

SCOPE OF WORK

The Service is the Provision of Logistics and Safety Management Services for Eskom's coal and limestone transportation operations, consisting of approximately 45 million tonnes transported per annum from 46 Designated Loading Points to 16 Designated Offloading Points, on approximately 3100 trucks, primarily in the Mpumalanga Province, for a period of 3 (three) years with an option to extend at Eskom's sole discretion, for a further 2 (two) years.

Employers' Requirements for the Service

1. Provision of safety, tamper evident seal and queue management services at various Designated Offloading Points including:

- Monitoring Verification, recording, removal and storage of tamper evident seals
- Immediate reporting on the absence, incorrect installation or incorrect details of tamper evident seals prior to removal
- The provision of associated personnel shelter, site infrastructure and facilities required to provide the Service
- The provision and management of toilet facilities for truck drivers along truck queues
- The provision and management of rubbish bins along truck queues
- Hourly reporting on volumes of coal and limestone received
- The management of congestion along truck queues:
 - The management and optimisation of truck turnaround times at offloading points.

2. Provision of monitoring and reporting services to monitor and report on (including Truck GPS tracking data) all safety-related issues on Designated Routes, including:

- Monitoring and reporting of Trucks on designated routes
- Monitoring and reporting Truck adherence to designated routes
- Ensuring the security of coal and limestone on route to prevent theft or fraud
- Monitoring and reporting Driver behaviour not complying to Eskom's requirements
- Reporting of incidents, gathering of preliminary incident information and assisting in compiling of incident reports
- Identification and reporting of Designated Route risks
- Monitoring and reporting on DPU transporter GPS tracking information

Noting that the abovementioned requirements are subject to changes in business processes as a result of Eskom's project to move the payment point for all coal received to the power station (Movement of Payment Point Project). Should this project be implemented during the tenure of the contract, Eskom may require certain changes to the activities set out above, which may reduce pricing at that point.

3. Provision of Transport safety management services, including:

- Performing periodic or incidental Driver safety induction training, verification of medical certificates and issuing of induction permits
- Performing periodic or incidental Truck roadworthy inspections and issuing of windshield permits
- Development and maintenance of a Truck and Driver database as a central information repository for contracted Trucks and Drivers.
- The operation and maintenance of a dedicated telephone number for public reporting of coal transport related incidents.

4. Provision of operational data management and logistics advisory services including:

- Capturing of coal and limestone production and delivery information
- Production and issue of daily coal and limestone reports
- Provision of Logistics advisory services to PE Logistics (to optimise the coal and limestone haulage operation to achieve efficiency improvements.)

In providing the Service, the Contractor shall comply with the provision of all relevant health, safety and environmental legislation applicable to them. In addition, the Contractor shall comply with Eskom's health and safety rules, codes of practice and all other relevant safety policies and procedures.

Table 1 List of Abbreviations and Defined Terms

Defined Term	Meaning given to the defined terms
Accident	An incident that results in serious injury, harm or damage. (See Incident)
Colliery	Any of the mines or coal and limestone suppliers that Eskom contracts with for the supply of coal or limestone to any of its Power Stations. See also "Designated Loading Point".
Contract Fleet	The fleet of Trucks registered with the employer to transport coal and limestone.
Designated Loading Point	Any of the Collieries, to be communicated by the <i>Employer</i> to the Contractor and as may be altered by the <i>Employer</i> from time to time, as determined by, amongst other factors, the availability of coal or limestone, coal quality, weather conditions, road conditions and operational requirements.
Designated Offloading Point	The stockyard at the power station, Rail Siding or any other stockyard designated by the <i>Employer</i> , which the <i>Employer</i> may alter from time to time.
Driver	Eskom registered and approved Truck operators in the employ of the coal or limestone Transporters. Drivers carries the same meaning.
Incident	Any unplanned event that could, or does result in harm, damage, and/or degradation or gives rise to an accident or has the potential to lead to an accident, including safety and environmental incidents.
FCA	The Incoterm; "Free Carrier At the Designated Loading Point" which refers to the Colliery transferring the coal or limestone into the custody of the <i>Employer</i> at the Designated Loading Point. (FCA Transporters are contracted to the <i>Employer</i> .)
DPU	The Incoterm "Delivered at Place Unloaded" (DPU) (formerly referred to as DAT for "Delivered at Terminal") requires the seller to deliver the goods at the disposal of the buyer after they've been unloaded from the arriving means of transport.
Hazard	Means a source of or exposure to danger;
Incoterm	The standard trade definitions used in sales contracts published by the International Chamber of Commerce as the year 2000, as amended or replaced from time to time.

Defined Term	Meaning given to the defined terms
Accident	An incident that results in serious injury, harm or damage. (See Incident)
Power Station	One of the premises at which the Designated Offloading Point may be located where Eskom may direct the others to transport coal or limestone to from time to time in writing.
Rail Siding	Designated Offloading Point where coal or limestone is loaded onto trains by others for further transport to Eskom Power Stations.
Safe	Means free from any hazard
Tarping	The action of opening or closing Truck tarpaulins at the Designated Loading Points and Designated Offloading Points.
Third Party Logistics	Third-party logistics (abbreviated as 3PL, or TPL) in logistics and supply chain management is an organization's use of third-party businesses to outsource elements of its distribution, warehousing, and fulfilment services.
Logistics Service Provider	A firm that provides outsourced logistics services to client companies for part, or all of their supply chain management functions.
Tracking Device	Tracking, identification and monitoring devices fitted to Contracted Fleet for the purposes of safety monitoring, tracking, identification, communication, or for any purpose related to the service.
Transporter	The party contracted by either the <i>Employer</i> or the Colliery, to transport coal or limestone.
Truck	Those trucks owned by Transporters and registered on Eskom's database as part of the Contract Fleet.
Waybill	Official shipping document that travels with a shipment; identifies its consignor, consignee, origin and destination, describes the goods, and shows their weight and freight.