



NEC3 Term Service Contract (TSC3)

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

and **Signature Business Communication**
(Reg No.2002/017329/07)

for **Provision for Labour Broker Services for Drilling
and General Plant Maintenance at Majuba UCG
Project**

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Contract No.

PART C1: AGREEMENTS & CONTRACT DATA

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C1.1 Form of Offer & Acceptance

Offer

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

Provision for Labour Broker Services for Drilling and General Plant Maintenance, at Majuba UCG Project

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	R
	Value Added Tax @ 15% is	R
	The offered total of the amount due inclusive of VAT is	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:

Name & signature of witness

Date

Tenderer's CIDB registration number:

Not applicable

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**

Majuba UCG Project
Farm Bergvliet
Majuba Mine Building

Name &
signature of
witness

Date

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

No.	Subject	Details
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.

	For the tenderer:	For the Employer
Signature
Name
Capacity
On behalf of	<i>(Insert name and address of organisation)</i>
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	A: Priced contract with price list W1: Dispute resolution procedure X2 Changes in the law X18: Limitation of liability X19: Task Order
	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
10.2	The <i>Service Manager</i> is (name):	Matsebela Mosoatsi
	Address	Eskom Holdings SOC Limited PO Box 382 VOLKSRUST 2490
	Tel	+27 11 800 3808
	Fax	086 664 1155
	e-mail	DuvenaLD@eskom.co.za
11.2(2)	The Affected Property is	Majuba Underground Coal Gasification
11.2(13)	The <i>service</i> is	Provision for Labour Broker Services for Drilling and General Plant Maintenance , at Majuba UCG Project
11.2(14)	The following matters will be included in the Risk Register	Labour unrest Economic instability / collapse

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

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	7 working days
2	The Contractor's main responsibilities	Provision for Labour Broker Services Drilling and General Plant Maintenance at Majuba UCG Project
21.1	The <i>Contractor</i> submits a first plan for acceptance within	7 Days of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	TBA
30.1	The <i>service period</i> is	. 18 Months
4	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
5	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	2 weeks.
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 Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted <i>mutatis mutandis</i> every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.</p>

6	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
7	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
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	N/A
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/InsurancePoliciesProcedures/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/InsurancePoliciesProcedures/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:	N/A
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/InsurancePoliciesProcedures/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	N/A
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. In case of non-compliance this contract will be terminated as per additional clauses of contract.
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	2 weeks.
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).
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	
	- if the arbitration procedure does not state who selects an arbitrator, is	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.
12	Data for secondary Option clauses	
X2	Changes in the law	South African Law.
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	<p>The greater of</p> <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 http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
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	6 week 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	3 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 Ethics

Z4.1 Any offer, payment, consideration, or benefit of any kind made by the *Contractor*, which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the *Contractor's* obligation to Provide the Service or taking any other action as appropriate against the *Contractor* (including civil or criminal action).

Z4.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if the *Contractor* (or any member of the *Contractor* where the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the *Employer* or other people or organisations and including in circumstances where the *Contractor* or any such member is removed from the an approved vendor data base of the *Employer* as a consequence of such practice.

Z4.3 Notwithstanding the provisions of core clause 90.2, the procedures on termination in terms of this clause are P1, P2 and P4 as stated in the core clause 92 and the amount due is A1 and A3 as stated in core clause 93.

Z5 Confidentiality

Z5.1 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.

Z5.2 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*.

Z5.3 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.

Z5.4 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*.

Z5.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z6 Waiver and estoppel: Add to core clause 12.3:

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

Z7 Health, safety and the environment: Add to core clause 27.4

Z7.1 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.

Z7.2 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.

Z8 Provision of a Tax Invoice and interest. Add to core clause 51

Z8.1 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.

Z8.2 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.

Z8.3 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.

Z9 Notifying compensation events

Z9.1 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.

Z10 *Employer's limitation of liability*

Z10.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)

Z10.2 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.

Z11 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

Z11.1 or had a business rescue order granted against it.

Annexure A: Insurance provided by the Employer

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.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

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): Signature Business Communication Address Tel No	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	Not applicable
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:	The scope of work
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 PART 3
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	CC.2 the Price list
11.2(19)	The tendered total of the Prices is	R

PART C2: 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>	1

C2.1 Pricing assumptions: Option A

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 andwhere 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.

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.

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).

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.

Format of the *price list*

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

Description	Unit of Measure	Expected Quantity	Rate	Price
<u>Preliminaries and Generals</u>				
Compliance to Health and Safety (SHEQ)	Sum	1		
Medical Examination (Entry and exit)	Sum	2		
Provision of Personal Protective Clothing	Sum	1		
Transport Home Work Home	Month	18		
Monthly Management Overheads	Month	18		
Description	Unit of Measure	Expected Quantity	Rate	Price
LABOUR				
Driller (As and when required)	Hour	1440		
Drilling Assistant (As and when required)	Hour	1440		
Artisan Fitters & Turners	Hour	3240		
Artisan Electrician	Hour	3240		
Safety Officer (As and when required)	Hour	1440		
Senior Clerical Services	Hour	3240		
Fee (%)	Sum	1		
The total of the Prices			R	

PART C3: SCOPE OF WORK

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Employer's Service Information</i>	8
	Total number of pages	9

C3.1: EMPLOYER’S SERVICE INFORMATION

1 Description of the service

1.1 Executive overview

The Provision for Labour broker services to provide drilling and maintenance Services is required at Majuba Underground Coal Gasification (UCG) site. The service provider provides labour for executing the works as defined in the scope of works.

1.2 Employer’s requirements for the service

The Provision for Labour broker services for drilling and maintenance Services at the Majuba Underground Coal Gasification Project site shall consists of the following:

List of Skills required on contract:

- The following is a complete list of skills we have on the current contract. The grey highlighted skills are the only skills still on site busy with rehabilitation activities.

Position	Qty	Qualifications	Experience
<i>Drillers</i>	2	<i>Grade 12 + on site drilling competency</i>	<i>>5 years borehole drilling experience</i>
Driller Assistants	1	Grade 12 + on site drilling competency	>5 years borehole drilling experience
<i>Artisan Fitters & Turner</i>	1	<i>Grade 12 / N3 + a completed trade test</i>	<i>>5 years post qualification fitting & turning experience in an industrial environment</i>
<i>Artisan Electrician</i>	1	<i>Grade 12 / N3 + a completed trade test</i>	<i>>5 years post qualification electrical experience in an industrial environment</i>
Safety Officer	1	Grade 12 + NADSAM diploma or equivalent + NOSA training	>5 years safety risk experience in an industrial environment
Senior Clerical services	1	Grade 12, SAP, MS office pack competency, telephone etiquette.	>5 years related office experience

Drilling Services

Eskom Majuba UCG shall provide **Super Rock Drill 5000 Rig** for the execution of drilling services. Eskom shall also provide all other equipment required for the execution of these services. The service provider’s drillers and artisans must be able to execute the following tasks:

- Core Drilling – NQ to 300m depth
- Percussion drilling according to Eskom procedure and specification
- Casing installation and grouting
- Cementing of wells
- Drilling and completion of groundwater monitoring wells
- Operating Super Rock Drill 5000
- Operating Cement Unit

- h) Operating Coil Tube Unit
- i) Operating HP Ingersoll Rand Compressors
- j) Operate a Tractor with a Heavy Duty Trailer.
- k) Operating High up lifting machine
- l) Operating Manitou Lifting Machine

Eskom requires proof of competency and experience in operating and maintenance all machinery listed above.

1.2.2 Mechanical Maintenance Services

The following general plant and machinery maintenance services shall be provided by artisans in order to ensure that machinery and plant assets are operational and available for use. Mechanical maintenance on:

- a) Super Rock Drill 5000 Rig and auxiliary equipment
- b) LP/HP Booster compressors
- c) Pumps
- d) Cement Unit
- e) Valves and gas pipeline
- f) GTP and WTP plant configuration
- g) All on site machines as given in the tables below

Table 1. Operations Machine list

Generators

Name	Model	Number
Bundu Generator		2
Mosa Generator	300 and 350	2 X 2
Ops Diesel Generate	100 KV	1
Volvo Generator		1

Compressors

Name	Model	Number
IR Compressor 1070	1070	4
CompAir Compressors	L250	8
Hurricane Booster compressors		2

Pumps

Name	Model	Number
Fire fighting skid units		4
Honda water pumps		4
KSB pumps		3
VSD HP pump (Drilling)		2
HP high pressure pumps (Fracking pumps)		3

Name	Model	Number
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Rod trailer high-up	Drilling	1
Breaker Bench Hammers	Drilling	1
Concrete mixer	Drilling	1
Casing tongs	Drilling	1

1.2.3 Electrical Maintenance Services

- a) Substation and switchgear operating and maintenance
- b) Low Voltage systems maintenance
- c) HV Overhead lines maintenance
- d) Switching, linking, operating HV network

1.2.4 General Building Maintenance

General maintenance on buildings infrastructure and minor civils works.

Additional Requirements:

- The Service Provider will be instructed to work as per works order in terms of the price list to supply labour for work identified by the Service Manager or his delegate for drilling and maintenance services at the Eskom Majuba UCG Mine. Maintenance work shall be performed on all assets which shall include Bergvliet Mine offices and Site Offices and all other related areas of the project.
- The Service Provider will be required to supply a SHE file for approval prior to starting of work.
- The Service Provider must always provide a sufficient number of personnel as required by each task order within 48 hours. The Service Provider will also inform the Employer as soon as possible of any employee that will not commence duty on a daily basis, with regards to annual leave and sick leave.
- The Service Provider must work according to the Employer's working hours and will ensure that his staff has communication tools to enable the Service Manager to communicate at all hours with the Supervisor or his representative.
- Service Provider will supply a monthly attendance register (time sheet) to the Employer at a given time indicated by the Employer. Employees will also complete a daily Emergency Preparedness registers.
- The Service Provider must provide all necessary personal protective equipment (PPE). Service Provider Staff not wearing suitable PPE will be expelled from site. PPE to be added on the price list on a yearly basis. PPE to be supplied by the Service Provider every six months. Hearing protection and dust masks to be supplied by the Employer.
- Drivers will comply with the Road Traffic Act No 93 of 1996. No driver will be allowed to drive any Eskom Machinery or Vehicles without a valid Eskom's Drivers Permit.
- The *Service Provider shall* provide transport (Home –Work –Home) for its own employees
- Please note the Service Provider must comply with the Basic Conditions of Employment Act and Labour cost must include Public Holidays, leave and sick leave.

- The contractor will be required to sign a non-disclosure agreement.
- All Service Provider personnel engaged on Site are required to do induction and Ethics Awareness Training at Majuba UCG Mine Offices.
- The service provider shall comply with all the statutory safety training which may include the following; Working at height training, Safety Rep Training, Fire Fighting Training, First Aider Training, Manitou Driver Training and certification, High Voltage Regulations Training
- Medical certificate must be supplied by the *Service Provider* on a yearly basis.

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
GTP	Gas Treatment Plant
HP	High Pressure
HV	High Voltage
MSDS	Material Safety Data Sheet
PPE	Personal Protective Equipment
SHE	Safety Health & Environment
UCG	Underground Coal Gasification
WTP	Water Treatment Plant

2 Management strategy and start up.

2.1 The Service provider plan for the service

The contractor provides all candidates of all labour as required in the scope of works.
 The employer evaluates and approves the candidates that are proposed for each position.

2.2 Management meetings

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

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	As and when required	Majuba UCG	Directors and supervisor of Contractor
Overall contract progress and feedback	Monthly	Majuba UCG	<i>Employer, Contractor</i> —
SHE meetings	Monthly	Majuba UCG	<i>Employer, Contractor</i>

Ethics Awareness	As and when required	Majuba UCG	<i>Employer, Contractor</i>
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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.

2.3 **Contractor's management, supervision and key people**

- *Contractors'* employees to adhere to Eskom transport policy.

2.4 **Provision of bonds and guarantees**

Not applicable

2.5 **Documentation control**

Not applicable

2.6 **Invoicing and payment**

Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Employer* will provide an Assessment to the Contractor for signature. The *Contractor* provides the *Employer* with a tax invoice thereafter showing the amount due for payment equal to that stated in the *Service Manager's* payment certificate and / or time sheets

The *Contractor* shall address the tax invoice to

_____ and include on each invoice the following information:

- 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;
- Banking details of *Contractor*
- Purchase order number (Task order 45.....) as given by the *Employer*

Add procedures for invoice submission and payment (e. g. electronic payment instructions)

2.7 **Contract change management**

Not applicable

2.8 **Records of Defined Cost to be kept by the Contractor**

Not applicable

2.9 Insurance provided by the *Employer*

Not applicable

2.10 Training workshops and technology transfer

Not applicable

2.11 Design and supply of Equipment

Employer will supply all equipment required to perform the scope of work.

All vehicles must be as per Eskom vehicle requirement policy

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

2.12.1 Equipment

None

2.12.2 Information and other things

None

2.13 Management of work done by Task Order

Task order will be issued by the Service Manager when a need arise.

In the event that the services are required anymore, the Service Manager will inform the Contractor in advance.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

The *Contractor* shall comply with the health and safety requirements contained in the Mine Health and Safety Act No 29 of 1996.

The *Contractor* will be guided by the *Employer* to set up a SHE File which will be audited for correctness before the signing of the contract.

The employer provides the Safety Officer to assist the contractor with any health and safety matters applicable in this contract.

3.2 Environmental constraints and management

Contractor must comply with The National Environmental Management Act 107 of 1998 (NEMA), The National Environmental Management: Air Quality Act 39 of 2004 (NEM:AQA), The National Environmental Management: Waste Act 59 of 2008 (NEM:WA), UCG Waste Management Plan Unique Identifier: UCG PN 2073-1501 and Non Conformance corrective Action and Preventative Action Procedure Unique Identifier: UCG PN 2073-1509

3.3 Quality assurance requirements

None

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

As per the scope of work requirements and quantities stated on the Price list, subject to change as and when required.

Drivers will comply with the Road Traffic Act No 93 of 1996.

No driver will be allowed to drive any Eskom Machinery or Vehicles without a valid Eskom's Drivers Permit.

4.2 Subcontracting

4.2.1 Preferred subcontractors

Not Applicable

4.2.2 Subcontract documentation, and assessment of subcontract tenders

Not Applicable

4.2.3 Limitations on subcontracting

Not Applicable

4.2.4 Attendance on subcontractors

Not Applicable

4.3 Plant and Materials

4.3.1 Specifications

Not Applicable

4.3.2 Correction of defects

Not Applicable

4.3.3 Contractor's procurement of Plant and Materials

- Not applicable

4.3.4 Tests and inspections before delivery

Not applicable

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

The employer shall provide all plant and equipment required for works execution.

5 Working on the Affected Property

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

The Contractor must apply for access permits for all his / her personnel at all security gates.

All staff to attend a daily alcohol test at both access gates. The Eskom regulation stipulates that the alcohol test reading must be ZERO before an employee will be allowed on site.

5.2 People restrictions, hours of work, conduct and records

The *Contractor* must work according to the *Employer's* working hours and will supply his staff suitable communication tools to enable the *Service Manager* to communicate at all hours.

The *Contractor* will be expected to allow his / her workmen to work overtime on an as and when required basis on approval from the *Service Manager*.

5.3 Health and safety facilities on the Affected Property

The *Contractor* must provide all necessary personal protective equipment (PPE). *Contractor* Staff not wearing suitable PPE will be expelled from site. All costs involved must be allowed in the price list.

Safety Statutory training and task related training shall be provided by the *Service Provider*. Such training shall include the following:

Hook up at heights
Safety Rep Training
Manitou and High Up Driver Certification
Basic Fire Fighting

5.4 Environmental controls, fauna & flora

Eliminate or control all Alien and Invasive Plants on the Eskom Majuba UCG site as per UCG Invasive Plants Management Procedure Unique Identifier: UCG Pc 2073-1502.

5.5 Cooperating with and obtaining acceptance of Others

Not applicable

5.6 Records of *Contractor's* Equipment

Contractor equipment to be used on site has to be declared and signed in at the security gate. If not signed in it will become the property of the *Employer*;

5.7 Equipment provided by the *Employer*

The *Employer* shall provide all equipment for drilling services, vehicles for site use only and basic tools to complete the scope.

This includes the following:

- a) Super Rock Drill Rig
- b) HP Hurricane Compressors
- c) HP Ingersoll Rand Compressors
- d) Coil Tube unit
- e) Cement Unit
- f) Manitou

Any damages to equipment must be reported to the Service Manager who will investigate the incident.;

Any damages to equipment must be reported to the Service Manager who will investigate the incident. If the Contractor is found guilty of negligence, the Contractor will repair/replace the damaged equipment;

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

The Contractor will use the existing facilities and Site offices at Majuba UCG, for his use during the full period of his Site works or be discussed with the Service Manager if the contractor is to provide his offices.

5.8.2 Provided by the *Contractor*

The *Contractor* provides accommodation, and transport for its own staff
The contractor provides transport for home work home for all employees.

5.9 Control of noise, dust, water and waste

Controls to be implemented based on their Baseline Risk Assessments

5.10 Hook ups to existing works

All employees working at heights shall receive hook up at heights training.

5.11 Tests and inspections

Not Applicable

5.11.1 Description of tests and inspections

Not applicable

5.11.2 Materials facilities and samples for tests and inspections

Not applicable

5.12 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	ion	Title
NONE		