



NEC3 Term Service Contract (TSC3)

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

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

for Maintenance of Overhead Power Lines in Transmission
Western Grid (Labour only)

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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:

Maintenance of Overhead Power Lines in Transmission Western Grid (Labour only) on an “as and when” required basis for a period of 36 months.

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 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	Rates base Contract
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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

(Insert name and address of
organisation)

Date

Tenderer's CIDB registration number:

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**

Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg

Name &
signature of
witness

*(Insert name and address of
organisation)*

Date

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

SCHEDULE OF DEVIATIONS TO BE COMPLETED BY THE EMPLOYER PRIOR TO CONTRACT AWARD

Note:

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

No.	Subject	Details
1		
2		
3		
4		
5		
6		
7		

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

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

1.1.1.1 For the tenderer:

1.1.1.2 For the Employer

Signature

Name

Capacity

On behalf of *(Insert name and address of organisation)*
Eskom Holdings SOC Ltd
Registered office at Megawatt Park,
Maxwell Drive, Sandton, Johannesburg
Name &
signature
of witness

Date

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

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

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 (CPI)
		X2 Changes in the law
		X13: Performance Bond
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ¹ (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	
	Fax No.	
10.1	The <i>Service Manager</i> is (name):	Siphamandla Rubushe
	Address	Eskom Building 60 Voortrekker Road Bellville

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

Cape Town

Tel

021 915 2754

Fax

e-mail

rubushs@eskom.co.za

11.2(2)	The Affected Property is	Eskom Transmission Western Grid Lines
11.2(13)	The <i>service</i> is	Maintenance of Overhead Power Lines in Transmission Western Grid (Labour only) on an "as and when" required basis for a period of 36 months.
11.2(14)	The following matters will be included in the Risk Register	Working at heights (Deadlines & Live Lines) Heat and veld fires Snakes Access on servitudes For others refer to the baseline risk assessment
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it refers.
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	2 weeks
2	The Contractor's main responsibilities	Data required by this section of the core clauses is also provided by the Contractor in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data
21.1	The Contractor submits a first plan for acceptance within	
3	Time	
30.1	The <i>starting date</i> is.	TBC
30.1	End Date	TBC
30.1	The <i>service period</i> is	36 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

51.4	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	1. Damage to Eskom power lines and towers
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 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 <i>http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</i>
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	Whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i>.
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..
9	Termination	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
10	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	4 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).
	Address	
	Tel No.	
	Fax No.	

e-mail

W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.		
W1.4(2)	The <i>tribunal</i> is:	arbitration		
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.		
	The place where arbitration is to be held is	Western Cape, South Africa		
	The person or organisation who will choose an arbitrator	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
	- if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is			
12	Data for secondary Option clauses			
X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is	Closing date of tender. Prices to be fixed for the first 12 months and therefore subjected to Price Adjustment for inflation as detailed in clause X1.1(c)		
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by
		0.9	CPI (table D-2)	SEIFSA
		0.1	non-adjustable	
		1.00		
X2	Changes in the law		There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.	
X13	Performance bond			
X13.1	The amount of the performance bond is	5% of the contract amount		
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	<p>the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on</p> <p>http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p>
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 <p>http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p>
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	[•] months after the end of the <i>service period</i>.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	5 days of receiving the Task Order

Z	The additional conditions of contract are	Z1 to Z11 always apply.
Z1	Cession delegation and assignment	
Z1.1	The <i>Contractor</i> does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the <i>Employer</i> .	
Z1.2	Notwithstanding the above, the <i>Employer</i> may on written notice to the <i>Contractor</i> 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 <i>Contractor</i> 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 <i>Employer</i> for the performance of this contract.	
Z2.2	Unless already notified to the <i>Employer</i> , the persons or organisations notify the <i>Service Manager</i> within two weeks of the Contract Date of the key person who has the authority to bind the <i>Contractor</i> on their behalf.	
Z2.3	The <i>Contractor</i> does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the <i>Employer</i> having been given to the <i>Contractor</i> in writing.	
Z3	Change of Broad Based Black Economic Empowerment (B-BBEE) status	
Z3.1	Where a change in the <i>Contractor's</i> legal status, ownership or any other change to his business composition or business dealings results in a change to the <i>Contractor's</i> B-BBEE status, the <i>Contractor</i> notifies the <i>Employer</i> within seven days of the change.	
Z3.2	The <i>Contractor</i> is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the <i>Service Manager</i> within thirty days of the notification or as otherwise instructed by the <i>Service Manager</i> .	
Z3.3	Where, as a result, the <i>Contractor's</i> B-BBEE status has decreased since the Contract Date the <i>Employer</i> may either re-negotiate this contract or alternatively, terminate the <i>Contractor's</i> obligation to Provide the Service.	
Z3.4	Failure by the <i>Contractor</i> to notify the <i>Employer</i> of a change in its B-BBEE status may constitute a reason for termination. If the <i>Employer</i> 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.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Notes to a tendering contractor:

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

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

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is	10%
	The <i>subcontracted fee percentage</i> is	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:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key people are: 1 Name: Job:	

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 5391902 or www.ecs.co.za

Responsibilities:

Qualifications:

Experience:

2

Name:

Job

Responsibilities:

Qualifications:

Experience:

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

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

Annexure A: Insurance provided by the Employer

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

1. Services provided in a TSC3 contract could include some element of construction or refurbishment as well as a continuous maintenance or operational service activity. If an event occurs which causes loss or damage, a claim could be made either against the *Employer's* "works" type policy which may be in place for the *Employer's* portion of the Affected Property concerned or against the *Employer's* assets policy which may be in place for the *Employer's* portion of the Affected Property concerned, or both.
2. The cover provided and the deductibles under the works policy are different to those under the assets policy. Each policy has a range of applicable deductibles depending on the location of the Affected Property and the nature of the insurable event.

3. The *Contractor* is required in terms of Contract Data for clause 83 to provide cover for the deductibles in the insurance provided by the *Employer*. This can be provided from his own resources on a 'self insured' basis or obtained by him from his own insurers. In order to assess the extent of this cover, tendering contractors and their brokers should consult the internet web link given below and scroll to '**Format TSC3**' to establish both the cover and the deductibles in relation to the *service* provided in terms of this contract.
4. Tendering contractors should note that cover provided by the *Employer* is only per the policies available on the internet web link listed below and may not be the cover required by the tendering contractor or as intended by each of the listed insurances in the left hand column of the Insurance Table in clause 83.2. In terms of clause 83.1 "the *Contractor* provides the insurances stated in the Insurance Table except any insurance which the *Employer* is to provide". Hence the *Contractor* provides insurance which the *Employer* does not provide and in cases where the *Employer* does provide insurance the *Contractor* insures for the difference between what the Insurance Table requires and what the *Employer* provides.
5. If Marine Insurance is required the *Contractor* needs to obtain a copy of the latest edition of Eskom's Marine Policies Procedures found at internet website given below.
6. Further information and full details of all Eskom provided policies and procedures may be obtained from:

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

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
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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

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

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

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

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

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

C2.2 the *price list*

ITEM No.	WESTERN GRID LINE MAINTENANCE	Unit	Quantity	Rate	Amount
	DESCRIPTION				
	PRELIMINARY AND GENERAL				
1	Contractual requirements.	Sum	1		
2	Plant				
	8 ton crane truck (X 4)	km	360000		
3	Living accomodation.	days	744		
	HEALTH, SAFETY, ENVIRONMENT AND QUALITY				
1	Supply of all items of Personal Protective Clothing/Equipment & ensure use thereof for full compliance				
1.1	Appropriate personal protective equipment (PPE) such as chin strapped hard hats, safety boots, dust masks, overalls clothing with high visibility, ear plugs, gloves, etc.	Sum	1		
2	Supply and provision of Equipment for working at Heights & ensure use thereof for full compliance to OHS ACT and Eskom's SHE spec				
2.1	Double lanyard harness	Sum	1		
2.2	Evaluation of physical and psychological fitness of personnel working at heights	Sum	1		
2.3	Scaffolding access ladders	Sum	1		
2.4	Portable Ladders	Sum	1		
2.5	Rescue Kit	Sum	1		
3	Full Compliance with latest revision of OHS act.				

3.1	Full compliance with latest revision of Construction regulations & any other regulations to the work to be performed, hazardous chemical substance regulations etc.	Sum	1		
4	Environmental Management Systems				
4.1	Costs associated with Environment.	Sum	1		
5	Quality				
5.1	Costs associated with Quality.	Sum	1		
6	Human Resources				
6.1	Appointment of SHEQ OFFICER FULL TIME ON SITE Costs associated with the appointment of Safety personel and actual time spent on implementation, managing, documenting, monitoring, reviewing, internal and external audits, incident investigations and mitigating safety related impacts.	hr	6240		
7	Occupational Health				
7.1	Pre-employment medical screening	Sum	1		
7.2	Exit Medical Screening	Sum	1		
8	Transport				
8.1	4x2 LDV (X 4)	km	360000		
8.2	4x4 LDV (X 4)	km	360000		
	<u>Day Work Rates (provisional):</u>				
	Project Manager (X 1)	hr	6240		
	Supervisor (X 4)	hr	24960		
	Team Leader (X 4)	hr	24960		
	Linesman (X 4)	hr	24960		
	Groundsman (X 8)	hr	24960		
	Truck driver (crane operator) (X 4)	hr	24960		
	Overtime for supervisor/ Saturday.	hr	1080		

	Overtime for team leader/ Saturday.	hr	1080		
	Overtime for linesman/ Saturday.	hr	1080		
	Overtime for groundsman/ Saturday.	hr	1080		
	Overtime for driver/crane operator/ Saturday.	hr	1080		
	Overtime for supervisor/ Sunday.	hr	360		
	Overtime for team leader/ Sunday.	hr	360		
	Overtime for linesman/ Sunday.	hr	360		
	Overtime for groundsman/Sunday.	hr	360		
	Overtime for driver/crane operator/Sunday.	hr	360		

The rates will be fixed and firm for the first 12 months and thereafter be adjusted for the second (2nd) and the third (3rd) year in accordance with the SEIFSA index (CPI)

NOTE A: Work done is the actual physical work done by the contractor. Driving will not be considered as work done. Driving will be considered work for only the truck driver/crane operator.	NOTE B: The aerial device should have a reach for Transmission lines from 132kV up to 765kV.		
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ESKOM HOLDINGS SOC Ltd CONTRACT NO.
Maintenance of Overhead Power Lines in Transmission Western Grid (Labour only) on an “as and when” required basis for a period of 36 month. (Labour only)

ESKOM HOLDINGS SOC Ltd CONTRACT NO.
Maintenance of Overhead Power Lines in Transmission Western Grid (Labour only) on an “as and when” required basis for a period of 36 month. (Labour only)

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

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Description of the service

1.1 Executive overview

- 1.1.2 Line performance and maintenance execution in the Western Grid remains a priority for the Lines and Servitude Department. As the Grid lines get longer, a human resource constraint versus the large scope of work that has been identified creates a need for a contract to be set up with external service providers to provide this extended maintenance service to the Grid.
- 1.1.3 This contract will be used to provide for planned and breakdown maintenance on the Employer's 132kV, 220kV, 275kV, 400kV and 765kV lines and servitudes on an as-and-when required basis and according to the Employer's discretion.
- 1.1.4 The Employer may appoint more than one Contractor to provide the works.
- 1.1.5 The Employer provides no guarantee to the Contractor about the value, the number of or the regularity of tasks to be allocated to the Contractor.
- 1.1.6 The Contractor shall attend regular and ad-hoc meetings pertaining to this contract as and when scheduled by the Employer. The Employer shall give reasonable advance notice of such meetings.

1.2 Employer's requirements for the service

1.2.1 PLANNED MAINTENANCE

- 1.2.1.1 When one of the Employer's CLNs has a shortage of staff and needs the assistance of a Contractor to get the CLN's maintenance program up to date or to do specific ad-hoc tasks, the CLN Senior Supervisor or his delegate will arrange with the Employer's Representative to allocate a Contractor to assist the CLN with the identified tasks with a Task Order that was submitted by CLN or Department.
- 1.2.1.2 The CLN Senior Supervisor or his/her delegate will compile the S.O.W for the works to be done and submit to the Service Manager or his delegate.
- 1.2.1.3 The Service Manager or his delegate will issue the Task Order to a contractor that agreed to do the work and they will engage with the CLN for work discussion on the work to be executed.
- 1.2.1.4 Once the CLN Senior Supervisor or his delegate is satisfied with the estimate and the scope of work and the start and end times of the work has been agreed with the Contractor, the CLN Senior Supervisor or his delegate will forward the estimate to the Service Manager or his delegate.
- 1.2.1.5 Once the Service Manager or his delegate is satisfied with the estimate, he will create a purchase order number for the works.
- 1.2.1.6 The Contractor is not allowed to provide any works prior to the purchase order being created and issued to the Contractor.
- 1.2.1.7 The Contractor is not allowed to provide any works outside of the agreed scope of work for which the purchase order has been issued. A new purchase order needs to be re-submitted and created for any additional work or Scope changes prior to executing of any additional tasks.
- 1.2.1.8 The Contractor shall start and complete the works on the dates and times as agreed with the CLN Supervisor or his delegate.
- 1.2.1.9 After completion of the works, the Contractor must issue an invoice for the actual works provided as well as the completed and signed off scope of work to the CLN Senior Supervisor or his delegate for his approval.
- 1.2.1.10 The Contractor employee(s) must be trained and authorised for the Western Grid according to the Employer's Operating Regulations for High Voltage Systems for work on lines from voltage range 132kV up to and including 765kV.
- 1.2.1.11 No work will be allocated to the Contractor without a valid Western Grid authorisation for 132kV to 765kV.
- 1.2.1.12 The Employer will authorise the Contractor employee(s) after assessment according to the Employer's authorisation standards. The Contractor is responsible to ensure that authorisations remain valid for the duration of the contract.
- 1.2.1.13 The relevant authorisations and certifications will be required from certain team members as described in Appendix A.

- 1.2.1.14 Authorisations must be always available on site.
- 1.2.1.15 Authorisations are not transferable from one Contractor to another. An individual's authorisation expires when he leaves the employment of the Contractor and the individual must re-apply for authorisation when starting employment with a different Contractor.
- 1.2.1.16 If the Contractor declines to provide works allocated to the Contractor, the Contractor will provide reasons in writing for declining to perform the services.
- 1.2.1.17 The contractor shall provide tools and labour for executing the below scope of works on an “as and when” basis under the following conditions:

Under ARC-OFF conditions:

Install line-labels, pole-top inspections (close proximity on double circuit structures), bird nest removal between tower waist and anti-climb devices, replacement of tower steel members.

None-outage related activities:

Replacement of tower steel members, removal of soil on tower stubs and guy-anchors, tensioning of staywires, gates and access. Install and repair anti-climb devices, bird nest removal (including social weavers) below the tower waist.

Under Open Isolated and Earth condition:

Hardware repairs and replacements. Conductor repairs and stringing, conductor and hardware sampling, aviation spheres and crossing labels repairs/replacements/installations. Install and maintain birdguards, remove/relocate/trim bird nests.

1.2.2 BREAKDOWN MAINTENANCE

- 1.2.2.1 During a breakdown, the CLN Senior Supervisor or his delegate will on his discretion decide if he needs the assistance of a Contractor. He will then contact the Contractor and explain the scope of the required works.
- 1.2.2.2 The Lines and Servitudes Manager or his delegate must be informed about the breakdown and the Contractor that was contacted as soon as possible and not later than the next working day. The Lines and Servitudes Manager or his delegate will advise the CLN Supervisor or his delegate and the Contractor on any restrictions on the Contractor and may decide to allocate a different Contractor to do the work.
- 1.2.2.3 The Contractor will assess the required scope of work after arriving on site and forward the detail to the CLN Senior Supervisor or his delegate. The CLN Senior Supervisor or his delegate will approve the scope of work before the Contractor provides the works.
- 1.2.2.4 Only the works necessary to restore supply will be allowed under breakdown conditions, unless first approved by the Lines and Servitudes Manager.
- 1.2.2.5 For a purchase order to be issued to the Contractor, an estimate for the required scope of work must be sent to the Lines and Servitudes Manager not later than the next working day after the Contractor arrives on site.
- 1.2.2.6 Within 14 calendar days after completion of the work, payment for the actual works provided will be claimed as per the price list. The invoice must first be approved by the CLN Senior Supervisor or his delegate before submitting it to the Lines and Servitudes Manager or his delegate for amendment of the purchase order before processing payment.
- 1.2.2.7 The Contractor will be required to give milestone feedback to report the progress on work to the CLN Senior Supervisor or his delegate.
- 1.2.2.8 The contractor shall provide tools and labour for executing only the below scope of works on an “as and when” basis under the following conditions:

Under Open Isolated and Earth condition:

Hardware repairs and replacements. Conductor repairs and stringing.













1.2.3 PROVISION AND HANDLING OF MATERIALS


- 1.2.3.1 All material shall be supplied by the Employer's relevant CLN.
- 1.2.3.2 The transporting of all material including on and off-loading, handling on site, storage and safekeeping, reloading of unused excess materials, shall be the responsibility of, and carried out by the Contractor.
- 1.2.3.3 The Contractor is required to set up its on-site stores. The Contractor will place the Employer's material on stock in its on-site stores, separate from any other material that the Contractor might have.
- 1.2.3.4 The Employer's material in the Contractor's on-site stores must be auditable on short notice, i.e. the Contractor is expected to maintain proper controls over the material.
- 1.2.3.5 The material issued by the Employer remains the property of the Employer and is covered by the Employer's insurance (as per the NEC document insurance clauses). The Contractor may not use the Employer's material for any purpose other than for providing the works as stipulated in this contract.
- 1.2.3.6 The Contractor will issue sufficient volumes of material to its teams to carry in the vehicles to provide an effective service but simultaneously minimise the risk in terms of theft or becoming a target for crime.
- 1.2.3.7 In the event of the Contractor running out of material after hours, the teams will be issued with material directly from the CLN's stores and the specific items will be reflected against materials issued to the Contractor's on-site stores.
- 1.2.3.8 The Employer and the Contractor will on a quarterly basis reconcile material issued and material installed with stock on hand in the Contractor's on-site store. The Contractor shall replace the unaccounted material, which shall be settled by the Contractor within 14 calendar days from the date of reconciliation.
- 1.2.3.9 The Contractor shall store and handle the Employer's material in such a way that it will not be damaged. In the event of defective material prior to installation, the Contractor shall return the defective material to the relevant CLN store and the CLN will replace the material. In the event the Contractor mishandled or damaged, the material shall be replaced by the Contractor within a month.
- 1.2.3.10 The Contractor shall return all recovered / redundant material arising from repairs executed, to the relevant CLN stores.

1.2.4 TOOLS AND EQUIPMENT

- 1.2.4.1 The Contractor shall provide its own tools and equipment as well as providing its own sundry / disposable items necessary to provide the works.
- 1.2.4.2 Each of the Contractor's teams shall be equipped with a full set of tools and equipment. The Contractor shall determine and provide all tools and equipment necessary to provide the works.
- 1.2.4.3 All tools and equipment must be made available for inspection at the request of the Employer's Representative or his or her delegate.
- 1.2.4.4 All tools and equipment shall have valid calibration test certificates, electrical test certificates, Lifting Machinery Inspector inspection and test certificates and any other inspection and test records as may be applicable.

The attached documents form part of this legal binding contract, the Contractor confirms that he has familiarized himself with all the embedded documents from 1 to 23 as indicated.

<u>No</u>	<u>UNIQUE IDENTIFIER</u>	<u>REVISIO</u>	<u>DOCUMENT TITLE</u>
1	32 - 727	0	SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ) POLICY 32-727  1_Eskom SHEQ Policy 32-727.pdf
2	32 - 136	0	CONSTRUCTION SAFETY HEALTH AND ENVIRONMENTAL MANAGEMENT  2_Construction Safety Health and En
3	32-524	0	DEVELOPING A SAFETY, HEALTH AND ENVIRONMENTAL SPECIFICATION  3_Developing a Safety, Health and En
4	32 - 421	1	ESKOM CARDINAL RULES 32-421  5_Eskom Cardinal Rules (32-421).pdf
5	CONSTRUCTION REG 3		NOTIFICATION OF CONSTRUCTION WORK TO DEPARTMENT OF LABOUR  6_Notification of Construction Work to
6	CONSTRUCTION REG 4 & 5		APPOINTMENT LETTERS FOR CLIENT REPRESENTATIVE, PRINCIPAL CONTRACTOR & CONTRACTOR  7_Appointment letters for Client repr
7 & 8	OHS ACT		WRITTEN AGREEMENT ON OHS ACT SECTION 37(2) & STANDARD CLAUSE   8_Written agreement on OHS A 9_Standard clause Eskom Contracts Sect
9, 10 & 11	34 - 1063	0	EXPANDED PUBLIC WORKS REPORT 34-1063.    10_34-1063 EPWP Works Instruction.pdf 11_EPWP Guidelines Second edition 2005. Eskom EPWP report template rev 6.xls
12	TPC 41-55		TRANSPORTING PERSONS ON BACK OF VEHICLES  14_Transporting of Passengers on the ba

13	QUALITY REQUIREMENTS		 QM-58 Supplier Contract Quality Req QM 58 LINK
14	32-418	5	Working at Heights standard
15	240-19669098	2	Install Maintain and Replace Line Labels and Bird Anti Perching Devices including the Removal and Relocation of bird nests on OI&E and Live Transmission Lines.
16	240-60725489	3	Inspecting Hardware and Jumper Connections and Replacement of Minor Hardware on Energised 220, 275 400, 533 and 765 kV Lines Using Underslung Method.
17	240-35656761	0	Replacement of a Full / Non-Tension Repair Sleeve/Splice (Gloving Method)
18	240-97012157	2	Procedure for Spacer Replacement and Conductor Repairs on 275 to 765 kV Lines Using the Underslung Method
19	240-80605256	3	Access to private property (includes strategy on accessing game reserves / farms / smallholdings)
20	240-11414798	2	Replacement of strain insulators under Dead-Line conditions on Transmission Overhead Lines.
21	240-11414478	2	Replacement of suspension insulators under Dead-Line conditions on Transmission Overhead Lines.
22	240-07763136	2	Task Manual for the Installation and repair of tower Members and anti-climb devices.

1.3 INTERPRETATION AND TERMINOLOGY

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
SoW	Scope of Work
EHV	Extra High Voltage
1m	One metre
Grid	Transmission Western Grid
ARC	Auto-reclose

2 Management strategy and start up.

2.1 The *Contractor's* plan for the service

In the TSC3 the *Contractor's* plan is his "design" for performing the service throughout the service period. Section 2 of the *conditions of contract* describes what the *Contractor* is to show in his plan both in the core clauses and some additional requirements in each of the main Options.

The extent of the *Contractor's* plan will depend on whether the *Contractor* is required to develop a plan in accordance with the *Employer's* broad outline of the service or whether the *Employer* has provided a plan for the *Contractor* to follow. Read the TSC3 Guidance Notes pages 21 and 22 for more information on the *Contractor's* plan.

Use this section to describe any particulars which must be taken into account by the *Contractor* in developing his plan as required by clause 21.2. For example information about the order and timing or method of carrying out particular items of work.

List technical reporting and scheduling requirements which are to be incorporated into the *Contractor's* plan.

2.2 Management meetings

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

- 2.3.1 The contractor shall always ensure that they have staff that meets the Eskom requirements stipulated in this contract, this includes training required for work on towers and lines.
- 2.3.2 The *Contractor's* employees will each carry an identification card stating the name of the employee, national identification number, a recent photograph, and the words "Eskom Contractor". The *Contractor's* employees shall always carry the identification cards and present it on request.
- 2.3.3 The *Contractor's* employees will wear appropriate apparel with the *Contractor's* name clearly visible.
- 2.3.4 The *Contractor's* vehicles shall display the name of the *Contractor* on the vehicle.
- 2.3.5 The *Employer* will issue the necessary access keys to the *Contractor*. Loss of these keys must immediately be reported to the nearest or applicable CLN Supervisor.

2.4 Provision of bonds and guarantees

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

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

2.5 Documentation control

The use of standard NEC forms, letters, templates must be used when issuing official communication.

2.6 Invoicing and payment

- 2.6.1 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 showing the amount due for payment equal to that stated in the *Service Manager's* payment certificate.
- 2.6.2 The *Contractor* shall address the tax invoice to:
Eskom Holdings SOC Ltd
The *Project Manager* and include on each invoice the following information:
- Name and address of the *Contractor* and the *Service Manager*.
 - The contract number and title.
 - The Purchase Order Number
 - The Task Order Number
 - *Contractor's* VAT registration number.
 - The *Employer's* VAT registration number 4740101508.
 - The total Price for Work Done to Date which the Contractor has completed.
 - Other amounts to be paid to the Contractor.
 - Less amounts to be paid by or retained from the Contractor.
 - 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 change in the amount due since the previous payment being the invoiced amount - excluding VAT, the VAT, and including VAT.
- 2.6.3 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 was completed.
 - Invoices must be signed by the relevant CLN Snr Supervisor or his delegate and the Service Manager.
 - The Service Manager requires 2 weeks' notice to respond to the invoice.
 - **No invoices will be accepted that differ from the Task Order values.**
- 2.6.4 Original Invoices are to be submitted to the Service Manager personally by hand or by courier to Eskom Bellville Building, 2nd Floor, 60 Voortrekker Road, Bellville.
- 2.6.5 The Contractor may apply for payment of work done, in the format of the Price List, by the first day of each month after the work is completed.
- 2.6.6 The CLN Snr Supervisor shall submit to the Service Manager a schedule of completed work done on the last weekday of every month. The Services Manager will determine the value of work done in accordance with the Task Order.
- 2.6.7 The Contractor shall under no circumstances submit an invoice for works or part of works that was not provided. Any such incident shall be seen as a serious breach of contract and handed over to the Employer's Assurance and Forensics department to be investigated as fraud. If fraud is proven, the contract can be terminated with immediate effect.
- 2.6.8 Payment will be due upon completion of all the works as stated in the Task Order
- 2.6.9 Preliminaries & General Claims: In proportion to work completed.

2.7 Contract change management

No changes are to be made on the contract and any compensation events and modifications to the contract are subject to approval by the Eskom approval body.

2.8 Records of Defined Cost to be kept by the Contractor

The contractor shall keep all records of defined costs if in case required by Eskom.

2.9 Insurance provided by the Employer

N/A

2.10 Training workshops and technology transfer

N/A

2.11 Design and supply of Equipment

Contractor to supply the relevant tools and equipment needed to execute all scope of work. Material will be provided by the Employer.

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

Full report on the work completed. This is in terms of which line and which towers were worked on and what activity/maintenance activity was executed. This report should be in electronic form.

2.13 Management of work done by Task Order

Use of task orders or purchase orders will follow the approved process as stipulated in the Transmission maintenance process.

3 Health and safety, the environment and quality assurance**3.1 Health and safety risk management**

3.1.1 The Contractor shall comply with the health and safety requirements contained in the Eskom SHEQ Policy and the SHE Specification provided.

3.1.2 The Safety, Health and Environmental requirements for the works is specified in Eskom Standard 32-136 (Contractor Health and Safety Requirements) and 240-73198174, which is the SHE Specification for this specific contract. The Contractor shall comply with the requirements in these documents.

3.1.3 The Contractor will further work according to all the Employer's other safety, health and environmental standards, procedures, specifications, and any other related documentation.

3.1.4 The Contractor is further informed that the condition of some servitudes is uneven, rugged and tough and that utmost care shall be taken when working in the servitudes.

3.1.5 If the Contractor comes across illegal wiring on networks, the contractor shall always regard such wiring as extremely dangerous. The contractor shall not attempt to remove thereof but reporting it to Eskom for removal if execution of work is hampered / restricted by it.

3.1.6 The Contractor shall observe and report to the relevant CLN any electrical plant that poses a safety risk to the employees or to the public. Examples are low hanging conductors, trees protruding acceptable proximity to line apparatus, obvious signs of sparking on apparatus, absence of split pins on hardware, extreme rusting of tower members, stolen anti-climb devices. The urgency of reporting to the Employer will depend on the perceived safety risk, e.g., missing split pins to be reported immediately.

- 3.1.7 The Contractor's employees shall reasonably guard any area where a serious safety risk is identified to prevent injury to employees or the public, until such time that the Employer can address the problem.
- 3.1.8 The Contractor shall not accept liability or admit guilt on behalf of the Employer when incidents of damage to persons or property occur.
- 3.1.9 Damage to property / equipment because of the Contractor's negligence / incompetence / ignorance / substandard quality workmanship, shall be investigated by the Employer in conjunction with the Contractor.
- 3.1.10 Claims arising from customers / public parties will be honored by Eskom, but afterwards recovered from the Contractor by Eskom. The Contractor is liable to Eskom for the full amount of the claims. Example of this is when Contractor leaves a farmer's gate open, and stock is lost/injured as a result.
- 3.1.11 The Contractor must immediately, after detecting any electrical contact, damage, or insurance claimable breakages, inform the relevant CLN and the Employer's Representative to investigate and register such an incident.

3.2 Environmental constraints and management

- 3.2.1 The *Supplier* shall comply with the environmental requirements as stipulated in the project EMP's (environmental management plan) and the environmental requirements of TST 41 41-120 (Environmental Requirements for the Procurement of Assets, Good and Services).
- 3.2.2 The contractor must also comply with the following environmental procedures:
- EPC32-727- Eskom SHEQ Policy
 - ST32-726- SHE Requirements for the Eskom Commercial Process for additional requirements or co-operate projects.

3.3 Quality assurance requirements

- 3.3.1 The Contractor will work according to all the Employer's technical standards, procedures, specifications, task manuals, technical instructions, technical bulletins, and any other related documentation. The Employer will regularly evaluate the quality of work and compliance to standards.
- 3.3.2 The Contractor guarantees its works for a period of one year.
- 3.3.3 Notwithstanding the NEC Process, The Employer will make use of an early warning/notification of default process that will run concurrent with the NEC process. The Contractor shall be bound by the provisions set out by the Employer as regards to the early warning/notification of default process.
- 3.3.4 The Employer may instruct the Contractor to replace one of its employees or teams if the Employer has sufficient proof of incompetence and poor performance or workmanship. The Employer's decision in this regard will be final and not subject to negotiation.
- 3.3.5 The Employer may instruct the Contractor to replace one of its employees or teams if the Employer has sufficient proof of customer dissatisfaction or irregularities on the part of the Contractor employee or team. The Employer's decision in this regard will be final and not subject to negotiation.
- 3.3.6 If the Contractor cannot respond to defects or an early warning /notification of default issued to the Contractor within the time frames stipulated by the Employer, the Employer may arrange for alternative means of response or rectification of the defect and invoice the Contractor for the cost incurred.

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

- The Contractor employees shall be duly trained and authorized to climb/work on energised and or de-energized Transmission structures according to their designation as described in the Employer's requirements for the service and in Appendix A.
- The Contractor employees shall have valid annual medical examination reports.
- The Contractor Supervisors, team leaders and linesmen to be authorised in ORHVS Authorisation standard requirements as described in the Employer's requirements for the service and in Appendix A.

4.1.2 BBBEE and preferencing scheme

As per Eskom's policies and requirements.

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

The *Contractor* complies with and fulfils the *Contractor's* obligations in respect of the Accelerated and Shared Growth Initiative - South Africa in accordance with and as provided for in the *Contractor's* ASGI-SA Compliance Schedule. Details of the schedule will be clarified during tender clarification by Supplier Development and Localisation (SD&L).

The *Contractor* shall keep accurate records and provide the *Employer* with reports on the *Contractor's* actual delivery against the above stated ASGI-SA criteria. The records will be kept as hardcopy and on file for inspection. Monthly reporting on compliance to the criteria is expected in the last week of every month until contract completion.

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

4.2 Subcontracting

4.2.1 Preferred subcontractors

No Subcontracting allowed.

4.2.2 Subcontract documentation, and assessment of subcontract tenders

N/A

4.2.3 Limitations on subcontracting

N/A

4.2.4 Attendance on subcontractors

N/A

4.3 Plant and Materials

4.3.1 Specifications

Title	Date or revision	Tick if publicly available
General Specifications:		
SHE Requirements for the Eskom 32-726 (Refer to SHE Spec)	May 2020	Yes
Section 37(2) Agreement- Form	March 2019	Yes
Technical Specifications:		
Install Maintain and Replace Line Labels and Bird Anti Perching Devices including the Removal and Relocation of bird nests on OI&E and Live Transmission Lines.	2	Yes
Inspecting Hardware and Jumper Connections and Replacement of Minor Hardware on Energised 220, 275 400, 533 and 765 kV Lines Using Underslung Method.	3	Yes
Replacement of a Full / Non-Tension Repair Sleeve/Splice (Gloving Method)	Stabilised	Yes
Procedure for Spacer Replacement and Conductor Repairs on 275 to 765 kV Lines Using the Underslung Method	2	Yes
Working at Heights Standard	5	Yes
Replacement of strain insulators under Dead-Line conditions on Transmission Overhead Lines	2	Yes
Replacement of suspension insulators under Dead-Line conditions on Transmission Overhead Lines.	2	Yes
Task Manual for the Installation and repair of tower Members and anti-climb devices.	2	Yes

4.3.2 Correction of defects

The contractor must fix all defective works within two weeks at own cost.

4.3.3 Contractor's procurement of Plant and Materials

Eskom will provide materials to be used. Contractor is to provide labour and tools/equipment to provide the works.

4.3.4 Tests and inspections before delivery

N/A

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

Eskom will provide materials to be used. Contractor is to provide labour and tools/equipment to provide the works.

4.3.6 Cataloguing requirements by the Contractor

N/A

5 List of drawings

5.1 Drawings issued by the Employer

See specification provided with the tender documents.

Appendix A

Contractor Resource	Number of	Make up & requirements of numbers	Duties and Requirements
Teams (1 per CLN)	4	1 team – Outeniqua CLN 1 team- Peninsula CLN 1 team- Karoo CLN 1 team- Namaqualand CLN	Conduct all work described in the Scope of Work.
Project Manager (1 PM per contractor)	1	1 per contractor.	Fulfil all project management duties.
Supervisor (1 per team)	4	1 per team	Be Certified and assessed to perform all maintenance and repair work in the Scope of work section on Transmission lines in the Western Grid. Have relevant ORHVS Outcome for ARC-off conditions (including close-proximity), non-outage related conditions and OI&E conditions. Must be able to take handouts to fulfil the scope of work.
Team Leader (1 per team)	4	1 per team	Be Certified and assessed to perform all maintenance and repair work in the Scope of work section on Transmission lines in the Western Grid. Have relevant ORHVS Outcome for ARC-off conditions (including close-proximity), non-outage related conditions and OI&E conditions. Must be able to take handouts to fulfil the scope of work.
Linesman (1 per team)	4	1 per team	Be Certified and assessed to perform all maintenance and repair work in the Scope of work section on Transmission lines in the Western Grid. Have relevant ORHVS Outcome for ARC-off conditions (including close-proximity), non-outage related conditions and OI&E conditions. Must be able to take handouts to fulfil the scope of work.
Groundsman (2 per team)	8	2 per team	Perform groundman activities.
Crane operator/truck driver	4	1 per team	Accredited crane operator Accredited and Code 14 licenced truck driver.
SHEQ Officer	1	1 per contractor.	All SHEQ related requirements.