policy are different to those under the assets policy. Each policy has a range of applicable deductibles depending on the location of the Affected Property and the nature of the insurable event.
3. The *Contractor* is required in terms of Contract Data for clause 83 to provide cover for the deductibles in the insurance provided by the *Employer*. This can be provided from his own resources on a 'self insured' basis or obtained by him from his own insurers. In order to assess the extent of this cover, tendering contractors and their brokers should consult the internet web link given below and scroll to '**Format TSC3**' to establish both the cover and the deductibles in relation to the *service* provided in terms of this contract.
4. Tendering contractors should note that cover provided by the *Employer* is only per the policies available on the internet web link listed below and may not be the cover required by the tendering contractor or as intended by each of the listed insurances in the left hand column of the Insurance Table in clause 83.2. In terms of clause 83.1 "the *Contractor* provides the insurances stated in the Insurance Table except any insurance which the *Employer* is to provide". Hence the *Contractor* provides insurance which the *Employer* does not provide and in cases where the *Employer* does provide insurance the *Contractor* insures for the difference between what the Insurance Table requires and what the *Employer* provides.
5. If Marine Insurance is required the *Contractor* needs to obtain a copy of the latest edition of Eskom's Marine Policies Procedures found at internet website given below.
6. Further information and full details of all Eskom provided policies and procedures may be obtained from:

http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx

C1.2 Contract Data

Part two - Data provided by the *Contractor*

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

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

Notes to a tendering contractor:

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

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

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	% %
11.2(14)	The following matters will be included in the Risk Register	As agreed upon by site (Kusile Power Station)
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	The Service Information and in each Task Order as applicable
21.1	The plan identified in the Contract Data is contained in:	As stated in each Task Order
24.1	The key people are: 1 Name: Job: Responsibilities: Qualifications: Experience:	

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

- 2 Name:
- Job
- Responsibilities:
- Qualifications:
- Experience:

CV's (and further key person's data including CVs) are in .

A	Priced contract with price list
11.2(12)	The <i>price list</i> is in
11.2(19)	The tendered total of the Prices is R

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title	No of pages
C2.1	Pricing assumptions: Option A	2
C2.2	The <i>price list</i>	[•]

C2.1 Pricing assumptions: Option A

1. How work is priced and assessed for payment

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

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

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

2. Function of the Price List

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

3. Link to the *Contractor's* plan

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

4. Preparing the *price list*

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

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

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

4.1. Format of the *price list*

(From the example given in an Appendix within the TSC3 Guidance Notes)

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

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

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

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

C2.2 the price list

ITEM NO	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
	SECTION - A				
	PRELIMINARIES AND GENERAL (P&G's)				
1.0	MANUFACTURING GRP PIPES AT SERVICE PROVIDER'S WORKSHOP FOR THE PERIOD OF 4 MONTHS				
1.1	Resources / Labour Normal - time				
1.1.1	Project Supervisor (1-4 years experience)	Hours/Month	652		
1.1.2	Quality Inspector (QA)/ Quality Control (QC) - Average Expience 1 - 6 years.	Hours/Month	652		
1.1.3	Laminator - Average of 1-4 years experience	Hours/Month	2608		
1.1.4	Fitter & Turner - Average of 1-4 years experience	Hours/Month	1304		

	SECTION - B				
	PRELIMINARIES AND GENERAL (P&G's)				
	ON-SITE SERVICES FOR THE PERIOD OF 2 MONTHS				
1.2	FIXED CHARGES				
1.2.1	Safety File	EA/Yearly	1		
1.2.2	Medicals and Induction	EA/Yearly	14		
1.2.3	PPE	EA/Yearly	14		
1.2.4	Site Establishment	Sum	1		
1.2.5	Tools & Equipment and Consumable	Sum	1		
	ON-SITE SERVICES FOR THE PERIOD OF 2 MONTHS				
1.3	TIME RELATED CHARGES				
1.3.1	Travelling / Transport - LDV Van 5 Seater (Hired)	Ea/Month	2		
1.3.2	Normal-time fuel for LDV Van 5 Seater to Kusile Power Station	km	5170		
1.3.3	14 Seater Bus - Transport: Witbank Route to Kusile Power Station	Ea/Month	2		
1.4	Resources / Labour Normal - time				
1.4.1	Project/Construction Managers - Average of 5-9 years experience	Hours/Month	326		
1.4.2	Project Supervisor (1-4 years experience)	Hours/Month	326		
1.4.3	Health and Safety Officer (1-4 years experience)	Hours/Month	326		
1.4.4	Quality Inspector (QA)/ Quality Control (QC) - Average Expience 1 - 4 years.	Hours/Month	326		
1.4.5	Laminator - Average of 1-4 years experience	Hours/Month	1304		
1.4.6	Fitter & Turner - Average of 1-4 years experience	Hours/Month	652		

1.4.7	Rigger at (1-4 years experience)	Hours/Month	652		
1.4.8	General Works/Assistance - Average of 1-4 years experience	Hours/Month	652		
1.5	Resources / Labour Overtime (x1.5)				
1.5.1	Project/Construction Managers - Average of 5-9 years experience	Hours/Month	8		
1.5.2	Project Supervisor (1-4 years experience)	Hours/Month	8		
1.5.3	Health and Safety Officer (1-4 years experience)	Hours/Month	8		
1.5.4	Quality Inspector (QA)/ Quality Control (QC) - Average Expience 1 - 6 years.	Hours/Month	12		
1.5.5	Laminator - Average of 1-4 years experience	Hours/Month	12		
1.5.6	Fitter & Turner - Average of 1-4 years experience	Hours/Month	12		
1.5.7	Riggers at (1-4 years experience)	Hours/Month	12		
1.5.8	General Works/Aassistance - Average of 1-4 years experience	Hours/Month	12		
1.6	Resources / Labour Overtime (x2)				
1.6.1	Project/Construction Managers - Average of 5-9 years experience	Hours/Month	6		
1.6.2	Project Supervisor (1-4 years experience)	Hours/Month	6		
1.6.3	Health and Safety Officer (1-4 years experience)	Hours/Month	6		
1.6.4	Quality Inspector (QA)/ Quality Control (QC) - Average Expience 1 - 6 years.	Hours/Month	6		
1.6.5	Laminator - Average of 1-4 years experience	Hours/Month	8		
1.6.6	Fitter & Turner - Average of 1-4 years experience	Hours/Month	8		
1.6.7	Riggers at (1-4 years experience)	Hours/Month	8		
1.6.8	General Works/Aassistance - Average of 1-4 years experience	Hours/Month	8		
-	Subtotal Amount Excl. VAT				-

ITEM NO	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
	SUPPLY , DELIVERY AND INSTALLATION OF ABSORBER SPRAY BANKS FOR UNIT 1, LEVEL 1-4				
1.0	Site Establishment and De-Establishment (Entrance & Exit)				
1.1	Storage container Hire (Size: 3 x 6m)	Ea/Month	2		
1.2	Office container Hire (Size: 3 x 6m) including 2 x standard AC Units	Ea/Month	2		
1.3	Partable Toilets	Ea/Month	2		
1.4	Recycle Bin - 240L	Ea/Month	1		
1.5	12T Crane truck for delivery and collection of office container and Storage.	Once-off	1		
1.6	15T Truck for delivery of Spray Bank materials.	Once-off	1		
1.7	Diesel for 15T Truck.	km	121		

ITEM NO	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
1.0	TOOLS AND EQUIPMENT FOR THE INSTALLATION OF ABSORBER SPRAY BANKS FOR UNIT 1				
1.1	Generator 25KVA (Incl. delivery - Hire)	EA/Day/Month	42		
1.2	Compressor air blower 6 bars 190CMM (Incl. delivery - Hire)	EA/Day/Month	42		
1.3	40 Bar High Pressure Testing Equipment (Incl. delivery - Hire)	EA/Day	5		
1.4	Portable Electrical DB board (Incl. delivery - Hire)	EA/Day/Month	42		
1.5	Drill Hammers - Hilti (Incl. delivery - Hire)	EA/Day/Month	84		
1.6	Grinder (Incl. delivery - Hire)	EA/Day/Month	84		
1.7	9kg DCP fire extinguisher	EA	2		
				Subtotal Amount Excl. VAT	

ITEM NO	DESCRIPTION	SIZE 1	SIZE 2	UNIT	QTY	RATE	AMOUNT
1.0	GRP ABSORBER SPRAY BANKS MAIN HEADER - UNIT 1, LEVEL 1-4						
1.1	PIPE	1300NB		m	16		
1.2	PIPE	1200NB		m	8		
1.3	PIPE	1100NB		m	16		
1.4	PIPE	1000NB		m	8		
1.5	PIPE	850NB		m	8		
1.6	PIPE	750NB		m	8		
1.7	PIPE	500NB		m	8		
1.8	PIPE	300NB		m	36		
1.9	CONCENTRIC REDUCER	1300NB	1200NB	No.	4		
1.10	CONCENTRIC REDUCER	1200NB	1100NB	No.	8		
1.11	CONCENTRIC REDUCER	1100NB	1000NB	No.	8		
1.12	CONCENTRIC REDUCER	1000NB	850NB	No.	4		
1.13	CONCENTRIC REDUCER	850NB	750NB	No.	12		
1.14	CONCENTRIC REDUCER	750NB	500NB	No.	4		
1.15	CONCENTRIC REDUCER	500NB	300NB	No.	4		
1.16	FULL FACE FLANGE	1300NB		No.	8		
1.17	END CAP	300NB		No.	4		
1.18	SHOP JOINTS	1300NB		No.	8		
1.19	SHOP JOINTS	1200NB		No.	8		

1.20	SHOP JOINTS	1100NB		No.	8		
1.21	SHOP JOINTS	1000NB		No.	8		
1.22	SHOP JOINTS	850NB		No.	4		
1.23	SHOP JOINTS	750NB		No.	8		
1.24	SHOP JOINTS	500NB		No.	8		
1.25	SHOP JOINTS	300NB		No.	80		
1.26	SITE JOINTS (Material Supply Only)	850NB		No.	4		
2.0	<u>GRP ABSORBER SPRAY BANKS SPOOL BANK - UNIT 1, LEVEL 1-4</u>						
2.1	PIPE	300NB		m	160		
2.2	PIPE	250NB		m	160		
2.3	PIPE	200NB		m	120		
2.4	PIPE	150NB		m	160		
2.5	PIPE	100NB		m	200		
2.6	CONCENTRIC REDUCER	300NB	250NB	No.	72		
2.7	CONCENTRIC REDUCER	250NB	200NB	No.	72		
2.8	CONCENTRIC REDUCER	200NB	150NB	No.	72		
2.9	END CAP	150NB		No.	72		
2.10	SHOP JOINTS	300NB		No.	72		

2.11	SHOP JOINTS	250NB		No.	144		
2.12	SHOP JOINTS	200NB		No.	144		
2.13	SHOP JOINTS	150NB		No.	144		
2.14	SHOP JOINTS	100NB		No.	752		
2.15	SITE JOINTS (Material Supply Only)	300NB		No.	72		
2.16	SITE JOINTS (Material Supply Only)	100NB		No.	1504		
2.17	FULL FACE FLANGE	100NB		No.	752		
Subtotal Amount Excl. VAT							-

ITEM NO	DESCRIPTION	UNIT	QTY	RATE	AMOUNT
1.1	PRELIMINARIES AND GENERAL (P&G's)	Sum	1		
1.2	ABSORBER SPRAY BANKS FOR UNIT 1 (LEVEL 1-4)	Sum	1		
Total Cost carried to final summary (Excl. VAT)					-

NB: PRICING SHALL BE INCLUSIVE OF EVERYTHING NECESSARY AND INCIDENTAL TO PROVIDING THE SERVICE IN ACCORDANCE WITH THE SERVICE INFORMATION.

For clarification of the configuration of the spray banks, suppliers can make appointments for site visits.

PART 3: SCOPE OF WORK

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

C3.1: EMPLOYER’S SERVICE INFORMATION

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Otherwise insert list of contents manually.

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1 Description of the service

1.1 Executive overview

The Supply and delivery of Flue Gas Desulphurisation (FGD) Mist Eliminator Spare Once off Order for the Outage Department at Kusile Power Station

1.2 Employer's requirements for the service

Introduction

This document serves as the SOW for supply, delivery and installation of spray banks on absorbers.

2 Supporting Clauses

2.1 Scope

2.1.1 Purpose

2.1.2 Applicability

This document shall be applicable to the Absorber 1, 2 and 3 spray banks

2.1.3 Effective date

Effective from date of signature

2.2 Normative/Informative References

2.2.1 Normative

- [1] ISO 9001 Quality Management Systems
- [2] I00009-03878241160100-PRMAN-0001-001-A-WFGD Operation Manual _Section 1 – 3
- [3] 240-82869282 Kusile Power Station - Maintenance Execution Strategy for the FGD Unitised Plant Rev.4
- [4] 0.90/11528 Spray Header Supports
- [5] 0.90/12102 GPR Spray Bank Assembly
- [6] 366-21641 GENERAL LAYOUT PLAN VIEW AND SECTIONS
- [7] ISO 14001 Environmental Management System

2.2.2 Informative

Not Applicable

2.3 Abbreviations

Abbreviation	Explanation
BOP	Balance of Plant
FGD	Flue Gas Desulphurisation
QCP	Quality Control Plan
SOW	Scope of Work

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2.4 Roles and Responsibilities

Department	Responsibility
Engineering	Draw up the SOW and submit to Maintenance
• Maintenance	• Issue the SOW to the contractor(s)
Contractor(s)	Execute the SOW to the required standard

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**Supply, delivery and Installation of Absorber
Spray Banks at Kusile Power Station**

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3 Absorber Spray Banks Supply Delivery and Installation

3.1 Scope of Work

The following SOW must be executed:

System	Component	Major scope	Activities	Responsibility
Absorbers	Spray banks	Supply and deliver	Supply and deliver 6 sets of spray banks as per the specifications provided.	Contractor
		Specifications:		
		Pipe integrity: Type of resin: DER.411 Interior Abrasion Resistant Liner: Fillers Al203-3mm Exterior abrasion Resistant Liner: fillers Al203-3mm Design Pressure: 6 bar Design Temperature: 80°C See attached drawing for geometric specifications. Spray bank spool/branches wall thickness: 11mm	Contractor	
		Note: each set of spray banks has one distribution header and eighteen branches with nozzles see attached drawings.	Contractor	
		Delivery:		
		Upon delivery of the piping to site, the entire delivery scope shall be visually examined immediately after unloading and before pipe installation by the competent person. Damage pipes and fittings should be quarantined and repaired if feasible. Pipe handling belts or straps shall be used. Ropes, chains or other rigid and/or sharp-edged lifting accessories shall not be used. Pipes and fittings can be stored in the original packages, but it needs to be ensured that the surface of the ground where the storage place is, supposed to be even and no edges are pushing towards the pipe. GRP pipes are corrosion resistant and can be stored outdoors at any temperature. It is recommended not to	Contractor	

**Supply, delivery and Installation of Absorber
Spray Banks at Kusile Power Station**

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	Installation	<p>pile up pipes while being stored higher than 1,5m as the construction can be deemed as unstable and unsafe.</p> <p>Kusile absorber utilises spray banks for slurry recirculation in the SO₂ removal process. The spray banks are installed in elevated sections of the absorber, the absorber is a circular structure and spray banks will be installed at heights inside the 42m tall absorber.</p> <p>The contractor to provide the method statement for installation of spray banks to the engineer for approval.</p> <p>To ensure the optimum performance, the pipe system shall be installed as per the relevant drawing and piping support design provided. All flanged connections shall be made in accordance with the approved method statement, as mentioned above, particular attention shall be given to Flange alignment and torque settings. The following points not limited to, shall be considered in the method statement:</p> <ul style="list-style-type: none"> • Handling of chemicals • Handling of the spray banks • Installation of above ground pipe system • Branches/Spools Erection • Branches/Spool Jointing • Resin mixing • Waste control • Safety 	Contractor
--	--------------	---	------------

The following precautions to be taken:

- Due to the dangers of working at heights necessary precautions (lifelines and others) will be required
- Where lifelines are in contact with the rubber lining the necessary protection for the rubber lining is required to prevent damage
- See attached drawing that details the spray banks.

3.2 Interpretation and terminology

If required include here definitions additional to those used in the *conditions of contract* which are required only for the purpose of making the Service Information easier to draft and read. Also list abbreviations used and provide a full interpretation of each one, for example:

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
OBL	Outside battery limits
PTW	Permit to Work
U1- 6	Units 1 - 6
RTS	Return to Service
SWP	Safe Working Procedure
RP	Responsible Person
PSR	Plant Safety Regulations
QCP	Quality Control Plan
QC	Quality Control
QM	Quality Management

4 Management strategy and start up.

4.1 The Contractor's plan for the service

The contractor shall provide a site manager or a project manager to supervise, monitor control and co-ordinate all activities during the execution of the contract.

Minimum requirements of people employed.

- Supervisory training /qualification
- Safety training
- Minimum two years' experience in maintenance environment
- Computer literate
- Evaluation, analysing and decision-making skills
- Manage and lead the team to ensure proper adherence to the contract scope and execution of all work by the team
- Knowledge of Health and Safety Regulations
- Perform first line quality control
- Prioritise and allocate work
- Control daily activities

The contractor shall provide the first schedule that is shift sensitive and on MS projects or Primavera P6. The contractor shall have a planner that will attend planning meetings and continuously give updates as the work progresses.

4.2 Management meetings

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

Meeting Name	Frequency	Location	
Risk register and compensation events	as requested	TBA	<i>Employer, Contractor ,Supervisor and Other Co-opted Members</i>
Overall contract progress and feedback	As requested	TBA	<i>Employer, Contractor ,Supervisor and Other Co-opted Members</i>

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

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

4.3 Contractor's management, supervision, and key people

The contractor submits to the service manager an organogram showing his people and their lines of authority/communication.

4.4 Provision of bonds and guarantees

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

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

4.5 Documentation control

All procedures, work instructions, forms and all contractual communications must be controlled for the duration of the contract.

- The following will appear on all controlled documentation as a title page, page header.
 - ✓ Title
 - ✓ Document unique identifier
 - ✓ Revision number, original documents will be noted as revision. All subsequent revisions will be numbered sequentially
 - ✓ Revision date
 - ✓ Date when document was last changed, this will change with each revision
 - ✓ Effective date
 - ✓ Date when document first came into use. This date will not change as the document is revised.
- All contractual communications will be in the form of properly compiled letters or forms attached to mails and not as a message in the email itself.
- Inspections report to be compiled and submitted within two weeks.
- Data package after all the work has been finished to be submitted within one week after the repairs.

Feedback required must include the following information for works or task completed or to be carried out.

- Summary of work done
- Estimated time duration with regard to the future work required
- Budget cost price with regard to the future work required
- Bill of materials with regard to future work required
- Criticality of the work

Data books completion and submissions as per Eskom standard and requirements please refer to QM 58 SECTION 3.5.10.1 for contractor's responsibilities with regards to data books

4.6 Invoicing and payment

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

Local Eskom invoices excluding primary Energy, Group Capital, Eskom Enterprises and Eskom Development Foundation:invoiceseskomlocal@eskom.co.za

Eskom Holdings SOC Limited-Registration Number 2002/15527/30
Eskom kusile Power Station
Vat NR: 4740101508

The contractor includes the following information on each tax invoice:

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

The Contractor attaches the detail assessment of the amount due to each tax invoice showing the price for work done to date for each item in the price list for work which he has completed.

4.7 Contract change management

The contractor keeps accurate and complete books of accounts, records and other evidence relating to the actual cost. Records and accounts must reflect all work done on the contract. These are open to audit. All documentation is kept by the contractor for a period of three years following completion of this contract. This information must be kept up to date at all times.

The contractor may be requested to submit to the delegated service manager proof of costs incurred, which may include the following:

- The number and grading of employees within the working areas
- The number and grading of employees outside the working areas
- Cost allocation
- Payroll registers
- Schedule of equipment and time sheets
- Information the delegated project manager reasonably requires

4.8 Records of Defined Cost to be kept by the Contractor

All records, data books, inspection reports etc. relating to the works and all Eskom drawings sourced out through document centre to be returned to Kusile Power Station.

The contractor shall compile a data pack for the works performed during the duration of the contract and must be issued to the employer at the end of the projects .

4.9 Insurance provided by the *Employer*

First read TSC3 Core Clause 86.1 and then add anything necessary for the management of insurance related issues such as a cross reference to where procedures for making claims can be found. Also provide contact details for persons capable of being able to answer any insurance related queries the *Contractor* may have, as well as to whom the information required by Marine Insurance (if any) may be addressed.

4.10 Training workshops and technology transfer

N/A

4.11 Design and supply of Equipment

N/A

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

4.12.1 Equipment

N/A

4.12.2 Information and other things

Data pack detailing all the works done shall be submitted in a file and also an electronic copy in a disc.

4.13 Management of work done by Task Order

The service manager issues a task order to the contract which specifies clearly the work to be provided, additional specifications and procedures and any other constraints the contractor complies with in providing the works. The task order is issued before the contractor provides the service.

The Service Manager issues Task Orders to the Contractor in a timely manner that allows the Contractor to properly plan the work within the time periods stated on the Task Order.

The Service Manager issues to the contractor any information relative to the Employer's need and circumstance surrounding forecast future work required from the Contractor. This information allows the Contractor to provide staff in a cost effective and efficient manner.

Emergency work

The Service Manager may issue a verbal instruction to the Contractor undertake emergency service. This verbal instruction is confirmed in writing **5** days from when the instruction is issued.

5 Health and safety, the environment and quality assurance

5.1 Health and safety risk management

The *Contractor* applies safety awareness at all times through continuous training.

The *Contractor* is appointed to act on behalf of the *Employer* in terms of the Occupational Health and Safety Act no 85 of 1993 for this contract.

All of the *contractor's* staff complies with the procedure "Health and Safety at Kusile Power Station; requirements to be met by Contractors. Standard 15, this document is available from the *Supervisor*

The *Contractor* must appoint Safety Representatives to assist the responsible Site Manager and sub-ordinates to:

- identify possible hazards, dangers and risks;
- eliminate potentially dangerous conditions and actions;
- ensure a safe working environment;
- Inspect and record findings of his workplace and submit a copy on a monthly basis to Risk Management.

The *Contractor* must ensure that all his personnel attend a Health and Safety Induction Course prior to starting with their work.

The *Contractor* Site Manager must inform his employees of specific risks and dangers associated with their work. He must inform them of precautions necessary to avoid injury to themselves or others and to prevent damage to property, machinery and equipment.

The *Contractor* Site Manager is responsible for employees working under his control and shall meet his moral and legal obligations to eliminate unsafe conditions and prevent unsafe acts.

The *Contractor* Site Manager or appointed responsible person shall promote an ongoing Health and Safety awareness programme amongst his employees. This programme shall include weekly toolbox safety talks and monthly health and safety meetings. Minutes of the meetings must be submitted to Risk Management.

Risk Management has the right and authority to visit and inspect the *Contractor's* workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.

The *Contractor* shall be obliged to institute and maintain an adequate safety programme that shall ensure the safety of persons and the prevention of damage to machinery, equipment and property.

Safety requirements

The *Contractor* shall be obliged to conform to all laws, by-laws, sections and regulations in force. This includes the minimum Health and Safety requirements and precautions for *Contractors*, sub-contractors and temporary workers.

The *Employers Representative* shall be entitled to cause the *Contractor* to stop work, without penalty to *Employer*, where the *Contractor's* personnel fail to conform to acceptable safety standards or contravene health and safety sections and regulations. He shall be entitled to cause the *Contractor* to discipline his employees and to submit disciplinary action, in writing to Risk Management. The *Contractor* shall also implement additional health and safety precautions.

The *Contractor* is to ensure that all his personnel before coming on site has been given induction training and signed copies of this to be submitted to the *Project Manager*.

Personal protective clothing to be worn at the workplace includes the following:

- As per the scope of work

Plant safety regulations

The *Employer* shall make a copy of the Plant Safety Regulations available to the *Contractor*.

The *Contractor* shall conform to all rules and regulations applicable to Plant Safety and shall complete the Workman's Declaration Book prior to working on the plant.

The *Contractor* shall comply with the health and safety requirements contained in **Annexure A** to this Service Information.

COMPLIANCE TO 5 IDENTIFIED CARDINAL RULES:

RULE 1: OPEN, ISOLATE, TEST, EARTH, BOND, AND/OR INSULATE BEFORE TOUCH
(That is, any plant operating above 1 000 V)

No person may work on any electrical network unless:

He/she is trained and authorised as competent for the task to be done;

A pre-task risk assessment to identify all risks and hazards has been conducted prior to any work commencing;

An equipotential zone is created for each worker on the job site by earthing, bonding, and/or insulating according to approved procedures;

All conducting material is connected together, all staff on site wear electrical safety shoes, and insulating techniques are applied according to standards; and

The authorised person (team leader) has certified and shown all team members that the apparatus is safe to work on.

RULE 2: HOOK UP AT HEIGHTS

Working at height is defined as any work performed above a stable work surface or where a person puts himself/herself in a position where he/she exposes himself/herself to a fall from or into.

No person may work at height where there is a risk of falling unless:

- a pre-task risk assessment to identify all risks and hazards has been conducted prior to commencing any work at height;
- he/she is appropriately trained;
- he/she is appropriately secured during ascending and descending; and
- he/she is using an approved fall arrest system where applicable.

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.

RULE 4: BE SOBER

No person is allowed to work under the influence of drugs and alcohol.

"Under the influence" means the use of alcohol, drugs, and/or a controlled substance to the extent that:

- the individual's faculties are in any way impaired by the consumption or use of the substances; or
- the individual is unable to perform in a safe, productive manner; or
- the individual has a level of any such substance in his/her body that corresponds to or exceeds accepted medical/legal standards; or
- the individual has a level of alcohol in his/her body that is greater than 0.02% blood alcohol concentration.
- This includes any level of an illegal substance in the body, irrespective of when the substance was used.

RULE 5: ENSURE THAT YOU HAVE A PERMIT TO WORK

Where an authorisation limitation exists, no person shall work without the required Permit to Work (PTW), which is governed by the Plant Safety Regulations, Operating Regulations for High Voltage Systems (ORHVS) etc.

No plant is to be returned to service without the cancellation of all permits on that plant in accordance with procedure.

NB: in the case of live work, a "live work declaration form" is to be completed by the authorised person who is the person responsible for the safe execution of work according to relevant standards and procedures.

Please ensure that these rules are understood and communicated with the urgency that they deserve. If any of these rules are unclear or the consequences not understood, please do not hesitate to discuss it with Eskom.

We would like to continue our current partnership and therefore urge your support in the implementation and upholding of these rules.

5.2 Environmental constraints and management

We are committed to sustainable development and will actively work to reduce the impact on the natural environment resulting from the power generation process.

We commit to continual improvement in our performance and aspire to minimum harm to people and the environment

- **Whenever we conduct our business, we will:**
 - L : Legal compliance
 - I : Improve continuously
 - M: Management of natural resources
 - P: Prevention of pollution
- **Refuse Disposal**

The *Contractor* is responsible to keep the work area clean of any rubble.

All waste introduced and/or produced on the *Employer's* premises by the *Contractor* for this contract, is handled in accordance with National Management Waste Act No. 59 of 2008 and ASEN 0008 Waste removal procedure. The *Contractor* shall comply with the environmental criteria and constraints stated in ASEN 0003 Environmental manual.

The Employer provides colour coded bins for refuse disposal.

The *Employer* empties these bins.

Contractor keeps the work area clean of any rubble, and to places all refuse into the bins provided.

The *Contractor* ensures that all workers under his control strictly adhere to the correct use of refuse bins:

5.3 **Blue bins:** - **Scrap metal only**

5.4 **White bins:** - **Lagging and general household rubbish**

5.5 **Red bins:** - **Oil contaminated waste**

Blue and green drums - Waste grease

5.6 Quality assurance requirements

The *Contractor* complies with the quality procedures and codes relevant for each Task Order. The *Contractor* also advises on the appropriate use of other applicable standard and codes of practice.

The *Contractor* ensures that QCPs are ready a week prior to execution of the task. The QCP will have all the activities to ensure quality of the work to be undertaken.

The *Contractor* ensures that the work is carried out in accordance with the quality control plans or any other specifications through written instructions from the *Project Manager*.

The *Contractor* ensures that all specifications and requirements are communicated to the relevant parties in organisation and should not deviate from it.

The *Contractor* submits the complete QCP to Employer and QC to review the specific requirements and insertion of Intervention Points, e.g. Hold and Witness Points.

The *Contractor* ensures that all intervention points are attended and signed off progressively during maintenance task.

All documentation has a clearly stated revision number and previously similar documentation is revoked.

Quality-related problems/issues are reported and resolved during the daily technical meetings, which will be held at the Site.

The *Contractor* submits data package to Employer not later than 7 days after the completion of the work.

The *Contractor* ensures that Employer is granted access to contractor's premises and facilities at reasonable times to conduct quality audits, surveillance or inspections to verify compliance with the contract/order.

All Completed work is signed-off in the quality control plan and all the relevant signatures are on the documentation. A daily status report of completed work/activities is made available to the *services manager*

6 Procurement

There is a cross reference from the core clause 11.2(6) definition of Disallowed Cost to the Service Information regarding procurement procedures. This part of the Service Information MUST include any such procedures to be able to administer Disallowed Cost.

6.1 People

6.1.1 Minimum requirements of people employed

The contractor remains responsible to obtain all the required paperwork for his employees and all the required security clearances.

6.1.2 BBBEE and preferencing scheme

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

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

If the ASGI-SA requirements are to be included in this contract specify constraints which *Contractor* must comply with after contract award in regard to any ASGI-SA requirements. The ASGI-SA Compliance Schedule completed in the returnable tender schedules is reproduced here. If ASGI-SA does not apply, delete this paragraph.

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

[Insert the agreed ASGI-SA Compliance Schedule here]

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

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

6.2 Subcontracting

6.2.1 Preferred subcontractors

If the contractor subcontracts any of the services of the scope, they still remain responsible for the works of the subcontractor.

6.2.2 Subcontract documentation, and assessment of subcontract tenders

N/A

6.2.3 Limitations on subcontracting

N/A

6.2.4 Attendance on subcontractors

N/A

6.3 Plant and Materials

6.3.1 Specifications

As per issued scope of work

6.3.2 Correction of defects

Defects correction shall be done on the available opportunities when the unit is off, the contractor shall be informed of the defects in writing .

6.3.3 Contractor's procurement of Plant and Materials

Specify any constraints on how the *Contractor* is to order, codify, expedite, freight, import, transport to the Affected Property and any other requirements for delivery and storage before installation. The *Employer* may require warranties from suppliers to be in favour of the *Employer* and not just to the *Contractor*. The *Employer* may also need schedules of vendor data for his own use after the end of the *service period*.

6.3.4 Tests and inspections before delivery

All the test certificates and material cert of the delivered material shall accompany the consignment to be delivered to site. All the QCP's hold and witness points shall be observed.

6.3.5 Plant & Materials provided "free issue" by the Employer

Scaffolding shall be provided and request must be made 24hrs in advance

6.3.6 Cataloguing requirements by the Contractor

N/A

7 Working on the Affected Property

The facilities such as canteen, toilets and drinking water are given by the employer. The contractor shall familiarise themselves to the plant safety regulations associated with the plant they are working on

7.1 Employer's site entry and security control, permits, and site regulations

Security

- All site access is controlled through the designated access gate. The *Contractor* is informed of the access procedure through site regulations and that such procedures may change depending on the prevailing security situation.
- The *Contractor* will be restricted to the working areas associated with his place of work. The *Contractor* is forbidden to enter any other areas, and must ensure that his employees abide by these regulations.
- The chief protective services may with valid cause remove any of the *Contractor'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.
- The *Contractor* book in any tools, cabins, furniture, PC's, etc. at the security office before entering. The copy of the tool list needs to be kept in a safe place, as it will be the only acceptable document allowed to remove the items after contract completion.

Fire Precaution

- Any tampering with the *Employer's* fire equipment is strictly forbidden. All exit doors, fire escape routes, walkways, stairways and stair landing must be kept free of obstruction and not be used for work or storage at any time. Fire fighting equipment must remain accessible at all times.

7.2 People restrictions, hours of work, conduct and records

The Contractor will keep records of all employees. The Service Manager will have access to them at any time.

- In terms of the BCEA and LRA , all employees is afforded a fair minimum wage, including allowances for meals and transport, which has been agreed and set by the relevant bargaining councils and form part of the Act

7.3 Health and safety facilities on the Affected Property

- The *Contractor* to apply safety awareness at all times through continuous training.
- The Contractor to have a daily toolbox talks, periodic site inspections, job observations, risk assessments, safety equipment checks and safety talks with all employees.
- Medical centre facility for first aid will be provided.

7.4 Environmental controls, fauna & flora

7.5 Cooperating with and obtaining acceptance of Others

This

The Contractor might encounter other parties also doing work in the Contractor's designated work area. Co-operation and liaison between different parties are expected by the Employer.

7.6 Records of *Contractor's* Equipment

All equipment, welding panels, compressors, pneumatic tools, electrical equipment complies with a relevant SABS code of practice and all documentation related to this is made available as and when required.

7.7 Equipment provided by the *Employer*

Scaffolding will be supplied by the employer

7.8 Site services and facilities

7.8.1 Provided by the *Employer*

Portable water
Sanitary facility
Portable water
Electricity

7.8.2 Provided by the *Contractor*

All equipment needed for the performance of the work is supplied by the *Contractor*, unless specifically stipulated by the contract.

7.9 Control of noise, dust, water and waste

The contractor shall issue the required ear protection for noisy areas and the masks in dusty spaces. The waste bins are also pro

7.10 Hook ups to existing works

The work shall be happening on elevated areas and platforms and will be required to hook up at heights.

7.11 Tests and inspections

Supply, delivery and Installation of Absorber Spray Banks at Kusile Power Station

Unique Identifier:

Revision: **1**

Page: **21 of 20**

7.11.1 Description of tests and inspections

During the course of the work, the Service Manager will do inspections on the work being conducted. The Site manager is also expected to do inspections during the course of the work.

7.11.2 Materials facilities and samples for tests and inspections

8 List of drawings

8.1 Drawings issued by the *Employer*

This is the list of drawings issued by the *Employer* at or before the Contract Date and which apply to this contract.

Drawing number	Revision	Title