



NEC3 Term Service Contract (TSC3)

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

and

for **Provision of Security Services at Majuba
Underground Coal Gasification Site (UCG)**

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Enquiry No. MWP1802CX

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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 of Security Services at Majuba Underground Coal Gasification Site (UCG)

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	
	Sub total	
	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 PSIRA registration number:

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

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s)

Capacity

COE Middle Manager

**for the
Employer**

**Eskom Holdings SOC Limited
Majuba UCG
PO Box 382
VOLKSRUST
2470**

Name &
signature of
witness

Date

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

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

No.	Subject	Details
	N/A	N/A

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

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

For the tenderer:

For the Employer

Signature

Name

Capacity

On behalf
of

(Insert name and address of organisation)

COE Middle Manager

**Eskom Holdings SOC Limited
Majuba UCG
PO Box 382
VOLKSRUST
2470**

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:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	X1: Price adjustment for inflation
		X2: Changes in the law
		X18: Limitation of liability
		X19: Task Order
		Z: <i>Additional conditions of contract</i>
	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.	+
	Fax No.	+
10.1	The <i>Service Manager</i> is (name):	
	Address	PO Box 382 VOLKSRUST 2470
	Tel	+
	Fax	+
	e-mail	
11.2(2)	The Affected Property is	Majuba UCG Site and mine building offices
11.2(13)	The <i>service</i> is	Provision of Security Services for Majuba UCG site

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

11.2(14)	The following matters will be included in the Risk Register	1. Theft, loss or property damage as a result of poor service or negligence
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	3 working days
2	The Contractor's main responsibilities	
21.1	The <i>Contractor</i> submits a first plan for acceptance within	One week
3	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	60 months
4	Testing and defects	
42.1	Correcting Defects.	1 day for safety related defects 1 week for all other defects
42.2	The Defect date is	1 weeks after completion
5	Payment	
50.1	The <i>assessment interval</i> is	On 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	4 weeks.
51.4	The <i>interest rate</i> is	the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and
6	Compensation events	As per Clause 60
7	Use of Equipment Plant and Materials	The contractor provides the all tools and items that are required to provide the security service.
8	Risks and insurance	
81.1	These are additional <i>Contractor</i> risks	1. Theft, loss or property damage as a result of poor service or negligence

83.1	The <i>Contractor</i> provides these additional insurances:	Contractor to provide Security Services Liability Insurance
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83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for 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	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u> The amount required by the applicable law.
Liability for 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	The amount required by the applicable law

9	Termination	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
10	Data for main Option clause	
A	Priced contract with price list	
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 the Joint Civil Division of the South African Institution of Civil Engineering
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	
X1	Price adjustment for inflation	
X1.1	The <i>base date</i> for indices is	Tender closing date
	The proportions used to calculate the Price Adjustment Factor are:	SEIFSA TABLE C-3 FOR LABOUR
X2	Changes in the law	No Data is required for this Option
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	R0.00
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	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
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	The greater of <ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on 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	The total of the Prices other than for the

	<p><i>Employer</i>, for all matters arising under or in connection with this contract, other than the excluded matters, is limited to</p>	<p>additional excluded matters.</p> <p>The <i>Contractor</i>'s 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</i>'s 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	1 month 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 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 *Contractor* 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 *Contractor*, 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.

Z12 Insurance

Z 12 .1 Replace core clause 83 with the following:

Insurance cover 83

- 83.1 When requested by a Party, the other Party provides certificates from his insurer or broker stating that the insurances required by this contract are in force.
- 83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for 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	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u>

person (not an employee of the Contractor) arising from or in connection with the Contractor's Providing the Service	The amount required by the applicable law.
Liability for death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with this contract	The amount required by the applicable law

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C1.2 Contract Data

Part two - Data provided by the Contractor

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	N/A N/A
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:	
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	

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title	No of pages
C2.1	Pricing assumptions: Option A	2
C2.2	The <i>price list</i>	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 and• Where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

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*

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

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

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

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

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

C2.2 the *price list*

Item nr	Description	Unit	Duration	Quantities	Rate	Price
1	Administrtion and all other costs to run an operational Office for this contract and comply with the scope requirements	Month	60	n/a		
2	Safety, Health Quality and Environmental Compliance	Year	5	n/a		
3	Guard House rental	Month	60	1		
4	Panic Buttons	Month	60	n/a		
5	Vehicle Patrolling (2x Eskom Approved LDV per Shift. As per spec provided)	Month	60	2		
	SECTION 2: SERCURITY PERSONEL					
	Day Shift UCG Site and Mine Building Offices					
Item nr	Description	Unit	Duration	Quantities	Rate	Price
6	Unarmed Security Officers Grade C	Month	60	8		
7	Armed Security Officers Grade B	Month	60	1		
8	Security Site Supervisor Grade B	Month	60	1		
9	Security Operations Manager Grade A	Month	60	1		

	<p align="center">Night Shift</p> <p align="center">UCG Site and Mine Building Offices</p>					
Item nr	Description	Unit	Duration	Quantities	Rate	Price
10	Unarmed Security Officers Grade C	Month	60	9		
11	Armed Security Officers Grade B	Month	60	2		
12	Security Site Supervisor Grade B	Month	60	2		
13	Unarmed Security Officers Grade C (As and when required)	Month	30	9		

The total of the Prices

PART 3: SCOPE OF WORK

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Employer's Service Information</i>	10
C3.2	<i>Contractor's Service Information</i>	
Total number of pages		11

C3.1: EMPLOYER'S SERVICE INFORMATION

1 Description of the service

1.1 Executive overview

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1.2 Employer's requirements for the service

1.2.1 SCOPE

The Service Provider shall furnish on a continuous, 24-hour basis for the defined period, with fully trained, male and female, uniformed, Private Security Industry Regulatory Authority (PSIRA) registered security officers. The Service provider shall be required to provide personnel with PSIRA Grades for the various tasks required by this project. The duties of the Services Provider's officers shall be those specified herein

The service provider's employees shall comply with the PSIRA Act, Occupational Health and Safety Act, Mine Health and Safety Act, National Environmental Management Act (NEMA) (Act 107 of 1998), Labour Relations Act (66 of 1995) as amended and Majuba UCG Project procedures.

The service provider shall advice and assist Eskom with risk identification and implementation of risk mitigation activities.

1.2.1.1 SHIFTS TO BE COVERED AND SHIFT TIMES

- | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">1. Day shift: 06:00 – 18:002. Night shift: 18:00 – 06:003. Weekends and Public Holidays Dayshift: 06:00 – 18:004. Weekends and Public Holidays Nightshift: 18:00 – 06:00 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- The Service Provider shall furnish Eskom Holding SOC Ltd (ESKOM) with site supervisor who provides supervision and site inspections during dayshift and night shift, seven days a week respectively. The site supervisor shall be duly responsible for the supervision of the security officers.

1.2.1.2 SECURITY GUARD OPERATIONAL AREAS

The services will be required at the entry/access points detailed hereunder in accordance with existing security procedures. Please note that these locations are subject to change, in alignment with the risks identified and security operational requirements.

- UCG Gas Operations site
- UCG Workshop and Stores area
- Mine building office complex
- Site perimeter patrols

- Any other point as determined in accordance with identified risks.

1.2.1.3 GENERAL SERVICES:

The following services to be delivered on a 24 hour, 7 days a week basis:

- Checking of valid employee permits on entrance
- Request the employee or visitor if he/she has anything to declare, such as firearms, laptops, computers, tools & equipment etc. If the intended visitor or employee has anything in his possession which is not allowed on site, it must be removed from the vehicle before entrance, or an equipment list must be filled in by the employee/visitor.
- Security staff to ensure that everything is captured on the equipment list, e.g. serial numbers, complete description, etc.
- Alcohol testing of all staff entering the UCG premises as per UCG management directive.
- Exit control of all employees & visitors.
- Check vehicle boot, trailers for any unauthorised removal of Eskom assets.
- Check and verify laptop permits and compare laptop serial number.
- Check & verify equipment list with equipment declared on entrance.
- Control over Removal Permits from and to the premises.
- Fence and site perimeter patrol and site patrol duties (vehicle estimated mileage per shift is 20 kilometres).
- Foot patrol duties (total site).
- Investigation of crime incidents related to the premises and outside area.
- Investigation reports to the Employer and regular liaison.
- Immediate feedback with regards to any problem(s) experienced at the premises.
- Crime related incidents to be reported to the SAPS after informing the employer.
- Eskom may ask the service provider to assist vehicle-monitoring company in the monitoring, and recovery of stolen UCG vehicles.
- The security monthly reports are submitted to Eskom Management.

1.2.1.4 MANPOWER REQUIREMENTS

SHIFT	LOCATION	GRADE	NUMBER
Day	UCG Site	Unarmed Security Officers (Grade C)	4
Day	Supervision and Patrols	Armed Supervisor (Grade B)	1
Day	Operations Manager	Armed Security Officers (Grade A)	1
SHIFT	LOCATION	GRADE	NUMBER
Night	UCG Site	Unarmed Security Officers (Grade C)	4
Night	Supervision and Patrols	Armed Supervisor (Grade B)	2
Night	As and when required	Unarmed Security Officers (Grade C)	4

SHIFT	LOCATION	GRADE	NUMBER
Day	Mine Offices Complex	Unarmed Security Officers (Grade C)	4
Day	Supervision and Patrols	Armed Supervisor (Grade B)	1
SHIFT	LOCATION	GRADE	NUMBER
Night	Mine Offices Complex	Unarmed Security Officers (Grade C)	5
Night	Supervision and Patrols	Armed Supervisor (Grade B)	2
Night	As and when required	Unarmed Security Officers (Grade C)	5

1.2.1.5 TRANSPORT REQUIREMENTS

- Transport of security staff to and from site is the responsibility of the security company.
- Two suitable vehicles (LDV) for patrolling are also provided by the service provider. Backup/ support staff to be available for crime investigations and to support staff on site in case of emergencies.

1.2.1.6 SAFETY REQUIREMENTS

- The Safety file of Contractor's pack to be submitted before services commences and updated annually.
- SHE Rep, First Aider, basic fire fighting competency for **each shift** (Proof of competence required)
- The service provider shall comply with COP of Trackless Mobile Machinery (TMM's) for all vehicles.
- Bullet proof vests are required for all security personnel when on shift.
- Entry, exit and annual medicals for all employees.
- Proof of competence for all security guards.
- Supply of own Personal Protective Equipment as and when required.

1.2.1.7 ENVIRONMENTAL

- The services provider will be required to comply with Majuba UCG Site Environmental Management procedures.

1.2.1.8 ADDITIONAL ISSUES

- The supplier's employees assigned to Eskom shall comply to the, PSIRA Act, MHSAct, and Eskom procedures, training standards, competencies, rules, regulations and shall perform duties as may be mutually agreed upon in writing from time to time by the supplier and Eskom.

1.2.2 DURATION

The duration of the contract is five (5) years on an as and when required basis.

1.2.3 DETAILED REQUIREMENTS FOR SERVICE PROVIDES

1.2.3.1 CAPABILITIES OF SERVICE PROVIDE

The Service Provider must:

- a) Be registered with the Registrar of companies, South African Revenue Services (SARS), Compensation of Occupational Injuries and Diseases (COID) and PSIRA.
- b) Each of the managers, directors, executives, members, partners or trustees must be registered with PSIRA and must have a recognised Grade A qualification (in terms of Section 23 of the Act).
- c) Be a well-established company and have experience in managing security for major construction projects.
- d) Have access to licensed firearms in good working order with suitable ammunition. The company must also fully comply with the Firearms Control Act 60 of 2000 regulation 21 among other firearms related regulations.
- e) Have access to a PSIRA and Safety and Security Sector Education and Training Authority (SASSETA) registered training facility.
- f) Be able to supply, sustain and manage enough security officers to satisfy the requirements of Eskom, UCG site.

1.2.3.2 RESPONSIBILITIES OF SERVICE PROVIDER

The Service provider shall upon written request, supply Majuba UCG with the following:

- a) The required number of Grade B, Grade C and Grade A security officers, which shall be specified on the task order.
- b) Ensure full compliance to PSIRA, Firearms Control Act and Eskom policies and procedures.
- c) Detailed plan of home-work-home transport for its employees. Guards will not be transported on the back of LDV's. All guards when transported must wear safety belts and compliance to the Eskom Life-saving rules is compulsory.
- d) Supply annual medical and annual SAPS criminal background check and PSIRA requirements for each employee.
- e) Detailed plan to supply additional personnel in case of emergencies and special projects at Eskom Majuba UCG Project.
- f) Detailed strike management plan and a list of manpower to counter shortfalls during labour actions and any other challenges.
- g) The company will be responsible to refund/reimburse Eskom for all damages and losses to Majuba UCG Project resulting from its employees whilst on Eskom sites (if the company is found negligent after formal Eskom investigation).
- h) The evaluated amount for the loss or damage shall be deducted from the assessment.
- i) The security company to provide Eskom with proof of a comprehensive security services insurance cover with a value of R5 million or more.
- j) Eskom will not be responsible for damage or non-performance of any security system caused by or due to, misuse, neglect, abuse, accident, theft, ground movement or caused by the Services Provider.

1.2.3.3 EQUIPMENT TO BE SUPPLIED BY THE SUPPLIER AT OWN COST

- a) Real time Guard Monitoring devices / systems and reporting capability. Access to these devices will also be shared with Eskom Security Team and Eskom Site Supervisor. These devices/units are to be functional at all times and defective unit are to be replaced within 1 hour of defective report.
- b) Communication Devices eg. PPT, PTT (including SMART PTT and iTALK devices), two way radios and/or cell phones.
- c) Panic buttons.
- d) Torches, handcuffs, bullet proof vests, first aid kits and fire extinguishers.
- e) The service provider supplies all security operational equipment needed to execute this scope.

1.2.3.4 RESPONSIBILITIES OF THE SECURITY SITE Supervisor

The assigned person is responsible for, but not limited to:

- a) Company liaison on site dealing with all aspects of the service.
- b) Ensure that shift complement is motivated.
- c) Ensure that the shift times are adhered to, including appropriate shift hand over time.
- d) Ensure that all personnel are fully equipped.
- e) Attend to company human resources problems.
- f) Address operational grievances with Employer
- g) Ensure that safe and reliable home-work-home transport is available for all shifts.
- h) Liaise with Eskom Management to schedule staff for on-job training.
- i) Address complaints raised by Eskom Management within 12 hours.
- j) Daily interfaces with Majuba UCG Management with respect to operational contractual issues as well as Service provider's staff performance.
- k) Attend Majuba UCG Project operational and SHEQ meetings. The site manager representative, or designated person, should act as safety representative for the company.
- l) To inspect shifts during shift parades and submit a shift list to Eskom Security Management certifying that all members reporting on duty are fit for duty and have been subjected to a breath analyser test.

1.2.3.5 CATEGORIES OF LABOUR REQUIRED

- a) Grade A guard
- b) Grade B and C guards

1.2.3.6 MINIMUM CAPABILITIES OF INDIVIDUAL SECURITY OFFICERS

All the Security officers shall possess all or some of the following minimum competencies and qualifications:

- a) Communication skills / written / oral communication in English and radio communication.
- b) Ability to always demonstrate highest level of professionalism.

- c) Ability to engage the public with authority and respect.
- d) Knowledge of customer relations.
- e) All Security Officers must be South African Citizens or have a valid South African work permit if they are foreign nationals.
- f) Complete personnel file containing all security officers' qualifications and competencies to be furnished to Eskom prior to the commencement of service.
- g) All Security Officers must demonstrate good command in respect of the following legislations and competencies:
 - Occupational Health and Safety Act, 85 of 1993.
 - Firearms Control Act and regulations 60 of 2000.
 - PSIRA act 56 of 2001.
 - Control of access to public premises and vehicles act 56 of 1985.
 - Guarding and patrolling
 - Tracing and identification of markers and snares.
 - Report writing
 - Driving capabilities
 - Arrest and search procedures
 - Gathering of relevant information and establishing facts
 - Basic first Aid
 - Fire fighting
 - Physical and mentally fit for the job.
 - Must be competent to operate access control point detection machines (X-Ray and Metal detectors).

1.2.3.7 COMPETENCIES

The Services Provider must provide proof of the following competencies:

- a) Tracing and Observation Skills.
- b) Security Officers must demonstrate the ability to always track suspicious behavior, to conduct arrests and to recover stolen property.
- c) Investigation Skills.
- d) Security officers must demonstrate the ability to conduct basic investigation at crime / incident scenes in respect of the following:
 - Identify a crime scene
 - Secure and preserve a crime scene
 - Identify and secure evidence
 - Identify possible suspects and witnesses
 - Generally, gather evidence
- e) Security Officers' must demonstrate knowledge of the following legislations:
 - PSIRA Act and Regulations Act, No. 56 of 2001

- Firearms Control Act and Regulations, No. 60 of 2000
- Criminal procedure Act, No. 51 of 1997
- Second Hand Goods Act, No. 23 of 1955
- OH&S Act and Regulations, No. 85 of 1993
- Control of access to public premises and vehicles act, 53 of 1985.
- The constitutions of the Republic of South Africa, Act 108 Of 1996
- Any other relevant piece of legislation and standards. (Majuba Project site security management representative to specify).

1.2.3.8 DUTIES

To implement security duties as defined in procedures at Majuba UCG.

1.2.3.9 CONTROL ROOM REQUIREMENTS

- a) The services provider shall have a fully functional and operational control room from which to command, control and deploy operational teams. (Preferably in the Gert Sibande District Municipality or nearest area.)
- b) The control room is to be appropriately manned 24 hours a day, seven (7) days a week and 365 days a year for the full duration of the agreement.
- c) The control rooms shall be evaluated by the Eskom technical evaluation team to determine its functionality, organisation and operational effectiveness. The inspection shall furthermore be conducted periodically.
- d) The service provider's control room shall comply with the following requirements:
 - Telephone communication via Land Line
 - Fax Machine and Emailing Facilities
 - Cell phone communication
 - Uninterrupted Power Supply (UPS/Generator)
 - Emergency lighting
 - Road Map: demonstrating their operational footprint.
 - Emergency Contact Numbers and procedures (internal and external).
 - Fire Extinguishers (fully functional and operational)
 - Vehicle Satellite Tracking System
 - Control Room Contingency Plans
- e) The Services Provider shall provide their current Control Room locations including addresses, proof of ownership, valid lease / rental, or bond agreement. These must accompany the tender response documentation.
- f) All documentation provided must be in the service provider's registered company name.
- g) The lease / rental agreement must be valid for the duration of the contract and / or must indicate the option to extend the lease / bond agreement for the duration of the contract.
- h) The Services Provider must provide the staff training and competency records of personnel to be deployed in the Control Room.

1.2.3.10 LOCATION OF OFFICES

- a) The services provider shall have fully functional and operational offices
- b) The services provider shall also ensure that the same operational offices evaluated during the tendering process remain as such for the duration of the Agreement.
- c) The occupation and maintenance of the offices shall remain in place at the service provider's own cost for the duration of the contract.
- d) Should the services provider need to relocate to another premise, the service provider shall inform Eskom at least 30 days prior to relocation.
- e) The services provider shall be required to provide proof of their operational footprint including office locations and addresses, proof of ownership, valid lease, or bond agreements. These must be furnished with the Tender response documents.
- f) All documentation presented must be in the Tenderer's registered company name.
- g) The lease agreement must be valid until at least for the duration of the contract and/or must indicate the option to extend for the duration of the contract.
- h) The Services Provider's operational Offices shall be equipped to meet the following minimum requirements:
 - Land Line Telephone communication
 - Fax facility
 - Emailing facilities
 - Cell phone communication
 - Uninterrupted Power Supply (UPS/Generator).
 - Contingency Plans
 - Emergency lighting
 - Torches
 - Road map: Demonstrating the service provider's operational footprint.
 - Emergency contact numbers (internal and external)
 - Fire extinguishers (fully functional and operational)
- i) Eskom may conduct the inspection of service provider offices as part of the tendering process and at regular intervals thereafter.

1.2.3.11 SECURITY SCREENING REQUIREMENTS

The Services Provider shall furnish Eskom site representative with the following background records on commencement of the contract and at stipulated intervals:

- a) Up to date criminal background check results within 30 days of commencing the services.
- b) Ensure that none of its employees have a criminal record before, and for the duration of the contract.
- c) Conduct criminal record checks twice a year for the duration of the contract.
- d) Provide non-criminal clearance certificates for all employees.
- e) Furnish updated non-criminal clearance certificates to the Eskom site representative with the commencement of the service.

- f) The Services Provider must take note that the only acceptable source of certification for these services shall be the South African Police Services (SAPS).
- g) The Services Provider shall bear the costs of all the administration of the non-criminal clearance certification.
- h) Eskom reserves the right to claim from the Services Provider, all costs in the event that the Services Provider's employee is found to be involved in any criminal activity related to Eskom property and any/all losses or damages arising from having perpetrated such activity.
- i) If the Services Provider's employee is found to be involved in any criminal activity, even if it does not relate to Eskom, the Services Provider shall immediately inform Eskom and withdraw such employee from the Eskom site.

1.2.3.12 IDENTIFICATION CARDS (ID's)

The Services Provider's employees shall always comply with the identification requirements in accordance with PSIRA, including the display of an identification card and preferably on the outer garments whilst on site.

- a) The identity card shall contain the following information.
 - A recent colour photograph of the employee.
 - The employee's name and surname (must be visible and legible).
 - Identification Number (Preferably at the back of the ID card).
 - PSIRA registration number.
 - The company's name and logo.
 - The employee's security grade.
- b) The tenderer must submit examples of their current Company ID Cards with the Tender Response.

1.2.3.13 CONTINGENCY PLANS

- a) The Services Provider must have contingency plans in place to cover the following scenarios:
 - Industrial unrest (National Strike by the Security Industry)
 - Control Room Back-Up
 - Armed attack
 - Bomb threat
 - Theft
 - Hi-jacking
 - Vehicle breakdown
 - Vehicle accidents
 - Bad weather conditions (e.g., rainstorms, flooding, etc.)
- b) Provision of additional manpower capacity to assist Eskom in the event of ad hoc security related operations.
- c) The service provide shall also provide additional support to the site Emergency Plan.

1.2.3.14 TACTICAL RESPONSE REQUIREMENTS

- a) The Services Provider may be required to provide tactical response services to complement the static guarding service in the event of security incidents requiring tactical support. In that instance, the Services Provider shall be required to install panic alarms at each post and to equip security officers on site with panic alarms which they shall activate in case of security incidents on site. Appropriate site specific work instructions shall be provided by the Eskom Security Manager.
- b) Eskom may require that all alarms be connected to its Security control Centre to experience first-hand, all security activities taking place in its installations and to proactively monitor all response activities pertaining to security incidents. All site layouts and maps shall be provided by Eskom and shall remain the property of Eskom.
- c) Eskom may also require that all Services Providers possess the necessary capability and capacity to provide internal Tactical Response support or to contract the service from third party Services Providers. If the service is contracted externally, Eskom reserves the right to conduct technical evaluations on the third-party Services Provider based on its technical criteria.
- d) The required reaction time to all alarm activations shall conform to the following minimum response times:

Road Conditions	Visibility	Requirement		
		Sec/km	Min. per 5km	Min per 10km
Good	Good	30	2.5	5
	Poor/Night-time	45	3.75	7.5
Poor	Good	60	5	10
	Poor/Night-time	90	7.5	15

1.2.3.15 TIME SHEETS

Daily time sheets to specify hours worked per shift per guard. Time sheets for each shift based on actual time spent to be completed and to be signed off by the shift supervisor (Eskom and Service Provider) daily. Time sheets approved by the Security Supervisor to be submitted with invoices for payments.

1.2.3.16 SAFETY, HEALTH, ENVIRONMENTAL AND QUALITY (SHEQ) REQUIREMENTS

The successful Tenderer shall provide the following:

- a) Occupational Health and Safety appointments in accordance with the Occupational Health and Safety act.
- b) Approved SHE plan in line with the Eskom SHE specifications.
- c) Requirements as specified in the Quality document (Ref no QM-58)
- d) Wearing of Personal Protective Equipment by Security Personnel Unique Identifier: 32-1133

1.2.3.17 ROLES AND RESPONSIBILITIES OF THE SECURITY MANAGER

- a) The Security Manager will be responsible for the overall operational management of this scope.
- b) The Security Manager will also conduct and be responsible for unannounced security site inspections.

1.2.3.18 STANDARD OF CONDUCT

- a) The Service provider must ensure that each security officer assigned under this agreement shall comply and provide quality and professional service as stipulated in the procedures and regulations.
- b) As part of their duties, the security officers furnished under this agreement will have access to areas which are restricted to the specific areas of responsibilities e.g., employees, visitors, contractors and customers. It is required of the Service provider to ensure that its officers comply with all regulations, policies and procedures and governing of the set areas.

1.2.3.19 STANDARD OF PERFORMANCE

The Services Provider shall comply with the following:

- a) No security officer or supervisor will be assigned, reassigned or transferred within or away from the site prior to notifying the Eskom Security Manager for the specific site, where the service are rendered.
- b) All staffing will comply with the Eskom requirements (as stated in this document).
- c) Ensure that all assigned personnel pass comprehensive pre-employment background / reference check.
- d) Ensure that all its officers (confirmed for employment at Eskom sites) shall report for all shifts 15 minutes before the hour as to facilitate a smooth shift change over.
- e) Ensure that its employees do not contravene the legislative prescripts. If the Service provider fails to comply or take the necessary measures to ensure that its officers comply with the legislative prescripts, Eskom shall reserve the right to implement penalties.
- f) Provide Eskom, seven days prior to commencement of its employee with a letter or affidavit on each of its security officers certifying that the individual has met all the hiring and training requirements as stipulated in PSIRA Act and Eskom training standard (available on request).
- g) Furthermore, the Service provider shall submit, with its Tender, certified copies of the following for each of its personnel:
 - Criminal background check
 - Grade C PSIRA certificate for all guards
 - Grade B PSIRA certificate for all supervisors
 - Grade A PSIRA certificate for the directors of the company
 - South African Qualification Authority, Level 3 or equivalent (Matric)
 - Valid driver's license code 08 (For drivers only)
 - RSA Identity document or passport
 - Original letter from a doctor confirming that the security personnel is healthy and can be subjected to physical and firearm assessments.
 - Firearm competencies issued by SAPS for security personnel
- h) Ensure that all necessary equipment, services or material as required are kept in the condition as required by law, regulations and procedures and readily available for Eskom to inspect and test without prior notice. The inspections will be conducted in such manner so as not to interfere with the ability of the Service provider to perform its obligations.
- i) If Eskom determines (based on this inspection) that the services, equipment, documents or

materials are not kept satisfactorily, Eskom shall inform the Service provider in writing. Eskom shall reserve the right to require the Service provider to take immediate action to bring such matters into compliance and/or impose penalties in accordance with a schedule as mutually agreed upon between Service provider and Eskom prior to initiation of the contract.

- j) Eskom reserves the right to conduct criminal background checks when required.

1.2.3.20 STANDARD OPERATION PROCEDURE - CONTRACT SECURITY OFFICERS

It is the primary responsibility of the Service provider to ensure that each officer supplied as per this agreement provide security as defined by the employer for the assets, personnel and property. Additional to the primary responsibility the Service provider shall ensure that each assigned officer complies with the following duties and responsibilities:

- a) Check strategic points against patrol report.
- b) Report and record irregularities, report and record all deviations.
- c) Secure scenes of crime and/or incidents.
- d) Monitor the movement of suspicious vehicles / people and report.
- e) Do patrol inspections at various strategic points along the servitude.
- f) Observe surroundings.
- g) Report suspicious incidents / activities / occurrences.
- h) Render guarding services at special events.
- i) Emergency and response activities.
- j) Testify in court cases / disciplinary hearings if required.
- k) Escort visitors, vehicles or persons non grata.
- l) Execute external access control duties on request.
- m) Carry out emergency drills when required.
- n) Search persons as and when required.
- o) Conduct substance abuse testing as per Eskom prescribed standard

1.2.3.21 PENALTIES FOR MISCONDUCT

Item	Misconduct	Penalties
1	Short posting / Guards not on duty as per posting (include AWOL)	<ul style="list-style-type: none"> • Written notification of the non-conformance • One shift payment deducted for the shortfall • Repeat offences: termination of contract
2	Guards intoxicated or under the influence of liquor / drugs	<ul style="list-style-type: none"> • Immediate replacement • Written notification of the non-compliance
3	Refusal to comply with lawful instructions	<ul style="list-style-type: none"> • Immediate replacement • Written notification of non-conformance.
4	Sleeping on duty / deserting the post / negligence in the performance of his / her duties.	<ul style="list-style-type: none"> • Sleeping on duty - removing the guard from the site and deduction of shift payment. • Deserting post - deduction of shift payment • Neglecting duties - guards must be disciplined

5	Guards late for duty	<ul style="list-style-type: none"> Written warning to the company one shift cost deducted. Guard must be replaced
6	Guard without basic equipment No PSIRA card Improperly dressed	<ul style="list-style-type: none"> Written warning to the guard or company No payment for the lacking / defective item(s) Written warning about defective / lacking item(s) and non-performance letter to the company Final warning - Manager calls the contractor owner and hands him the letter (7 days' notice to rectify the situation)
7	Guard(s) unable to carry out duties effectively (not trained to work on this site)	<ul style="list-style-type: none"> Security contractor must replace the security guard(s) immediately. Final written warning No payment contract agreement must be terminated.
8	Loss or damage of any Eskom equipment or tools because of negligence	<ul style="list-style-type: none"> Investigation must be conducted by Eskom Security and the security contractor Depending on the severity of the case and based on the findings of the Eskom investigation, final written warning or termination of the contract may be actioned. When there is a loss or damage, and the contractor is found to be negligent at any time, the contractor will be liable for payment of the loss or damage to property.

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the Abbreviation
SANS	South African National Standards
SHEQ	Safety, Health, Environmental and Quality
NEMA	National Environmental Management Act
UCG	Underground Coal Gasification

2 Management strategy and start up.

2.1 The Contractor's plan for the service – to be completed by contractor

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2.2 Management meetings

Meetings of a general nature may be convened and chaired by the Contract Manager as follows:

Title and purpose	Approximate time & interval	Location	Attendance by:
Initiation Meeting	Start of contract	Majuba UCG	Employer and Service Provider
Analysis Progress or queries on results	As and when need	Majuba UCG	Employer and Service Provider

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

The Contractor is deemed to have in making his offer, all personnel available to perform the works entirely in the contracted time and cost. In addition he shall comply with the prevailing Act 85 of 1993, Occupational Health and Safety Act and QM58 Supplier Contract Quality Requirements Specification.

2.5 Documentation control

- All instruction to the Contractor will be in writing and shall be deemed to have been received if left with the Contractor or his agent at the works or at the business premises of the Contractor or at his office on the site.
- Other formal communications by way of letter or other shall be addressed to the Contract Manager.
- Use of Standard NEC forms and all forms in:
- Employer's construction and completions procedure
- Quality Management System
- Task Order

2.6 Invoicing and payment

The Contract Manager will provide a Task Order to the Contractor for each task to be carried out. The Contractor signs the accepted Task Order and Provides the Service in accordance with the Scope on receipt of each Task Order

No work shall commence without the Task Order and the assigned Purchase Order Number

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

The *Contractor* shall address the tax invoice to

Eskom Holdings SOC Limited
Sustainability Division

Underground Coal Gasification Site, Majuba
PO Box 382
VOLKSRUST
2470

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;
- The words Tax Invoice
- Invoice Number
- Date of Invoice
- Purchase Order number (45#)

The *Contractor* attaches the detail assessment of the amount due to each tax invoice showing the Price for Work Done to Date for each item in the Price List for work which he has completed.

For Invoices which are posted, please utilize the above address, alternatively hand deliver to Contract Manager/Eskom Representative.

No faxed or copies of Invoices will be accepted, only the original correct Invoice will be processed for payment.

Colour PDF Invoices are also acceptable.

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

Not Applicable

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

2.12.1 Equipment

All equipment supplied by Eskom during this contract remains the property of Eskom.

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 not 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 Service Provider shall comply with the health and safety requirements contained in the Mine Health and Safety Act No 29 of 1996. The Contractor must submit a SHE file in accordance with Eskom requirements.

3.2 Environmental constraints and management

The service provider must provide proof of the following <ul style="list-style-type: none">• Method statement• Aspect and Impact register as per the scope of work

3.3 Quality assurance requirements

- | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• The contractor must be ISO 14001:2004 compliance• The contractor must comply to Eskom Supplier Quality Requirement as per QM58 Specification• The contractor will allow Eskom to audit the disposal process prior to concluding the contract and when requested during the contract, and Eskom reserves the right to cancel the contract based on their findings.• The supplier will be responsible to supply Eskom with a disposal certificate and report for each load of hydrocarbon contaminated liquid disposed of, as well as their effluent concentration when requested |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

4 Procurement**4.1 People****4.1.1 Minimum requirements of people employed**

- | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• People used must be qualified to perform the respective tasks• Drivers will comply with the Road Traffic Act No 93 of 1996• The driver must be trained and certified on transportation of hazardous waste |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

4.2 Subcontracting**4.2.1 Preferred subcontractors**

N/A

4.2.2 Subcontract documentation.**4.2.3 Limitations on subcontracting**

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4.2.4 Attendance on subcontractors

N/A

4.3 Plant and Materials**4.3.1 Specifications**

N/A

4.3.2 Correction of defects

No work will take place until the Service Manager has accepted/cleared all equipment. The Contractor will be responsible to supply the correct equipment, Eskom will not be responsible for delays or holding time if the contractor's equipment is incorrect.

4.3.3 Contractor's procurement of Plant and Materials

N/A

4.3.4 Tests and inspections before delivery

N/A

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

No plant or material will be supplied by Eskom .

5 Working on the Affected Property**5.1 *Employer's* site entry and security control, permits, and site regulations**

<ul style="list-style-type: none">• Access to the UCG site is restricted and all work will be performed under the supervision of UCG staff.• All vehicles and personnel are subject to being searched when entering and exiting the Eskom property.• The Eskom regulations stipulates that the alcohol test reading must be zero before an employee will be allowed on site.• Contractors tools and equipment are subject to Eskom inspection, testing and authorisation before being deemed suitable for operations.• All equipment entering site must be declared and inspected by security• Contractor's staff will require access permits, supplied by the Employer to enter the site.• Access permits will only be supplied after all contractor staff performing work have completing the safety, environmental and security induction courses.• The cost and duration for the initial entry, exit and annual medicals are deemed to be covered in the rates subject to the provisions of clause 60 of the Conditions of Contract.• Compliance with Life-saving rules

- Site roads are gravel roads

5.2 People restrictions, hours of work, conduct and records

07:00 – 16:15 Monday to Thursday
07:00 – 12:00 Fridays

5.3 Health and safety facilities on the Affected Property

Health and safety facilities will be communicated to the Contractor during the induction of the Contractor's staff members. The contractor must supply all personnel with the required PPE to perform site work as per the scope.

5.4 Environmental controls, fauna & flora

The contractor is to stay on the designated road

The Contractor must report any spillages on site immediately to the Contract Manager. Control of the spillage and remediation of the affected area must be managed by the contractor.

5.5 Cooperating with and obtaining acceptance of Others

N/A

5.6 Records of Contractor's Equipment

All equipment entering and leaving site must be declared and inspected by security. Contractors tools and equipment are subject to Eskom inspection, testing and authorisation before being deemed suitable for operations.

5.7 Equipment provided by the Employer

N/A

5.8 Site services and facilities

5.8.1 Provided by the Employer

The Contractor will use the existing facilities (Toilets, etc) during the full period of his Site work

5.8.2 Provided by the Contractor

N/A

5.9 Control of noise, dust, water and waste

NA

5.10 Hook ups to existing works

NA

5.11 Tests and inspections

5.11.1 Description of tests and inspections

N/A

5.11.2 Materials facilities and samples for tests and inspections

N/A

List of drawings

SITE LAYOUT

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