



NEC3 Term Service Contract (TSC3)

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

And

For **CONVEYOR BELT REPAIR, SPLICING AND PULLEY LAGGING**
AT MAJUBA POWER STATION

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

ENQUIRY No: E1127GXMPMAJ

PART C1: AGREEMENTS & CONTRACT DATA

Contents:		No of pages
C1.1	Form of Offer and Acceptance	3
C1.2a	Contract Data provided by the <i>Employer</i>	8
C1.2b	Contract Data provided by the <i>Contractor</i>	1

C1.1 Form of Offer & Acceptance

1.1 Offer

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

CONVEYOR BELT REPAIR, SPLICING AND PULLEY LAGGING for five (5) years

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

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

Options A	The offered total of the Prices exclusive of VAT is	
	Value Added Tax @ 15% is	
	The offered total of the amount due inclusive of VAT is ¹	

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*.

1.2 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.

1.3 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	None	None

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.

1.3.1.1 For the tenderer:

1.3.1.2 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

2 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	A: Priced contract with price list
	and secondary Options	W1: Dispute resolution procedure
		X1: Price adjustment for inflation
		X2: Changes in the law
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ² (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state-owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	(011) 800-8111
10.1	The <i>Service Manager</i> is (name):	Eunice Dhlamini
	Address	Majuba Power Station Private Bag X 415 Vereeniging 1930
	Tel	(017) 799-2636

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

	e-mail	msekwle@eskom.co.za
11.2(2)	The Affected Property is	Majuba Power Station
11.2(13)	The <i>service</i> is	CONVEYOR BELT REPAIR, SPLICING AND PULLEY LAGGING
11.2(14)	The following matters will be included in the Risk Register	
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference to.
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	3 days
2.1	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	One week of the Contract Date
2.2	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	
2.3	Testing and defects	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
2.4	Payment	
50.1	The <i>assessment interval</i> is	between the 25th day of each successive month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	30 days
51.4	The <i>interest rate</i> is	<p>the publicly quoted prime rate of interest (calculated on a 365-day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and</p> <p>(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall</p>

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.

2.5	Compensation events	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
2.6	Use of Equipment Plant and Materials	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
2.7	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	
2.8	Termination	NEC 3 TSC terms will be applied.
2.9	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	2 weeks
2.10	Data for Option W1	
W1.1	The <i>Adjudicator</i>	the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.
W1.4(2)	The <i>tribunal</i> is:	Arbitration

W1.4(5)	<p>The <i>arbitration procedure</i> is</p> <p>The place where arbitration is to be held is</p> <p>The person or organisation who will choose an arbitrator</p> <ul style="list-style-type: none"> - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is 	<p>the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.</p> <p>South Africa</p> <p>the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.</p>
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2.11 Data for secondary Option clauses

X1	Price adjustment for inflation	The prices offered are in Rands and are fixed and firm for the first year of the contract, thereafter in the second- and third-year prices will be adjusted as per formula below																		
X1.1	<p>The <i>base date</i> for indices is</p> <p>The proportions used to calculate the Price Adjustment Factor are:</p>	<p>Ma</p> <table border="1"> <tr> <th>Com pone nts</th><th>Weig hting %</th><th>Table</th></tr> <tr> <td>Labo ur</td><td>30.0 0%</td><td>CPI Table B</td></tr> <tr> <td>Mate rial</td><td>50.0 0%</td><td>PPI Table 1: Coke; Petroleum; Rubber and Plastic products - Rubber and Plastic Products</td></tr> <tr> <td>Tran sport</td><td>10.0 0%</td><td>PPI Table 1: Coke; Petroleum; Rubber and Plastic products - Diesel</td></tr> <tr> <td>Fixed Porti on</td><td>10.0 0%</td><td>Non-adjustable</td></tr> <tr> <td></td><td>100. 00%</td><td></td></tr> </table>	Com pone nts	Weig hting %	Table	Labo ur	30.0 0%	CPI Table B	Mate rial	50.0 0%	PPI Table 1: Coke; Petroleum; Rubber and Plastic products - Rubber and Plastic Products	Tran sport	10.0 0%	PPI Table 1: Coke; Petroleum; Rubber and Plastic products - Diesel	Fixed Porti on	10.0 0%	Non-adjustable		100. 00%	
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Fixed Porti on	10.0 0%	Non-adjustable																		
	100. 00%																			
X2	Changes in the law	There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.																		
X17	Low service damages																			
X17.1	The <i>service level table</i> is in	Page after the Z-clauses (2% of the task order value per day up to the maximum 15% of the total task order value)																		
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	R500.00 (Five hundred Rand per day)																		
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																		
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	<p>The greater of</p> <ul style="list-style-type: none"> the total of the Prices at the Contract Date 																		

		and
		<ul style="list-style-type: none"> 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
X18.4	The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	<p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <ul style="list-style-type: none"> Defects due to his design, plan and specification, Defects due to manufacture and fabrication outside the Affected Property, loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), death of or injury to a person and infringement of an intellectual property right.
X18.5	The <i>end of liability date</i> is	12 months after the end of the <i>service period</i> .
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	Two (2) days of receiving the Task Order
Z	The <i>additional conditions of contract</i> are	Z1 to Z11 always apply.

Z1 Cession delegation and assignment

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

Z2 Joint ventures

- Z2.1 If the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the *Employer* for the performance of this contract.
- Z2.2 Unless already notified to the *Employer*, the persons or organisations notify the *Service Manager* within two weeks of the Contract Date of the key person who has the authority to bind the *Contractor* on their behalf.
- Z2.3 The *Contractor* does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the *Employer* having been given to the *Contractor* in writing.

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

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

Z4 Confidentiality

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

Z5 Waiver and estoppel: Add to core clause 12.3:

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

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

- Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
 - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.
- Z6.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.
- Z7 Provision of a Tax Invoice and interest. Add to core clause 51**
- Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z7.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z7.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.
- Z8 Notifying compensation events**
-
- Z8.1 Delete the last paragraph of core clause 61.3 and replace with:
- If the *Contractor* does not notify a compensation event within eight weeks of becoming aware of the event, he is not entitled to a change in the Prices.
-
- Z9 Employer's limitation of liability**
- Z9.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.
- Z10 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":**

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

Z11 Ethics

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

Affected Party	means, as the context requires, any party, irrespective of whether it is the <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.

- Z11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Services if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor's* obligation to Provide the Services for this reason.
- Z11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Services for this reason, the amounts due on termination are those intended in core clauses 92.1 and 92.2.
- Z11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Annexure C: Table of low performance damages (X17)

Failure to meet the below requirements shall be classified as a low Performance damage and the assessment will reflect the % Penalty

Low Service Damage Description	Value of Low Service Damages	Limit of Low Service Damage
Approved QCP's to be adhered to at all times	2% of the task order issued (monthly) for any deviation affecting the performance of the service provided	Limited to 10% task order issued (monthly)
Equipment installation and maintenance to be as per OEM catalogue	5% of the task order issued (monthly) per deviation	Limited to 15% of the task order issued (monthly)
Eskom Plant Safety Regulations to be adhered to at all times. This includes that training course to be attended and authorization obtained	2% of the task order issued (monthly) Note: Work will be stopped should there be any non-adherence	Limited to 15% of the task order issued (monthly)
Housekeeping to be maintained at all times	3% of the task order issued (monthly) for each non compliance	Limited to 15% of the task order issued (monthly)
Standby call-out response time to be 45 minutes	2% of the task order issued (monthly) For each hour, the value to increase by 1% per call out	Limited to 15% per unit (individual purchase order to be issued)

Service Manager:

Signature:

Date:

Contractor Name:

Signature:

Date:

C1.2 Contract Data

3 Part two - Data provided by the Contractor

3.1 Clause	3.2 Statement	3.3 Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	% %
11.2(14)	The following matters will be included in the Risk Register	
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key people are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job: Responsibilities: Qualifications: Experience:	
		CV's (and further key person's data including CVs) are in .
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	Rands

11.2(19)	The tendered total of the Prices is
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PART 2: PRICING DATA

TSC3 Option A

Document reference	Title	No of pages
	This cover page	
C2.1	Pricing assumptions: Option A	
C2.2	The <i>price list</i>	

C2.1 Pricing assumptions: Option A

4 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 *price list* unless later changed in accordance with this contract.

(17) The Price for Services Provided to Date is the total of

- the Price for each lump sum item in the Price List which the *Contractor* has completed and
- where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Contractor* 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.

5 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.

6 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 cCoal flow in terms of clause 11.2(17).

7 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.

7.1 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*

LABOUR RATES

Item No.	Description	Qty	Unit		Normal Rate (8am - 4 pm)	After Hrs Rate (Mon-Sat)	After Hrs Rate (Sunday/P/H)	Total Amount
1	Supervisor	1	Hour					R -
2	Technician	1	Hour					R -
3	Artisan	1	Hour					R -
4	Semi-skilled	1	Hour					R -
5	Labourer	1	Hour					R -
6	Engineer/Competent Person (for site surveys)	1	Hour					R -
7	Travelling	1	Km					R -
								R -

SPLICING RATES FOR FABRIC/PLY BELTS

The following rates are fully inclusive of all labour, materials, tolls and equipment (except generators)

Item No.	Description	Qty	Class	Width(mm)	Normal Rate (8am - 4 pm)	After Hrs Rate (Mon-Sat)	After Hrs Rate (Sunday/P/H)	Total Amount
1.1	Standard Cold	1	400/3	900				R -
1.2	Hot Splice with press	1	400/3	900				R -
1.3	Hot Splice without press		400/3	900				R -
1.4	Cold - CN Foil	1	400/3	900				R -
2.1	Standard Cold	1	400/3	1200				R -
2.2	Hot Splice with press	1	400/3	1200				R -

2.3	Hot Splice without press		400/3	1200				R	-
2.4	Cold - CN Foil	1	400/3	1200				R	-
3.1	Standard Cold	1	500/3	1500				R	-
3.2	Hot Splice with press	1	500/3	1500				R	-
3.3	Hot Splice without press		500/3	1500				R	-
3.4	Cold - CN Foil	1	500/3	1500				R	-
4.1	Standard Cold	1	1000/4	2400				R	-
4.2	Hot Splice with press	1	1000/4	2400				R	-
4.3	Hot Splice without press		1000/4	2400				R	-
4.4	Cold - CN Foil	1	1000/4	2400				R	-
4.5	Finger Splice	1	1000/4	2400				R	-
5.1	Standard Cold	1	1250/3	1800				R	-
5.2	Hot Splice with press	1	1250/3	1800				R	-
5.3	Hot Splice without press		1250/3	1800				R	-
5.4	Cold - CN Foil	1	1250/3	1800				R	-
5.5	Finger Splice	1	1250/3	1800				R	-
6.1	Standard Cold	1	1250/4	2400				R	-
6.2	Hot Splice with press	1	1250/4	2400				R	-
6.3	Hot Splice without press		1250/4	2400				R	-
6.4	Cold - CN Foil	1	1250/4	2400				R	-
6.5	Finger Splice	1	1250/4	2400				R	-

SPLICING RATES FOR STEEL CORD BELTS

Item No.	Description	Qty	Class	Width(mm)	Normal Rate (8am - 4 pm)	After Hrs Rate (Mon-Sat)	After Hrs Rate (Sunday/P/H)	Total Amount
1.1	Hot Splice with press		ST630	900				R -
1.2	Hot Splice without press		ST630	900				R -

2.1	Hot Splice with press	1	ST630	1200				R	-
2.2	Hot Splice without press		ST630	1200				R	-
3.1	Hot Splice with press	1	ST800	1800				R	-
3.2	Hot Splice without press		ST800	1800				R	-
4.1	Hot Splice with press	1	ST1250	1800				R	-
4.2	Hot Splice without press		ST1250	1800				R	-
5.1	Hot Splice with press	1	ST1600	1800				R	-
5.2	Hot Splice without press		ST1600	1800				R	-
								R	-

BELT REPAIRS AND PULLEY LAGGING

Item No.	Description	Qty	Unit		Normal Rate (8am - 4 pm)	After Hrs Rate (Mon-Sat)	After Hrs Rate (Sunday/P/H)	Total Amount	
1	Generatot hire	1	Day					R	-
2	Clip Joint	0	Each					R	-
3	Belt clamping	1	Each					R	-
4	Extruder repair	1	Metre					R	-
5	Cold repair	1	Metre					R	-
6	Hot repair	1	Metre					R	-
7	Pull in of conveyor belt	1	Metre					R	-
8	Ceramic Lagging on all drive pulley	1	m2					R	-
9	12mm Rubber lagging on all non-driven pulley	1	m2					R	-
								R	-

OTHER RATES

Item No.	Description	Qty	Unit		Rate	Total Amount
1	Monthly rate for on-site Supervisor and Fault finding survey	1	Month			R -
2	Rate for dedicated full-time standby team	1	Month			R -
3	Site Establishment	1	Each			R -
4	Site De-establishment	1	Each			R -
5	Rate per belt MRI scanning	1	Each			R -
6	Contionuos 16 belt MRI scanning	1	Month			R -
7	Belt Rolling	1	Metre			R -
						R -

The total of the Prices

PART 3: SCOPE OF WORK

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

C3.1: EMPLOYER'S SERVICE INFORMATION

Contents

Part 3: Scope of Work	
C3.1: Employer's service Information	
1 Description of the service.....	
1.1 Executive overview	
1.2 <i>Employer's</i> requirements for the <i>service</i>	
2 Management strategy and start up.	
2.1 The <i>Contractor's</i> plan for the <i>service</i>	
2.2 Meetings	
2.3 <i>Contractor's</i> management, supervision and key people	
2.4 Documentation	
2.5 Invoicing and payment.....	
3 Health and safety, the environment and quality assurance	
3.1 Health and Safety.....	
3.2 Environmental constraints and management	
3.3 Quality Control and Assurance Requirements.....	
3.4 General requirements.....	
4 Procurement	
4.1 Subcontracting	
4.2 Plant and Materials	
5 Working on the Affected Property.....	
5.1 <i>Employer's</i> site entry and security control, permits, and site regulations.....	
5.2 People restrictions, hours of work, conduct and records.....	
5.3 Health and safety facilities on the Affected Property	
5.4 Cooperating with and obtaining acceptance of Others.....	
5.5 Records of <i>Contractor's</i> Equipment.....	
5.6 Equipment provided by the <i>Employer</i>	
5.7 Site services and facilities.....	
5.8 Control of noise, dust, water and waste	
5.9 Tests and inspections	
6 Service Level Table.....	
7 List of drawings.....	
7.1 Drawings issued by the <i>Employer</i>	
8 Annexure 1: Conveyor belt and pulley specifications.....	

8 Description of the service

8.1 Executive overview

The objective of this contract is for the *Contractor* to provide a 24-hour standby service for repair and splicing of conveyor belts and installation of pulley lagging, on an as and when required by the *Employer*, at Majuba Power Station. The conveyors on site are divided into the coal and ash plants, which each has its own site management and site-based maintenance service provider, which co-ordinates all the maintenance activities.

This Service is required to start 2024/11/01 for a Period of 5 (five) years.

The *Employer's* conveyor systems are regarded as Level 1 plant (of highest importance) and are therefore, critical to allow normal operations for electricity generation to continue, uninterrupted. For this reason, the *Contractor* is required to have an effective quality management system in place and be **ISO 9001** approved. Furthermore, all activities will be done as per to the level of quality management stipulated therein and also according to the Eskom procedures **GGP 1045** and **GGP 1046** (issued separately).

The *Contractor* shall provide a qualified and competent team with all the necessary equipment to do cold and/or hot repairs, cold and/or hot splicing of both fabric, ply conveyor belts and steel corded belts, Finger Splicing, with ceramic and/or rubber lagging of the conveyor system pulleys and a generator(380V) hire as and when required. The *Contractor's* team/s must always be led by an experienced splicing supervisor. The *Contractor* must possess presses and all other necessary equipment to enable hot splicing of belts up to 2400mm wide. Call-outs to site by the relevant plant section shall be done telephonically and the *Contractor* is expected to report to site within three hours for emergency work, otherwise at the time given by the client for all pre-planned work.

The *Contractor* is required to establish a site office and store at Majuba Power Station with all facilities at their expense in a location indicated by the employer.

The contractor will have identified a representative as a key person approved by the Employer on site during working hours who will report to the Contract manager and co-ordinate all activities. The Site representative must be Qualified at a minimum of Supervisor.

The *Contractor* will perform two weekly check on all belts to determine belt and splice condition, to warn in time areas of danger and concern.

The *Contractor* provides Continuous Magnetic Resonance Image (MRI) scanning Service on the Conveyor Belts Listed in this scope and on and as and when required Basis on all other Steel Cord Belt.

8.2 Employer's requirements for the service

8.2.1 Cold and/or hot belt splicing is to be performed on inclined and horizontal belts. A list of all conveyor belts and pulleys, with their specifications is supplied in **Annexure 1**. This includes belt class, width and thickness as well as all pulley dimensions and types of lagging.

8.2.2 Cold and/or hot splicing of fabric belts is to be done according to the Eskom Generation Division procedure, GGP 1045 "PROCEDURE FOR ON-SITE SPLICING OF PLIED TEXTILE CONVEYOR BELTING". Cold and/or hot splicing of steel cord belts is to be done according to Eskom Generation Procedure, GGP 1046 "PROCEDURE FOR ON-SITE SPLICING OF STEEL CORD CONVEYOR BELTING".

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

8.2.3 Cold and/or hot splicing includes pulling the belt into position for proper alignment of the two ends to be spliced. Cold splicing work includes trimming the edges of the spliced belt and performing quality checks as described in the quality control procedures. The *Contractor* shall be responsible to pull out old belts and pull in new belts, whenever required.

8.2.4 The *Contractor* must be able to perform hot splicing of belts up to 2400mm wide.

- 1.2.5 Only adhesives approved by Eskom, Majuba Power Station will be used and the bonding strength must be a minimum of 15N/mm for all belt splicing.
- 1.2.6 Each splice is to be marked with a unique number for identification. This number shall also be indicated on the invoice along with the *Employer's* Representative name.
- 1.2.7 The installation of "edge bar samples" on every splice is a compulsory requirement. This sample must be identified as per the identification number of the splice and also constructed from the same splice kit used to perform the splice.
- 1.2.8 All labour, materials, equipment, tools, transport and consumables for performing the services are to be supplied by the Contractor. In case of a belt replacement, the *Employer* shall provide the replacement conveyor belt only and make it available next to the work site. All the *Contractor's* power tools and equipment must be on a planned maintenance schedule and must be inspected before dispatched to Majuba Power Station. Access to site with equipment and tools will only be granted upon the submission of a printed tool/equipment list to the security department. Any items not on the list and brought onto site, may not be removed from site thereafter.
- 1.2.9 A Quality Control Procedure (QCP) must be prepared, approved, available and used on each and every splice, lagging and belt repair done. The completed QCP will be handed over to the client upon completion for filing. Within 24 hours after completion, the splice will be "mapped" with a Shore Hardness gauge to determine the standard specification 65 Shore A ± 5 . The splicing time must be defined "X" minutes per mm. The *Contractor* is required to ensure that the Shore Hardness test is performed for every splice and the results shall be entered on the QCP to be signed and submitted to the *Employer* before the Contractor leaves site.
- 1.2.10 The *Contractor's* Engineer, Competent Person or Site representative will conduct on-site investigative fault-finding surveys, in conjunction with the site maintenance personnel, on all conveyor belts on a two Weekly basis. This shall be performed by a competent person and reports containing the results of the survey and recommendations to address the findings, in order to improve the plant health, must be submitted to the *Employer* within one week after such survey is done.
- 1.2.11 The *Contractor* shall report to site at the time planned by the client (Majuba maintenance representative/s) otherwise the response time for a call-out shall not exceed three hours from the first telephonic notification. The respective *Contractor* must have the required equipment and personnel to provide the appropriate response and services. Low Performance Damages without an early warning will be applicable for any deviation to these requirements.
- 1.2.12 In the event that Majuba Power Station site personnel (Eskom or others) need to be used to provide Supervision, the *Contractor* will be charged at the relevant rate stated in the Service Level Table (see section 6) to recover the costs incurred. However, this stipulation shall not apply during the first three months of the contract (See section 2.3 below).
- 1.2.13 Continuous Magnetic resonance Image (MRI) Belt Scanning will be Performed on the Following Conveyor Belts:

Coal Tippler takeout Conveyors	02EAB21 and 02EAB22
Coal Overland Conveyors	00ECA12 and 00ECA22
Coal Reclaim Conveyors	00ECA11 and 00ECA21
Coal Boiler Incline Conveyors	01ECB12, 01ECB22, 02ECB12, 02ECB22, 02ECB12 and 03ECB22
Ash Overland Conveyors	01ETK10 and 02ETK10

Ash Cross Conveyors	01ETK20 and 02ETK20
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The MRI Service will have an availability of 99% with False alarms below 0.1%

The Contractor installs, Maintains and upgrades the MRI scanning Units

The Scanning Service will provide immediate notification of Deviations from the Following Parameters on each of the Listed Conveyor Belts:

- Indication of Splice deterioration or failure
- Steel Cord damage or deterioration

The Continuous scanning Device integrates a critical Alarm potential free relay into either the Majuba Outside Plant control System or and the Conveyor belt CT Systems long line protection.

9 Management strategy and start up.

9.1 The Contractor's plan for the service

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

Due to the scope of work being predominantly unplanned work, a project programme for the duration of the contract will not be possible. It is expected however, that the *Contractor* will be able to provide baseline programmes on each of the specific tasks (hot splicing, cold splicing, pulley lagging) which can be used to determine the average duration for a specific type of activity. This will be especially required where work will affect other activities on site, including during outages. Such programme will be in the form of either a Microsoft Excel spread sheet or MS Projects schedule with durations and resources stated for all the different activities/levels of work to be undertaken. Programmes must be revised whenever necessary to contain relevant information.

The *Contractor* shall also take cognisance of the fact that technical reporting and/or investigation is required at intervals stipulated in the Service Information which require the *Contractor* to provide suitably qualified and experienced personnel to undertake the site survey every 2 weeks. Proof of the competence of this person must be proven to the *Employer* beforehand.

9.2 Meetings

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

Table 2.2: Meeting Schedule

Name	Frequency	Attendance by relevant <i>Employer's</i> personnel:	Attendance by relevant <i>Contractor's</i> personnel:
Contract kick-off	Once off	Contract manager, Site supervisor/manager and/or other necessary representatives.	Contract manager, Site supervisor and/or other necessary representatives.
Early Warning	As and when notified by either party	Contract manager and Site supervisor/manager and other relevant personnel.	Contract manager and Site supervisor/manager and other relevant personnel.

Technical and/or non-conformance	At least once every 3 months	Contract manager, Site supervisor/manager and technical representative.	Contract manager, Site supervisor and technical representative.
General Safety	At least once every 3 months	Safety Representative, Contract manager and Site supervisor/manager.	Safety Representative, Contract manager and Site supervisor.
Safety Incidents	For each occurrence	Safety Representative, Contract manager and Site supervisor/manager and others involved.	Safety Representative, Contract manager and Site supervisor and others involved.

Additional ad-hoc meetings may be convened as required by either party. All meetings on site shall be recorded using the *Employer's* attendance register and minutes taken. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the *conditions of contract* to carry out such actions or instructions.

9.3 Contractor's management, supervision and key people

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

The Contractor's site representative will be required to be approved by the Employer before the contract commences. The Contractor's Site representative will be required to comply with 3.1.7 (f).

The Contractor's site representative will be available after hours telephonically.

Where the Site Representative is not available due to excessive hours worked, leave or illness a Suitably qualified alternate must be made available.

The *Contractor* shall ensure that there is a competent supervisor for all site work to perform supervision duties. The Supervisor/s shall be qualified and experienced and proof of this must be submitted within one week of the contract start date. The *Contractor* shall ensure that his Supervisor/s become authorized as Authorised Supervisor/s (AS), in terms of the Eskom Plant Safety Regulations (PSR) within 12 weeks of the contract start date. This authorisation is obtained by attending a course which includes written evaluations (allow 5 days duration) and undergoing a verbal evaluation (1 to 2 hours) within three months after course results indicate that the Supervisor has passed. As authorisations are valid for two years only, the *Contractor* must ensure that Supervisors are re-authorised before the authorisation lapses. The necessary training and evaluations will be provided by Majuba free of charge and the *Contractor's* Supervisors must be available to attend, when the course is scheduled. If the *Contractor's* Authorised Supervisor/s is not available on site, this implies that work may not be done and therefore Low Service Damages will be charged.

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

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

9.4 Documentation

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

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

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

- 2.4.2 The *Contractor* shall provide Eskom with a completed quality control procedure (QCP) and work report / job card for each and every job undertaken and this must include technical specifications, findings, space for the client to sign off and comment and include any other relevant information required by the client. The *Contractor* shall always have the approved safety file on site with all current and relevant documents. Working without a safety file and QCP is not allowed on site and the *Employer* can claim delay damages if this occurs, as the *Contractor* will be sent off site and can only return once the required documentation is available and in order.
- 2.4.3 All other documentation issued to the *Contractor* must be duly completed and returned to the *Employer*.
- 2.4.4 The conditions of this Contract are to be taken as the Agreed term. NO other terms and conditions are to appear in the Contractor job cards, Quotations, invoices or any other standard documentation.

9.5 Invoicing and payment

- 2.5.1 A purchase requisition number shall be supplied to the *Contractor* prior to any work undertaken on site. The *Contractor's* supervisor shall ensure that a job card is correctly completed with all the relevant information including date, start time, completion time, waiting time (if applicable), plant description and KKS number, description of the work undertaken and spares/consumables used, including quantities thereof. A signed copy shall be handed to the site representative to check, sign off and retain a copy.
- 2.5.2 Within one week of the work being done, the *Contractor* shall supply a quote/delivery note and a job card reflecting the tasks undertaken, plant description and KKS number and costs, as per the price schedule items. This is necessary for the *Employer* to conduct an assessment of services provided by the 25th of every month and create purchase orders.
- 2.5.3 Within one week of receiving a payment certificate (contract assessment) from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice showing the amount due for payment equal to that stated in the *Service Manager's* payment certificate.

The *Contractor* shall address the tax invoice to:

Accounts Payable Services
Eskom Holdings SOC Limited
Majuba Power Station
Private Bag 9001
Volksrust
2470

- 2.5.4. The following information must be included on each invoice submitted (either personally or by post):
- 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

10 Health and safety, the environment and quality assurance

10.1 Health and Safety

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

3.1.1 Eskom Life Saving Rules

Five Life Saving Rules have been developed that will apply to all Eskom employees, agents, consultants and *Contractors*.

- Rule 1: Open, Isolate, Test, Earth, Bond, And/Or Insulate before touch - that is any plant operating above 1000 V.
- Rule 2: Hook up at heights - no person may work at height where there is a risk of falling.
- Rule 3: Buckle up – no person may drive any vehicle on Eskom business and/or on Eskom premises: unless the driver and all passengers are wearing seat belts.
 - Eskom takes a "ZERO TOLERANCE" attitude to drivers and passengers who do not wear safety belts when driving in any vehicle on Eskom Business and/or on Eskom premises. The violation of this very important safety rule as well as any safety rule while performing work for or on behalf of Eskom may result in Eskom terminating your obligation to perform work in terms of your contract with Eskom.
 - All occupants must wear their safety belts properly, and must never put the shoulder belt under their arm or behind their backs. Drivers and all passengers must buckle-up at all times for the sake of themselves and their families.
- Rule 4: Be sober -no person is allowed to work under the influence of drugs and alcohol.
- Rule 5: Use a permit to work – where an authorization limitation exists, no person shall work without the required permit to work.

3.1.2 Plant Safety Regulations

- a) The *Employer* shall arrange the isolation of the plant from all sources of danger as described in the Plant Safety Regulations. The Permit to Work shall be issued to the Responsible Person (RP) (site Maintenance staff/client) and be shown to the *Contractor* with the risk assessment, indicating which plant has been isolated and any special conditions applicable.
- b) The RP shall enter all the names of the *Contractor* workers in the Worker's Register and explain the work requirements and dangers.
- c) The *Employer* shall, on request, make available a copy of the latest revision of the Plant Safety Regulations to the *Contractor*.
- d) All work on plant is governed by the Plant Safety Regulations and *Contractors* must comply fully – No permit to Work available implies that no work may be done.

3.1.3 Fire Precautions

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

3.1.4 Reporting of incidents

- a) The *Employer* follows an incident prevention policy which includes the investigation of all incidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incident. The *Contractor* is expected to co-operate fully to achieve this objective and have his own incident reporting system which is compatible to the site system. The *Employer's* Representative must be informed **immediately** of all safety incidents including fatalities, medicals and first aids and near misses. Any damage to property or equipment must be reported to the *Employer's* Representative as soon as reasonably practicable but not later than 4 hours after the incident. A Summary of the Incident is to be Submitted to the Employer's Representative within 4 hours of the Incident.

- b) NOTE: The above-mentioned reporting does not relieve the *Contractor* of his legal obligation to report incidents to the Department of Labour, or to keep records in terms of the Occupational Health and Safety Act, and Compensation for Occupational Injuries and Diseases Act and to perform investigations of all incidents.
- c) The *Contractor* must provide the Safety Risk Officer with a monthly safety statistics report by the first working day of every month, even if no incidents have occurred.

3.1.5 Vehicle Safety

- a) Drivers, passengers and pedestrians must obey safety requirements in terms of the National Road Traffic Act, No 93 of 1996, as amended, including other relevant provincial or local requirements.
- b) All drivers must possess a valid, national driver's licence of the correct category/class, must not be under the influence of alcohol or other drugs which will impair the senses and must be authorised by the *Contractor* to drive the company vehicle.
- c) All vehicles must be roadworthy and vehicle specifications must include at least front airbags for the driver and the front passenger and an anti-lock braking system (ABS).
- d) All vehicles must be driven with due consideration for personnel and property. A maximum speed limit of 40 km/hour will be adhered to on the premises at all times.
- e) Transportation of passengers on the back of open or closed light delivery vehicles (LDVs), trailers, trucks or any other form of transportation is not allowed. It is a legal requirement for all *Employers* to provide safe transportation of all employees both on and off site.
- f) No person may be transported in the back of vehicles closed by means of canopies, unless provided with factory-fitted or manufactured-approved, proper seating and safety belts, i.e. crew cabs.
- g) Drivers and others entering Majuba Power Station will be subjected breathalyser testing.
- h) The driver/s must ensure that their passengers are seated and wear seatbelts at all times.
- i) Tools and equipment in vehicles must always be properly secured.

3.1.6 Barricading / Screens and Scaffolding

- a) The *Contractor* shall be responsible to adequately barricade off working areas and display warning signs to ensure that people and plant are not exposed to danger or to prevent access to work areas.
- b) The *Employer* will supply scaffolding and barricading if with at least 24 hour notice given. Tampering, adjustment, moving or dismantling of any approved scaffold is not allowed – this may only be done by the scaffolding service provider.
- c) The *Contractor* will provide a suitable Splicing Enclosure capable of ensuring that the Temperature, Humidity and Dust conditions are within the acceptable range as per the Eskom Procedures **GGP 1045** and **GGP 1046**. Any additional equipment required to maintain the Environment within the enclosure according to the above requirements are to be provided at the *Contractors* cost and must be capable of maintaining the environment in all weather conditions.

3.1.7 Health and Safety Arrangements

- a) The *Contractor* shall comply with the guidelines set out in the Majuba Standard **BIA/RM/STD/01** titled "**Safety, Health and Environmental specification to be met by Contractors**"
- b) The *Contractor* must ensure that all his personnel attend a Health and Safety Induction Course prior to starting with the works. A one hour course will be provided free of charge by the *Employer* and will be valid for the duration of one year. It is the *Contractor's* responsibility to make an appointment for the induction and ensure that re-induction is done timeously.
- c) Safety Risk Management has the right and authority to visit and inspect the *Contractor's* workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.
- d) The *Employer's* Representative shall be entitled to instruct the *Contractor* to stop work, without penalty to the *Employer*, where the *Contractor's* personnel fail to conform to safety standards or contravene health and safety regulations. The *Employer's* Representative is entitled to instruct the *Contractor* to discipline his employees, to enforce disciplinary action and to submit a report to the *Employer's* Representative. The *Contractor* shall implement additional health and safety precautions wherever necessary.
- e) The following Health & Safety requirements should be complied with:

- The *Contractor* is required to supply a Certificate of Competency for his/her employees if the work will be done under the following conditions:
 - Confined Spaces
 - Heights
 - Heat stresses
 - Cold stresses
 - The *Contractor* to provide the *Employer* with a signed register as proof of free issue of adequate Personal Protective Equipment (PPE) to be used by his/her employees (preferably SABS approved). Additionally, the *Contractor* shall provide overalls for his staff with clearly identifying motifs depicting the company name.
 - Sub-*contractors* - the principal contractor must request approval for the use of any sub-contractor. Proof must be given to Eskom that the sub-contractor/s have the necessary competence and resources to carry out the work safely and to ensure that due care of the environment will be exercised.
 - Medical certificate of fitness shall be issued by a Registered Occupational Health Medical Practitioner only.
- f) The *Contractor* appoints a person, qualified in accordance with the SHE Requirements, as the liaison with the Eskom Safety Officer for all matters related to health and safety and this person shall be contactable telephonically 24 hours a day.
- g) The *Contractor* confirms that it has been provided with sufficient written information regarding the health and safety arrangements and procedures applicable to the Services to ensure compliance with it and all employees, agents, Subcontractors or mandataries with the SHE Requirements while providing the Works in terms of this contract. As such, the *Contractor* confirms that this contract and the relevant Eskom Regulations referred to in this contract constitute written arrangements and procedures between the *Contractor* and the *Employer* regarding health and safety for the purposes of section 37(2) of the OHSA.

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

10.2 Environmental constraints and management

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

- 3.2.1 The *Contractor* will be required to ensure that all works are carried out as per the **ISO 14001** standard and **Majuba's Environmental Policy, BIA/ENV/04 and Waste management Policy, BIA/ENV/01**. The following environmental requirements are complied with at all times:
- Zero liquid effluent discharge.
 - No chemicals will be dumped into the station drains or on the premises.
 - No oil or waste will be dumped in an unauthorised area or unlicensed waste site.
 - Asbestos will be handled and stored according to Act 15 of 1973 (Hazardous Substances Act).
 - No materials or waste will be burnt on site. Hazardous substances shall be handled and stored according to the hazardous substances Act no 15 of 1973. No effluent shall be discharged into the public streams.
 - *Contractors'* activities/ services shall be carried out as per the above procedures and **BIA/RM/STD/01**
- 3.2.2 The *Contractor* will be responsible for complying with any new environmental requirements, relevant to the Services Information that may come into effect as part of Majuba Power Station's Environmental Management System (EMS) during the duration of this contract.
- 3.2.3 In order to protect Eskom's environmental interests whenever a product or service is provided by a *Contractor*, the *Contractor* complies with all relevant and appropriate environmental legal requirements contained in governmental notices, laws and regulations promulgated by the central end provincial governments.

- 3.2.4 The *Contractor* also accepts all responsibilities, accountabilities and liabilities associated with such legal requirements, unless specifically excluded from a contract by a mutually acceptable written agreement.
- 3.2.5 Hazardous substances
If product is classified as a hazardous substance, material safety data sheets (MSDS) must accompany delivery/use. In accordance with the Occupational Health and Safety Act (OHSA), Act 85 of 1993 section 10 and 11. If any hazard is identified by the *Contractor*, he must immediately inform the *Employer*.

10.3 Quality control and assurance requirements

The *Contractor* must possess an accredited Quality Management System. A pre-approved Quality Control Plan (QCP) is to be used for the tasks at hand, as per the issued Eskom procedures **GGP 1045** and **GGP 1046**.

- 3.3.1 Proof of the *Contractor's* personnel competency in terms of Regulation 18 (5 and 6) of the OHS Act is required by the *Employer*.
- 3.3.2 The *Contractor* will additionally comply with the *Employer's* Quality Requirements as specified in Standard **QM58**. This includes the *Contractor's* ISO 9001 Registration Certification of Compliance
- 3.3.3 All quality control documentation must be submitted to the Project Manager/ *Employer's* Representative/ *Employer's* Agent within two weeks after contract award for written approval.

10.4 General Requirements

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

- 3.4.1 The *Contractor* shall operate under the direction and instructions of the *Employer* or such appointed person/s who may give instruction without transgression of the contract, any legislation and regulations including the Occupational Health and Safety Act and the Generation Plant and Safety Regulations.
- 3.4.2 The *Contractor* shall maintain a high standard of workmanship as expected by the *Employer* and shall comply with any quality assurance and quality procedures implemented by the *Employer*.
- 3.4.3 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.
- 3.4.4 The non-compliance of the *Contractor* in terms of safety and quality requirements is claimable as Low Services Damages by the *Employer*. It is the *Contractor's* responsibility to clarify all requirements and ensure that compliance is maintained during the contract period.
- 3.4.5 The *Contractor* shall comply with all local and statutory labour laws (LRA, BCEA UIF etc) and agreements and shall promptly attend to any labour grievances that may arise. The *Contractor* shall not remunerate employees at less than the proclaimed statutory wage (Minimum Wages Act). Failure in this regard will result in non-performance and therefore immediate termination of the contract.

11 Procurement

11.1 Subcontracting

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

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

The *Employer* reserves the right to limit Sub Contracting of work to less than 5% on the value of the contract.

11.2 Plant and Materials

11.2.1 Correction of defects

All defects to be repaired within 3 days. Penalties listed in section 6 (Service level table).

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

Scaffolding, forklifts and/or cranes will be provided without cost to the *Contractor* upon the *Contractor's* request, if available at the time. These may only be installed/operated by persons who have authorisation to do so. Conveyor belts for inserts and belt replacement will be provided by the *Employer* as free issue.

12 Working on the Affected Property

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

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

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

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

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

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

5.1.1 Security and Access Arrangements

- a) The *Contractor* may apply for a temporary or permanent photo permit (if on site for longer than two months) as well as vehicle permits at the Security office, after completing induction.
- b) The following information is required for permits to be approved (temporary permit forms will be provided by the Safety Risk Officer conducting the safety induction):
 - o Employee name and ID Number
 - o Company
 - o Contract validity date
 - o *Employer's* Representative signature
 - o Copy of the first page of the ID book of each employee
- c) The *Contractor's* personnel will be required to be in possession of their access permit at all times and will produce them at the security gate on every occasion or whenever requested. All *Contractors'* permits must be returned to Protective Services when the relevant personnel leave the site permanently and upon Completion of the services. Any lost photo permits will be paid for by the *Contractor*.
- d) The *Contractor's* visitors and all personnel shall conform at all times, to the security arrangements in force at the time. Application forms for visitors must be completed by the *Contractor's* Site Manager and approved by the *Employer's* Representative at least one day before the visit and submitted to the Protective Services office. Visitors will not be allowed on site if the necessary forms are not in the possession of security staff.
- e) Protective Services may with valid cause, remove any of the *Contractor's* personnel from the site, either temporarily or permanently. Access may be denied to site to any person, whom in the

opinion of Protective Services, constitutes a security risk. No compensation is claimable by the *Contractor* if this occurs.

- f) No unauthorised vehicles will be allowed on site. Only *Contractor's* vehicles with contract vehicle permit disks will be allowed on site. Contract Vehicle Permit Applications should be directed to the *Employer's* Representative.
- g) The *Contractor* will be restricted to the working areas associated with his place of work. The *Contractor* is forbidden to enter any other area, and must ensure that his employees abide by these regulations.
- h) Parking inside the Power Station buildings or in front of driveways, doors and gates is strictly forbidden, except for loading purposes.
- i) No recruiting of casual labour may be done on the *Employer's* premises, including the area outside the Power Station security gate.

12.2 People restrictions, hours of work, conduct and records

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

5.2.2 Majuba Power Station normal working hours are:

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

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

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

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

12.3 Health and safety facilities on the Affected Property

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

12.4 Cooperating with and obtaining acceptance of Others

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

12.5 Records of *Contractor's* Equipment

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

12.6 Equipment provided by the *Employer*

The *Employer* will provide replacement conveyor belts if the belt has to be replaced or inserts are required. Scaffolding can be supplied after notification and call-out of the relevant scaffolding service provider. Other equipment such as forklift and cranes may be supplied upon request and if available at the time on site.

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

12.7 Site services and facilities

12.7.1 Provided by the *Employer*

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

12.7.2 Provided by the *Contractor*

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

Ablution and other facilities for the *Contractor's* site office.

12.8 Control of noise, dust, water and waste

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

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

12.9 Tests and inspections

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

13 Service Level Table

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

Table 6: Service Level Table for Low Service Damages

No.	Description	<i>Employer's</i> Requirement	Damages payable by <i>Contractor</i>
1	Approval of safety file	Within 2 weeks of contract start date.	R500.00 per day without approved safety file.
2	Approval of Quality Management System	Within 2 weeks of contract start date.	R500.00 per day without approved quality file.
3	Defect correction	Within 3 days of notification	R 5000 per day until the defect is repaired.
4	Authorisation of Supervisors	Within 3 months of contract start date.	R750.00 per day without an Authorised Supervisor.
5	Arrival on site for call-out	Within 3 hours of call-out.	R1,000.00 per hour of delay or part thereof.
6	Late Submission of Site Survey	Submission every 15 weeks.	R500.00 per day of delay.
7	Excessive Task Duration	Within the time specified by Splicing Procedure or Time line indicated of <i>Contractor's</i> plan as approved By the <i>Employers</i> Representative.	R500.00 per hour of extended Duration or the value of the Splice Whichever value is lower

14 List of drawings

7.1 Drawings issued by the *Employer*

The following drawing will be issued to the appointed *Contractor*.

Drawing number	Revision	Title
0.66/95088 Sheet 1	Rev5	Coal and Ash handling Systems Conveyor Plant Layout and Schedules Flow Diagram