



## NEC3 Term Service Contract (TSC3)

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

**and [Insert at award stage]**  
**(Reg No. \_\_\_\_\_ )**

**for Refurbishment of Reheat safety, HP Bypass valves**  
**and the associated HP Bypass spray water valves at**  
**Kriel Power Station for Five Years**

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| <b>Contents:</b>                              | <b>No of<br/>pages</b> |
|-----------------------------------------------|------------------------|
| <b>Part C1 Agreements &amp; Contract Data</b> | <b>18</b>              |
| <b>Part C2 Pricing Data</b>                   | <b>7</b>               |
| <b>Part C3 Scope of Work</b>                  | <b>27</b>              |

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**CONTRACT No. [Insert at award stage]**

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## PART C1:      AGREEMENTS & CONTRACT DATA

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| <b>Contents:</b>                                             | <b>No of<br/>pages</b> |
|--------------------------------------------------------------|------------------------|
| <b>C1.1 Form of Offer and Acceptance</b>                     | <b>3</b>               |
| <b>C1.2a Contract Data provided by the <i>Employer</i></b>   | <b>13</b>              |
| <b>C1.2b Contract Data provided by the <i>Contractor</i></b> | <b>2</b>               |

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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:

### **Refurbishment of Reheat safety, HP Bypass valves and the associated HP Bypass spray water valves at Kriel Power Station for Five Years.**

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

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

|                |                                                                      |          |
|----------------|----------------------------------------------------------------------|----------|
| Options A or C | The offered total of the Prices exclusive of VAT is                  | <b>R</b> |
|                | Sub total                                                            | <b>R</b> |
|                | Value Added Tax @ 15% is                                             | <b>R</b> |
|                | The offered total of the amount due inclusive of VAT is <sup>1</sup> | <b>R</b> |
|                | (in words)                                                           |          |

This Offer may be accepted by the Employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Contractor* in the *conditions of contract* identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the  
tenderer:**

(Insert name and address of organisation)

Name &  
signature of  
witness

Date

Tenderer's CIDB registration number:

### Acceptance

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

TITLE OF PROJECT /CONTRACT: Refurbishment of Reheat safety, HP Bypass valves and the associated HP Bypass spray water valves at Kriel Power Station for Five Years

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**

**Eskom Holdings SOC Ltd, Megawatt Park, Maxwell Drive, Sandton, Johannesburg,  
2199**

*(Insert name and address of organisation)*

Name &  
signature of  
witness

Date

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

TITLE OF PROJECT /CONTRACT: Refurbishment of Reheat safety, HP Bypass valves and the associated HP Bypass spray water valves at Kriel Power Station for Five Years

### 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.

#### For the tenderer:

#### For the Employer

Signature

Name

Capacity

On behalf of *(Insert name and address of organisation)*

**Eskom Holdings SOC Ltd, Megawatt  
Park, Maxwell Drive, Sandton,  
Johannesburg, 2199**

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      | <b>General</b>                                                                          |                                                                                                                                                         |
|        | The <i>conditions of contract</i> are the core clauses and the clauses for main Option: |                                                                                                                                                         |
|        |                                                                                         | <b>A: Priced contract with price list</b>                                                                                                               |
|        | dispute resolution Option                                                               | <b>W1: Dispute resolution procedure</b>                                                                                                                 |
|        | and secondary Options                                                                   |                                                                                                                                                         |
|        |                                                                                         | <b>X1: Price adjustment for inflation</b>                                                                                                               |
|        |                                                                                         | <b>X2 Changes in the law</b>                                                                                                                            |
|        |                                                                                         | <b>X17: Low service damages</b>                                                                                                                         |
|        |                                                                                         | <b>X18: Limitation of liability</b>                                                                                                                     |
|        |                                                                                         | <b>X19: Task Order</b>                                                                                                                                  |
|        |                                                                                         | <b>Z: Additional conditions of contract</b>                                                                                                             |
|        | of the NEC3 Term Service Contract April 2013 <sup>1</sup> (TSC3)                        |                                                                                                                                                         |
| 10.1   | The <i>Employer</i> is (name):                                                          | <b>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</b> |
|        | Address                                                                                 | <b>Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg</b>                                                                         |
|        | Tel No.                                                                                 | <b>+27 11 871 3706</b>                                                                                                                                  |
|        | Fax No.                                                                                 | <b>Not applicable</b>                                                                                                                                   |
| 10.1   | The <i>Service Manager</i> is (name):                                                   | <b>Sonwabile Maboza</b>                                                                                                                                 |
|        | Address                                                                                 | <b>Eskom Holdings SOC Limited, Kriel Power Station, Generation, Group, Cluster 3 Ogies/Bethal Road, Kriel</b>                                           |
|        | Tel                                                                                     | <b>013 295 9042</b>                                                                                                                                     |
|        | Fax                                                                                     | <b>Not Applicable</b>                                                                                                                                   |
|        | e-mail                                                                                  | <b><a href="mailto:MabozaSN@eskom.co.za">MabozaSN@eskom.co.za</a></b>                                                                                   |

<sup>1</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 [www.ecs.co.za](http://www.ecs.co.za)

|          |                                                                  |                                                                                                                                                                                                                                                                       |
|----------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.2(2)  | The Affected Property is                                         | <b>Kriel Power Station</b>                                                                                                                                                                                                                                            |
| 11.2(13) | The <i>service</i> is                                            | <b>Open, Inspect, Provide Inspection report, Refurbish and Maintain of HP Bypass , HP Bypass spray water control and stop valves and Hot Reheat Safety valves HP Bypass and Hot Reheat Safety valves on Units 1-6 for a period of 5 years at Kriel Power Station.</b> |
| 11.2(14) | The following matters will be included in the Risk Register      | <ul style="list-style-type: none"> <li>- <b>Long Lead Spares</b></li> <li>- <b>Unprotected Strikes</b></li> </ul>                                                                                                                                                     |
| 11.2(15) | The Service Information is in                                    | <b>Part 3: Scope of Work and all documents and drawings to which it makes reference.</b>                                                                                                                                                                              |
| 12.2     | The <i>law of the contract</i> is the law of                     | <b>the Republic of South Africa</b>                                                                                                                                                                                                                                   |
| 13.1     | The <i>language of this contract</i> is                          | <b>English</b>                                                                                                                                                                                                                                                        |
| 13.3     | The <i>period for reply</i> is                                   | <ul style="list-style-type: none"> <li>- <b>Within 2 working days non outage periods.</b></li> <li>- <b>During Outages within 12 hours including weekends and public holidays.</b></li> </ul>                                                                         |
| <b>2</b> | <b>The Contractor's main responsibilities</b>                    | <b>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</b>                                                                        |
| 21.1     | The <i>Contractor</i> submits a first plan for acceptance within | <b>Level 3 within two weeks after Contract Date</b>                                                                                                                                                                                                                   |
| <b>3</b> | <b>Time</b>                                                      |                                                                                                                                                                                                                                                                       |
| 30.1     | The <i>starting date</i> is.                                     | <b>TBC</b>                                                                                                                                                                                                                                                            |
| 30.1     | The <i>service period</i> is                                     | <b>Five (5) years</b>                                                                                                                                                                                                                                                 |
| <b>4</b> | <b>Testing and defects</b>                                       | <b>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</b>                                                                                            |
| <b>5</b> | <b>Payment</b>                                                   |                                                                                                                                                                                                                                                                       |
| 50.1     | The <i>assessment interval</i> is                                | <ul style="list-style-type: none"> <li>- <b>25th day of each successive month.</b></li> <li>- <b>Service manager may when deemed necessary request Bi-Weekly payment assessments or on the completion of work.</b></li> </ul>                                         |
| 51.1     | The <i>currency of this contract</i> is the                      | <b>South African Rand</b>                                                                                                                                                                                                                                             |
| 51.2     | The period within which payments are made is                     | <ul style="list-style-type: none"> <li>- <b>30 days for Contracts with a value less than R50M.</b></li> <li>- <b>60 days for Contracts with a value greater than R50M.</b></li> </ul>                                                                                 |
| 51.4     | The <i>interest rate</i> is                                      | <b>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</b>                                                                         |

dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and

(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 *mutatis mutandis* every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.

|      |                                                                                                                                           |                                                                                                                                                                                                                                                                            |
|------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6    | <b>Compensation events</b>                                                                                                                | 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    | <b>Use of Equipment Plant and Materials</b>                                                                                               | 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    | <b>Risks and insurance</b>                                                                                                                |                                                                                                                                                                                                                                                                            |
| 80.1 | These are additional <i>Employer's</i> risks                                                                                              | - Terminations of the contract due to <i>Contractor's</i> non adherence to the <i>Employer's</i> requirements stated in the contract.                                                                                                                                      |
| 9    | <b>Termination</b>                                                                                                                        | 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   | <b>Data for main Option clause</b>                                                                                                        |                                                                                                                                                                                                                                                                            |
| A    | <b>Priced contract with price list</b>                                                                                                    |                                                                                                                                                                                                                                                                            |
| 20.5 | The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than | - Total Contract financial forecast on a monthly basis.<br>- Cost to completion during Outages on a weekly basis                                                                                                                                                           |
| 11   | <b>Data for Option W1</b>                                                                                                                 |                                                                                                                                                                                                                                                                            |
| 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 <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a> ). If the |

|         |                                                                             |                                                                                                                                                                                                                                            |
|---------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                             | <b>Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).</b>                                                                                                   |
| Address |                                                                             | To be known when dispute arises                                                                                                                                                                                                            |
| Tel No. |                                                                             | To be known when dispute arises                                                                                                                                                                                                            |
| Fax No. |                                                                             | To be known when dispute arises                                                                                                                                                                                                            |
| e-mail  |                                                                             | To be known when dispute arises                                                                                                                                                                                                            |
| W1.2(3) | The <i>Adjudicator nominating body</i> is:                                  | <b>the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a>) or its successor body.</b> |
| W1.4(2) | The <i>tribunal</i> is:                                                     | <b>arbitration</b>                                                                                                                                                                                                                         |
| W1.4(5) | The <i>arbitration procedure</i> is                                         | <b>the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.</b>                                                                                    |
|         | The place where arbitration is to be held is                                | <b>South Africa</b>                                                                                                                                                                                                                        |
|         | The person or organisation who will choose an arbitrator                    |                                                                                                                                                                                                                                            |
|         | - if the Parties cannot agree a choice or                                   | <b>the Chairman for the time being or his nominee</b>                                                                                                                                                                                      |
|         | - if the arbitration procedure does not state who selects an arbitrator, is | <b>of the Association of Arbitrators (Southern Africa) or its successor body.</b>                                                                                                                                                          |

## 12 Data for secondary Option clauses

| <b>X1</b>  | <b>Price adjustment for inflation</b>                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
|------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------|-------------------|------|--------------------------------------------|--------|------|----------------------|--------|-------|-----------------------------|--------|-------|---------------------|--|------|----------------|--|------|--|--|
| X1.1       | The <i>base date</i> for indices is                                | <b>One month prior the tender closing date. (2nd,3rd ,4th and 5th years anniversary are subjected to CPA claim).</b>                                                                                                                                                                                                                                                                                                                                                                                           |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
|            | The proportions used to calculate the Price Adjustment Factor are: | <table> <tr> <th>proportion</th><th>linked to index for</th><th>Index prepared by</th></tr> <tr> <td>0.65</td><td>Labour Table C3(All Hourly-Paid Employees)</td><td>SEIFSA</td></tr> <tr> <td>0.05</td><td>Transport Table L2-A</td><td>SEIFSA</td></tr> <tr> <td>0.095</td><td>Engineering input Table G-1</td><td>SEIFSA</td></tr> <tr> <td>0.055</td><td>Materials Table D-4</td><td></td></tr> <tr> <td>0.15</td><td>non-adjustable</td><td></td></tr> <tr> <td>1.00</td><td></td><td></td></tr> </table> | proportion | linked to index for | Index prepared by | 0.65 | Labour Table C3(All Hourly-Paid Employees) | SEIFSA | 0.05 | Transport Table L2-A | SEIFSA | 0.095 | Engineering input Table G-1 | SEIFSA | 0.055 | Materials Table D-4 |  | 0.15 | non-adjustable |  | 1.00 |  |  |
| proportion | linked to index for                                                | Index prepared by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 0.65       | Labour Table C3(All Hourly-Paid Employees)                         | SEIFSA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 0.05       | Transport Table L2-A                                               | SEIFSA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 0.095      | Engineering input Table G-1                                        | SEIFSA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 0.055      | Materials Table D-4                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 0.15       | non-adjustable                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| 1.00       |                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |
| <b>X2</b>  | <b>Changes in the law</b>                                          | <b>There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.</b>                                                                                                                                                                                                                                                                                                                                                                              |            |                     |                   |      |                                            |        |      |                      |        |       |                             |        |       |                     |  |      |                |  |      |  |  |

|            |                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>X17</b> | <b>Low service damages</b>                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| X17.1      | The <i>service level table</i> is in                                                                                                                                               | <b>Part C1.2a ,Annexure A page 12.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>X18</b> | <b>Limitation of liability</b>                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| X18.1      | The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to                                                                          | <b>R0.0 (zero Rand)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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                                  | <b>the amount of the deductibles relevant to the event</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| X18.3      | The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to                                                                              | <b>The greater of</b> <ul style="list-style-type: none"> <li>• the total of the Prices at the Contract Date and</li> <li>• 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</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 |
| 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 | <b>the total of the Prices other than for the additional excluded matters.</b><br><br><b>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</b><br><br><b>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</b> <ul style="list-style-type: none"> <li>• Defects due to his design, plan and specification,</li> <li>• Defects due to manufacture and fabrication outside the Affected Property,</li> <li>• loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials),</li> <li>• death of or injury to a person and</li> <li>• infringement of an intellectual property right.</li> </ul> |
| X18.5      | The <i>end of liability date</i> is                                                                                                                                                | <b>12 months after the end of the <i>service period</i>.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>X19</b> | <b>Task Order</b>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| X19.5      | The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within                                                                                          | <ul style="list-style-type: none"> <li>- <b>5 days of receiving the Task Order.</b></li> <li>- <b>Additional Emergency Conditions Apply.</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Z</b>   | <b>The <i>additional conditions of contract</i> are</b>                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|            |                                                                                                                                                                                    | <b>Z1 to Z14 always apply.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**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.<br><br>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.<br><br>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.<br><br>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 | <u><b>Loss of or damage to property</b></u><br>The replacement cost<br><br><u><b>Bodily injury to or death of a person</b></u><br>The amount required by the applicable law.                     |

|                                                                                                                                                                     |                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Service                                                                                                                                                             |                                           |
| 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 |

**Z 12.2 Replace core clause 86 with the following:****Insurance by the Employer**

86

86.1 The *Employer* provides the insurances stated in the Insurance Table B**INSURANCE TABLE B**

| Insurance against or name of policy               | Minimum amount of cover or minimum limit of indemnity |
|---------------------------------------------------|-------------------------------------------------------|
| Assets All Risk                                   | Per the insurance policy document                     |
| Contract Works insurance                          | Per the insurance policy document                     |
| Environmental Liability                           | Per the insurance policy document                     |
| General and Public Liability                      | Per the insurance policy document                     |
| Transportation (Marine)                           | Per the insurance policy document                     |
| Motor Fleet and Mobile Plant                      | Per the insurance policy document                     |
| Terrorism                                         | Per the insurance policy document                     |
| Cyber Liability                                   | Per the insurance policy document                     |
| Nuclear Material Damage and Business Interruption | Per the insurance policy document                     |
| Nuclear Material Damage Terrorism                 | Per the insurance policy document                     |

**Z13 Nuclear Liability**

Z13.1 The *Employer* is the operator of the Koeberg Nuclear Power Station (KNPS), a nuclear installation, as designated by the National Nuclear Regulator of the Republic of South Africa, and is the holder of a nuclear licence in respect of the KNPS.

Z13.2 The *Employer* is solely responsible for and indemnifies the *Contractor* or any other person against any and all liabilities which the *Contractor* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Contractor* or any other person or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS

site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.3 Subject to clause Z13.4 below, the *Employer* waives all rights of recourse, arising from the aforesaid, save to the extent that any claims arise or liability is incurred due or attributable to the unlawful intent of the *Contractor* or any other person, or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.4 The *Employer* does not waive its rights provided for in section 30 (7) of Act 47 of 1999, or any replacement section dealing with the same subject matter.

Z13.5 The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.

## **Z14 Asbestos**

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

|                              |                                                                                                                                                                                                                                                                                                              |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AAIA</b>                  | means approved asbestos inspection authority.                                                                                                                                                                                                                                                                |
| <b>ACM</b>                   | means asbestos containing materials.                                                                                                                                                                                                                                                                         |
| <b>AL</b>                    | means action level, i.e. a level of 50% of the OEL, i.e. 0.1 regulated asbestos fibres per ml of air measured over a 4 hour period. The value at which proactive actions is required in order to control asbestos exposure to prevent exceeding the OEL.                                                     |
| <b>Ambient Air</b>           | means breathable air in area of work with specific reference to breathing zone, which is defined to be a virtual area within a radius of approximately 30cm from the nose inlet.                                                                                                                             |
| <b>Compliance Monitoring</b> | means compliance sampling used to assess whether or not the personal exposure of workers to regulated asbestos fibres is in compliance with the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles. |
| <b>OEL</b>                   | means occupational exposure limit.                                                                                                                                                                                                                                                                           |
| <b>Parallel Measurements</b> | means measurements performed in parallel, yet separately, to existing measurements to verify validity of results.                                                                                                                                                                                            |
| <b>Safe Levels</b>           | means airborne asbestos exposure levels conforming to the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles.                                                                                       |
| <b>Standard</b>              | means the <i>Employer's</i> Asbestos Standard 32-303: Requirements for Safe Processing, Handling, Storing, Disposal and Phase-out of Asbestos and Asbestos Containing Material, Equipment and Articles.                                                                                                      |
| <b>SANAS</b>                 | means the South African National Accreditation System.                                                                                                                                                                                                                                                       |
| <b>TWA</b>                   | means the average exposure, within a given workplace, to airborne asbestos fibres, normalised to the baseline of a 4 hour continuous period, also applicable to short term exposures, i.e. 10-minute TWA.                                                                                                    |

Z14.1 The *Employer* ensures that the Ambient Air in the area where the *Contractor* will Provide the Services conforms to the acceptable prescribed South African standard for asbestos, as per the regulations published in GNR 155 of 10 February 2002, under the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("Asbestos Regulations"). The OEL for asbestos is 0.2 regulated asbestos fibres per millilitre of air as a 4-hour TWA, averaged over any continuous period of four hours, and the short term exposure limit of 0.6 regulated asbestos fibres per millilitre of air as a 10-

minute TWA, averaged over any 10 minutes, measured in accordance with HSG248 and monitored according to HSG173 and OESSM.

- Z14.2 Upon written request by the *Contractor*, the *Employer* certifies that these conditions prevail. All measurements and reporting are effected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited and Department of Employment and Labour approved AAIA. The *Contractor* may perform Parallel Measurements and related control measures at the *Contractor's* expense. For the purposes of compliance the results generated from Parallel Measurements are evaluated only against South African statutory limits as detailed in clause Z14.1. Control measures conform to the requirements stipulated in the AAIA-approved asbestos work plan.
- Z14.3 The *Employer* manages asbestos and ACM according to the Standard.
- Z14.4 In the event that any asbestos is identified while Providing the Services, a risk assessment is conducted and if so required, with reference to possible exposure to an airborne concentration of above the AL for asbestos, immediate control measures are implemented and relevant air monitoring conducted in order to declare the area safe.
- Z14.5 The *Contractor's* personnel are entitled to stop working and leave the contaminated area forthwith until such time that the area of concern is declared safe by either Compliance Monitoring or an AAIA approved control measure intervention, for example, per the emergency asbestos work plan, if applicable.
- Z14.6 The *Contractor* continues to Provide the Services, without additional control measures presented, on presentation of Safe Levels. The contractually agreed dates to Provide the Services, including the Completion Date, are adjusted accordingly. The contractually agreed dates are extended by the notification periods required by regulations 3 and 21 of the Asbestos Regulations, 2001.
- Z14.7 Any removal and disposal of asbestos, asbestos containing materials and waste, is done by a registered asbestos contractor, instructed by the *Employer* at the *Employer's* expense, and conducted in line with South African legislation.

**Annexure A: Table of low service damages (X17)**

| <b>Low Service Damage Description</b>                                                                               | <b>Value of Low Service Damages</b>      | <b>Limit of Low Service Damage</b>     |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|
| Service delaying the Outage Critical Path (Delaying other <i>Contractor(s)</i> from starting/completing their work) | 1.5% of Task Order per day               | Limited to 10% of the Task Order value |
| Service delays not finishing as per agreed upon Programme submitted to the <i>Service Manger</i>                    | 1% of Task Order per day                 | Limited to 10% of the Task Order value |
| Submission of documents as per agreed upon CDSS in this <i>service agreement</i>                                    | 0.5% of Task Order per day               | Limited to 10% of the Task Order value |
| Rework due to poor workmanship.                                                                                     | 2% of Task Order per day                 | Limited to 10% of the Task Order value |
| Daily Progress Updated Programme                                                                                    | 0.5% of Task Order per day               | Limited to 10% of Task Order Value     |
| No response of NCR within 3 days                                                                                    | 1% of Task Order per day                 | Limited to 10% of Task Order Value     |
| No Authorised Supervisors within 3 months from the Contract Start Date                                              | 1% of Task Order per day                 | Limited to 10% of Task Order Value     |
| No Responsible Person authorised within 6 months from the Contract Start Date                                       | 0.5% of Task Order per day               | Limited to 10% of Task Order Value     |
| Not adhering to Site Establishment Requirements and lack of continuous housekeeping                                 | 0.5% of Task Order per day               | Limited to 10% of Task Order Value     |
| Not on site within the call out period stipulated in the Works Information 1.3                                      | 0.5% of Task Order per hour late on site | Limited to 10% of Task Order Value     |

## C1.2 Contract Data

### Part two - Data provided by the Contractor

| Clause                                                           | Statement                                                                                                                                                               | Data     |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 10.1                                                             | The <i>Contractor</i> is (Name):<br>Address<br>Tel No.<br>Fax No.                                                                                                       |          |
| 11.2(8)                                                          | The <i>direct fee percentage</i> is<br>The <i>subcontracted fee percentage</i> is                                                                                       | %<br>%   |
| 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:<br>1 Name:<br>Job:<br>Responsibilities:<br>Qualifications:<br>Experience:<br>2 Name:<br>Job:<br>Responsibilities:<br>Qualifications:<br>Experience: |          |
| CV's (and further key person's data including CVs) are in _____. |                                                                                                                                                                         |          |
| <b>A</b>                                                         | <b>Priced contract with price list</b>                                                                                                                                  |          |
| 11.2(12)                                                         | The <i>price list</i> is in                                                                                                                                             |          |
| 11.2(19)                                                         | The tendered total of the Prices is                                                                                                                                     | <b>R</b> |
| <b>C</b>                                                         | <b>Target contract with price list</b>                                                                                                                                  |          |

|          |                                              |
|----------|----------------------------------------------|
| 11.2(12) | The <i>price list</i> is in                  |
| 11.2(20) | The tendered total of the Prices is <b>R</b> |
| <b>E</b> | <b>Cost reimbursable contract</b>            |
| 11.2(12) | The <i>price list</i> is in                  |

PART 2: PRICING DATA

TSC3 Option A

| Document reference | Title                         | No of pages |
|--------------------|-------------------------------|-------------|
|                    | This cover page               | 1           |
| C2.1               | Pricing assumptions: Option A | 2           |
| C2.2               | The <i>price list</i>         | 4           |
|                    |                               | 7           |

## C2.1 Pricing assumptions: Option A

### 1. How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract (TSC3) core clauses and Option A states:

|                                     |      |                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Identified and defined terms</b> | 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"> <li>the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and</li> <li>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.</li> </ul> |
|                                     |      | (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.

### 2. 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.

### 3. 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).

### 4. 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.

#### 4.1. Format of the *price list*

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

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

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

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

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

## C2.2 the *price list*

| COST BREAK DOWN FOR HP BYPASS VALVES |                                                                                                                                                                                        |     |      |       |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------|-------|
| No.                                  | Description                                                                                                                                                                            | Qty | Rate | Total |
|                                      | <b>OUTAGES</b>                                                                                                                                                                         |     |      |       |
| 100                                  | <b>Preliminary &amp; General</b>                                                                                                                                                       |     |      |       |
| 101                                  | Site Establishment                                                                                                                                                                     | 1   |      |       |
| 102                                  | Transport                                                                                                                                                                              | 15  |      |       |
| 103                                  | FME Covers                                                                                                                                                                             | 1   |      |       |
| 104                                  | Medicals, Induction & Safety File                                                                                                                                                      | 15  |      |       |
| 105                                  | Tools and consumables                                                                                                                                                                  | 15  |      |       |
| 106                                  | Site Establishment                                                                                                                                                                     | 1   |      |       |
|                                      | <b>SUB-TOTAL FOR P&amp;G'S (100)</b>                                                                                                                                                   |     |      |       |
| 200                                  |                                                                                                                                                                                        |     |      |       |
| 201                                  | HP Bypass spray water valve 1A Refurbishment NB 20mm.<br>Strip valve, inspect, quote, conduct v/v refurbishment, resteallite valve if applicable assemble valve and witness stroking   | 20  |      |       |
| 202                                  | HP Bypass spray water valve 2A Refurbishment NB 20mm.<br>Strip valve, inspect, quote, conduct v/v refurbishment, resteallite valve if applicable assemble valve and witness stroking   | 20  |      |       |
| 203                                  | HP Bypass spray water valve 3A Refurbishment NB 20mm.<br>Strip valve, inspect, quote, conduct v/v refurbishment, resteallite valve if applicable assemble valve and witness stroking   | 20  |      |       |
| 204                                  | HP Bypass spray water valve 4A Refurbishment NB 20mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20  |      |       |
| 205                                  | HP Bypass spray water valve 1B Refurbishment NB 20mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20  |      |       |
| 206                                  | HP Bypass spray water valve 2B Refurbishment NB 20mm<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking        | 20  |      |       |
| 207                                  | HP Bypass spray water valve 3B Refurbishment NB 20mm<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking        | 20  |      |       |
| 208                                  | HP Bypass spray water valve 4B Refurbishment NB 20mm<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking        | 20  |      |       |
| 209                                  | HP Bypass main spray water reducing valve refurb NB-139,7mm<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking | 20  |      |       |
| 210                                  | HP Bypass spray water v/v 1A Refurbishment NB 20mm Hyd<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking      | 20  |      |       |
| 211                                  | HP Bypass spray water v/v 2A Refurbishment NB 20mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking         | 20  |      |       |

|     |                                                                                                                                                                                   |    |  |  |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|--|
| 212 | HP Bypass spray water v/v 3A Refurbishment NB 20mm Hyd Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking    | 20 |  |  |
| 213 | HP Bypass spray water v/v 4A Refurbishment NB 20mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20 |  |  |
| 214 | HP Bypass spray water v/v 1B Refurbishment NB 20mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20 |  |  |
| 215 | HP Bypass spray water v/v 2B Refurbishment NB 20mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20 |  |  |
| 216 | HP Bypass spray water v/v 3B Refurbishment NB 20mm Hyd Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking    | 20 |  |  |
| 217 | HP Bypass spray water v/v 4B Refurbishment NB 20mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking       | 20 |  |  |
| 218 | HP Bypass main spray water reducing v/v refurb NB-139,7mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking | 20 |  |  |
| 219 | HP Bypass spray valve 1 v/v NB-50mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                       | 20 |  |  |
| 220 | HP BYPASS sys v/v 2xv/vs NB-50mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                         | 20 |  |  |
| 221 | HP BYPASS sys v/v 3 hydraulic NB-50mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                     | 20 |  |  |
| 222 | HP BYPASS sys v/v 4 hydraulic NB-50mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                     | 20 |  |  |
| 223 | HP BYPASS sys v/v 1 NB-50mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                              | 20 |  |  |
| 224 | HP BYPASS sys v/v 2 NB-50mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                              | 20 |  |  |
| 225 | HP BYPASS sys v/v 3 NB-50mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                               | 20 |  |  |
| 226 | HP BYPASS sys v/v 4 NB-50mm. Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking                              | 20 |  |  |

|     |                                                                                                                                                                          |            |  |  |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|--|
| 227 | Hot Re-heatsafety valve1-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking      | 20         |  |  |
| 228 | Hot Re-heatsafety valve2-v/v NB 350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking    | 20         |  |  |
| 229 | Hot Re-heatsafety valve3-v/v NB 350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking    | 20         |  |  |
| 230 | Hot Re-heatsafety valve 4-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking     | 20         |  |  |
| 231 | Hot Re-heatsafety valve1-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking      | 20         |  |  |
| 232 | Hot Re-heatsafety valve2-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking      | 20         |  |  |
| 233 | Hot Re-heatsafety valve3-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking      | 20         |  |  |
| 234 | Hot Re-heatsafety valve 4-v/vNB350/480mm.<br>Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking     | 20         |  |  |
| 235 | HP Bypass Spraywater main Isolating Valves 125mm Strip valve,inspect,quote,conduct v/v refurbishment,resteallite valve if applicable assemble valve and witness stroking | 20         |  |  |
| 236 | QC INSPECTOR                                                                                                                                                             | 1600<br>0  |  |  |
|     | <b>SUB-TOTAL REFURBISHMENT (200)</b>                                                                                                                                     |            |  |  |
|     | <b>TOTAL COST-OUTAGE SECTION</b>                                                                                                                                         |            |  |  |
|     | <b>Maintenance</b>                                                                                                                                                       |            |  |  |
| 300 | <b>Preliminary and Generals</b>                                                                                                                                          |            |  |  |
| 301 | Transport (120km return trip)                                                                                                                                            | 2016<br>00 |  |  |
| 302 | Medicals, Induction and Safety                                                                                                                                           | 5          |  |  |
| 303 | Tool & Consumables                                                                                                                                                       | 5          |  |  |
|     | <b>SUB-TOTAL( 300)</b>                                                                                                                                                   |            |  |  |
| 400 | <b>Normal Hours</b>                                                                                                                                                      |            |  |  |
| 401 | Technician (1)                                                                                                                                                           | 9600       |  |  |
| 402 | Artisan (2)                                                                                                                                                              | 1920<br>0  |  |  |
| 403 | Semi-Skilled (2)                                                                                                                                                         | 1920<br>0  |  |  |
|     | <b>SUB-TOTAL(400)</b>                                                                                                                                                    |            |  |  |
| 500 | <b>Saturday Overtime</b>                                                                                                                                                 |            |  |  |
| 501 | Technician (1)                                                                                                                                                           | 1920       |  |  |
| 502 | Artisan (2)                                                                                                                                                              | 3840       |  |  |
| 503 | Semi Skilled (2)                                                                                                                                                         | 3840       |  |  |
|     | <b>SUB-TOTAL(500)</b>                                                                                                                                                    |            |  |  |

PROJECT OR CONTRACT TITLE: Refurbishment of Reheat safety, HP Bypass valves and the associated HP Bypass spray water valves at Kriel Power Station for Five Years

|                             |                                       |      |  |  |
|-----------------------------|---------------------------------------|------|--|--|
| 600                         | <b>Sunday/Public Holiday Overtime</b> |      |  |  |
| 601                         | Technician (1)                        | 1920 |  |  |
| 602                         | Artisan (2)                           | 3840 |  |  |
| 603                         | Semi-Skilled (2)                      | 3840 |  |  |
|                             | <b>SUB-TOTAL (600)</b>                |      |  |  |
|                             |                                       |      |  |  |
| <b>TOTAL AMOUNT EXL.VAT</b> |                                       |      |  |  |

Soft Spares and consumables are classified as follows but not limited to: All soft spares should be in accordance to the OEM requirements and that of the plant which will be supplied by the Contractor

**Soft Spares:**

- Packing
- Pressure Seals
- O-rings
- Spring and Flat Washers
- Metaflexes

**Consumables:**

- Degreaser
- Lapping Paste
- Sandpaper
- Rags
- Paraffin

## PART 3: SCOPE OF WORK

| <b>Document reference</b> | <b>Title</b>                            | <b>No of pages</b> |
|---------------------------|-----------------------------------------|--------------------|
|                           | This cover page                         | 1                  |
| C3.1                      | <i>Employer's Service Information</i>   | 26                 |
| C3.2                      | <i>Contractor's Service Information</i> |                    |
|                           | Total number of pages                   | <b>27</b>          |

## C3.1: EMPLOYER'S SERVICE INFORMATION

### Contents

|                                                                                                  |           |
|--------------------------------------------------------------------------------------------------|-----------|
| <b>Part 3: Scope of Work .....</b>                                                               | <b>1</b>  |
| <b>C3.1: Employer's service Information .....</b>                                                | <b>2</b>  |
| <b>1 Description of the service .....</b>                                                        | <b>4</b>  |
| 1.1 Executive overview .....                                                                     | 4         |
| 1.2 <i>Employer's requirements for the service</i> .....                                         | 4         |
| 1.2.1 Service Information .....                                                                  | 4         |
| 1.2.2 The High-Level Activities for off-site repairs .....                                       | 4         |
| 1.2.3 Lanterns, Actuators and Blocks .....                                                       | 6         |
| 1.2.4 Commissioning .....                                                                        | 6         |
| 1.2.5 Completion .....                                                                           | 7         |
| 1.2.6 Call out response times .....                                                              | 7         |
| 1.2.7 Detailed Site Establishment Requirements of the Contractor: .....                          | 7         |
| 1.3 Interpretation and terminology .....                                                         | 10        |
| <b>2 Management strategy and start up. ....</b>                                                  | <b>11</b> |
| 2.1 The <i>Contractor's</i> plan for the <i>service</i> .....                                    | 11        |
| 2.2 Management meetings.....                                                                     | 11        |
| 2.3 <i>Contractor's</i> management, supervision and key people .....                             | 12        |
| 2.4 Provision of bonds and guarantees .....                                                      | 12        |
| 2.5 Documentation control .....                                                                  | 12        |
| 2.6 Invoicing and payment .....                                                                  | 13        |
| 2.7 Contract change management.....                                                              | 13        |
| 2.8 Records of Defined Cost to be kept by the <i>Contractor</i> .....                            | 13        |
| 2.9 Insurance provided by the <i>Employer</i> .....                                              | 13        |
| 2.10 Training workshops and technology transfer .....                                            | 14        |
| 2.11 Design and supply of Equipment .....                                                        | 14        |
| 2.12 Things provided at the end of the <i>service period</i> for the <i>Employer's</i> use ..... | 14        |
| 2.12.1 Equipment .....                                                                           | 14        |
| 2.12.2 Information and other things .....                                                        | 14        |
| 2.13 Management of work done by Task Order.....                                                  | 14        |
| <b>3 Health and safety, the environment and quality assurance .....</b>                          | <b>16</b> |
| 3.1 Health and safety risk management .....                                                      | 16        |
| 3.2 Environmental constraints and management.....                                                | 16        |
| 3.2.1 Environmental Management Programmes .....                                                  | 17        |
| 3.2.2 Audits .....                                                                               | 17        |

|          |                                                                                        |           |
|----------|----------------------------------------------------------------------------------------|-----------|
| 3.3      | Quality assurance requirements .....                                                   | 17        |
| 3.3.1    | Contract Quality Management Plan Requirement .....                                     | 18        |
| 3.3.2    | Quality Control Plan .....                                                             | 18        |
| <b>4</b> | <b>Procurement .....</b>                                                               | <b>20</b> |
| 4.1      | People .....                                                                           | 20        |
| 4.1.1    | Minimum requirements of people employed .....                                          | 20        |
| 4.1.2    | BBBEE and preferencing scheme .....                                                    | 20        |
| 4.1.3    | Accelerated Shared Growth Initiative – South Africa (ASGI-SA).....                     | 20        |
| 4.1.4    | Supplier Development Localisation and Industrialisation .....                          | 20        |
| 4.2      | Subcontracting .....                                                                   | 20        |
| 4.2.1    | Preferred subcontractors .....                                                         | 20        |
| 4.2.2    | Subcontract documentation, and assessment of subcontract tenders .....                 | 20        |
| 4.2.3    | Limitations on subcontracting .....                                                    | 21        |
| 4.2.4    | Attendance on subcontractors .....                                                     | 21        |
| 4.3      | Plant and Materials .....                                                              | 21        |
| 4.3.1    | Specifications .....                                                                   | 21        |
| 4.3.2    | Correction of defects .....                                                            | 21        |
| 4.3.3    | <i>Contractor's</i> procurement of Plant and Materials .....                           | 21        |
| 4.3.4    | Tests and inspections before delivery .....                                            | 21        |
| 4.3.5    | Plant & Materials provided “free issue” by the <i>Employer</i> .....                   | 21        |
| 4.3.6    | Cataloguing requirements by the <i>Contractor</i> .....                                | 21        |
| <b>5</b> | <b>Working on the Affected Property.....</b>                                           | <b>22</b> |
| 5.1      | <i>Employer's</i> site entry and security control, permits, and site regulations ..... | 22        |
| 5.1.1    | Eskom Life Saving Rules: .....                                                         | 22        |
| 5.2      | People restrictions, hours of work, conduct and records .....                          | 23        |
| 5.3      | Health and safety facilities on the Affected Property .....                            | 23        |
| 5.4      | Environmental controls, fauna & flora .....                                            | 24        |
| 5.5      | Cooperating with and obtaining acceptance of Others .....                              | 24        |
| 5.6      | Records of <i>Contractor's</i> Equipment .....                                         | 24        |
| 5.7      | Equipment provided by the <i>Employer</i> .....                                        | 24        |
| 5.8      | Site services and facilities .....                                                     | 24        |
| 5.8.1    | Provided by the <i>Employer</i> .....                                                  | 24        |
| 5.8.2    | Provided by the <i>Contractor</i> .....                                                | 25        |
| 5.9      | Control of noise, dust, water and waste .....                                          | 26        |
| 5.10     | Hook ups to existing works .....                                                       | 26        |
| 5.11     | Tests and inspections .....                                                            | 26        |
| 5.11.1   | Description of tests and inspections .....                                             | 26        |
| 5.11.2   | Materials facilities and samples for tests and inspections .....                       | 26        |
| <b>6</b> | <b>List of drawings.....</b>                                                           | <b>27</b> |
| 6.1      | Drawings issued by the <i>Employer</i> .....                                           | 27        |

# 1 Description of the service

## 1.1 Executive overview

This Statement of Work (SOW) outlines the comprehensive inspection, refurbishment, and maintenance of critical valve systems at Kriel Power Station, covering Units 1 through 6. The focus is on HP Bypass valves, including spray water control and stop valves, as well as Hot Reheat Safety valves. These components are vital for the safe and efficient operation of the power plant during routine outages and scheduled maintenance activities.

Over a period of five years, the *Contractor* will be responsible for systematically opening, inspecting, and assessing the condition of these valves. Detailed inspection reports will be provided following each assessment, identifying any required refurbishments or repairs. Maintenance activities will be executed as necessary to ensure reliability and optimal performance, thereby minimizing downtime and enhancing plant safety.

This proactive and structured approach supports Kriel Power Station's commitment to operational excellence, safety compliance, and long-term asset integrity.

## 1.2 Employer's requirements for the service

### 1.2.1 Service Information

- a) The service is for the provision of repairing valves and associated components through welding and reconditioning on the worn out valves, spindles seats, valve baskets, plugs and other which includes pre and post weld heat treatments.
- b) The service will be applicable to HP bypass spray-water control and stop valves and on the Hot Reheat Safety valves at Kriel power station.
- c) The service will be applicable during outages, maintenance opportunities and possible breakdowns.
- d) The repairs are to be done within efficient durations as agreed between the supplier and the employer.

### 1.2.2 The High-Level Activities for off-site repairs

- i) Employer to remove valve from pipeline
- ii) Supplier will Collect from Kriel
- iii) Blast Clean
- iv) Strip valve
- v) Material analysis (PMI)
- vi) Approval of Quality file (this includes WPQR, WPS, Welder Qualifications, NDT Procedures, etc.) QM58. The welding documentation must be submitted for review on the QCP approval. The following documents and requirements must be adhered to during this approval phase:
  - ISO 3834-2 must be submitted with the Quality file
  - The plant to be welded is classified as Eskom level 1 plant
  - The welding documentation must be adhere to the requirements of 240-106628253
  - The submitted WQR, WPS, WPQR must be for hard facing the materials listed in the table below.
  - The submitted WQR, WPS, WPQR must be for performing a weld built with filler material matching the base material for materials listed in the table below.
- vii) Make a sketch and take photos of areas to be refurbished (permission for camera usage must be granted)
- viii) Inspection report
- ix) Recommendation to repair must be shared with Engineer
- x) Refurbish to OEM specification ( Lapping, Machining, X-ray and welding)
- xi) Pre-machine Body & Disc Seat Area
- xii) Internal DPI
- xiii) Weld with Base if Required (to be determined during PMI)
- xiv) Pre-machine

PROJECT AND CONTRACT TITLE: Refurbishment of Reheat safety, HP Bypass valves and the associated HP Bypass spray water valves at Kriel Power Station for Five Years

- xv) Internal DPI
- xvi) Weld with hard facing (to be determined during PMI)
- xvii) PWHT if Required with approved procedures
- xviii) Blast Clean
- xix) Final Machine Body Seat and Disc to suit
- xx) Internal DPI
- xxi) 3rd Party DPI
- xxii) Paint
- xxiii) Final Assemble
- xxiv) Valve Body Pressure test (mandatory) and seat leakage (If applicable)
- xxv) Release valve (with signed off data pack)
- xxvi) Deliver to Kriel Power Station

**Table 1: Valves list**

| ITEM NO. | KKS      | SYSTEM DESCRIPTION                                  | Manufacturer | Type of valves | Material | Grouping<br>BS EN 1508 | Diameter Nominal (DN)(mm) | Design Press (Mpa) | Design Temp (°C) | End connections OD/ID |
|----------|----------|-----------------------------------------------------|--------------|----------------|----------|------------------------|---------------------------|--------------------|------------------|-----------------------|
| 1        | NW20S005 | HP BYPASS VALVE SPRAY WATER MAIN STOP VALVE         | Sulzer (CCI) | Globe          | 15Mo3    | 1.2                    | 139                       | 39,5               | 190              | 165/115 (Butt Welds)  |
| 2        | NW20S021 | HIGH PRESSURE BYPASS VALVE 1 SPRAY WATER STOP VALVE | Sulzer (CCI) | Globe          | 15Mo3    | 1.2                    | 50                        | 39,5               | 190              | 73/53 (Butt Welds)    |
| 3        | NW20S001 | HP BYPASS VALVE 1 SPRAY WATER REGULATING VALVE      | Sulzer (CCI) | Globe          | 15Mo3    | 1.2                    | 50                        | 39,5               | 190              | 73/53(Butt Welds)     |

Task orders will be issued by the *Service Manager* on an “as and when” required basis. The liability of the *Employer* is limited to the total of the Prices stated in the specific Task Order and not the total Price stated in the Service Information. The *Employer* is not obliged to issue any Task Order to the *Contractor* despite the *Contractor* being awarded the contract.

The *Contractor* will be notified by the *Service Manager* a minimum a month in advance if he becomes aware of any Outage dates that is delayed with 2months or brought forward.

Emergency Task Orders may be given at any time by the *Service Manager* and different conditions needs to be adhered to as per 2.13 Management of work done by Task Order

*Contractor* to adhere to the following documentation within the Service Information:

- ORHVS – Regulations – EPC – 32-846
- 36-681 Rev01 – Plant Safety Regulations
- RLR0037 – Management and control of the Declared Outage Permit
- Driven Machinery Regulations 1988
- Project Controls Requirements – 240-85065548

Scaffolding will be provided by the *Service Manager*, when the *Contractor* requires scaffolding he needs to request it from the *Service Manager*.

Electrical Installation Regulations to be adhered to, all electrical boards must be inspected and tested before connecting to a power supply and then a CoC must be issued

### 1.2.3 Lanterns, Actuators and Blocks

(HP Bypass Main Valves, HP Bypass Main Stop Valves, HP Bypass Hydraulic Spraywater Regulating & Stop Valves and HP Power Pack including motors)

- Conduct leak survey prior decommissioning the plant
- Isolate and depressurize hydraulic power pack
- C&I to remove their instruments from the plant
- Contractor to visually number and mark the orientation of the lanterns, hydraulic blocks and hydraulic connector pipes accordingly before stripping and removing from the plant. This is to ensure the plant is reinstated correctly and that all equipment is fitting right into their positions.
- Contractor to loosen the lanterns.
- Ensure bolts are not stripped and not broken off. If a bolt is broken off; on site machining is required for the required bolts which are for the contractor's account.
- Any items that are removed from the lanterns should be numbered and stored separately in a "sealable container".
- Contractor to transport actuators and blocks to their workshop.
- Actuators and blocks to be stripped from lanterns in a "clean condition" area specifically dedicated for hydraulic works.
- Actuators and blocks to be removed from the lantern.
- Old seals to be removed from the actuators and blocks.
- All old spares/seals should be stored in a see-through sealable bag and returned to site
- Lanterns, Actuators and blocks should be cleaned thoroughly.
- Blocks and Actuators should be pressure tested to ensure functionality is correct.
- Pressure test certificates should be provided to the *Service Manager*.
- After pressure test, all blocks and actuators to be cleaned again and install new seals and O-rings as per specification.
- Assemble the actuators and blocks again onto lanterns
- Transport lanterns back to site
- Rig lanterns back into position as per numbering and orientation as per marked areas on the photos and markings on plant.
- When they are confirmed to be in the correct position lanterns to be tighten to the relevant torque setting (Torque setting to reflect on QCP)
- After lanterns are torqued in position all blocks and actuators should be tighten again
- Top covers on all actuators be retighten
- Re-tighten solenoids on reheat safety valves and ensure screw caps are on to keep solenoids tight into position.
- Ensure all plugs and screws are in position that the solenoids stay in position when in operation
- Energize power pack that oil flows through the system
- Check for any leaks on the whole system ensuring no leaks and a complete closed system
- Contractor to be involved with the functionality and stroke checks of valves
- Any defects that rise from the stroke checking should be fixed immediately
- During light up commissioning resources are required to be on site when Safety Valves are floated that they be there should there be a mechanical problem.
- All drip trays on the valves should also be reinstated to a good working condition
- The contractor shall provide a technical report of the inspection and repairs conducted on every lantern/actuator/block. The report should as a minimum include the following:
  - The initial condition of the valve after stripping – report on debris, wear, and defects noted on the valves and associated components.
  - The repairs/ replacements conducted to restore the valves mechanical integrity.
  - Measured dimensions vs. allowable tolerances.
  - List of recommended actions and/or spares for the next overhaul.
  - Photographs of all notable defects.

### 1.2.4 Commissioning

This is defined as bringing into service all items of the works as specified, meeting the requirements of the functional Works Information and plant performance including all necessary testing and verification of the stated performance.

- a) The equipment covered by the Works Information is installed and complete in all respects by the dates stated in the Accepted Programme.

- b) The Contractor commissions the installed system according to his commissioning procedures that will be handed to the Project Manager for acceptance before commissioning may commence.
- c) The Contractor will notify the Project Manager 24 hours prior to commissioning to allow for the notification of relevant role players to be available as witnesses.
- d) OPS to indicate plant readiness to all stakeholders prior to start perform the commissioning activities.
- e) No valve or valve component to leave site without authorization from the project coordinator.
- f) Defects noticed during hot commissioning or while the items of work are in service needs to be repaired by the contractor at own costs.

### 1.2.5 Completion

- a) In accordance with the Works Information, the works is completed by the Completion Dates as per the latest agreed programme between Employer and Contractor.
- b) Data pack to be provided with electronic copies to the Project Manager, System Engineer and the Document centre for storage.

### 1.2.6 Call out response times

1. Call out response time during outages must not exceed 2 hours from time of call.
2. Call out response time during normal maintenance must not exceed 2 hours from time of call

The service is for the provision of repairing valves and associated components through welding and reconditioning which includes pre and post weld heat treatments. The service will be applicable to HP bypass spray-water control and stop valves at Kriel power station. The service will be applicable during outages, maintenance opportunities and possible breakdowns.

### 1.2.7 Detailed Site Establishment Requirements of the Contractor:

#### 1.2.7.1 Park homes – 1x Office (6mx3m), 1x Eating Area (6mx3m), 1x Storage/Spares (3mx12m)

- Total of 3 Park Homes to be supplied by the Contractor.
- Office and eating Park homes to have air conditioners in them.
- Enough power points to connect electronic devices.
- Sufficient furniture should be provided by the Contractor.
- Where possible water connections and drain lines connected to the relevant Park Home
- Suitable washing facilities for employees (Where possible)
- Security barriers in front of windows.
- Should have a designated area for employees to eat with sufficient tables and chairs.
- Sufficient storage space for materials and tools.
- Manufacturer's guidelines for storage of products should be adhered to
- Housekeeping should be done continuously to keep the area as safe and neat as possible (Including grass cutting activities)
- All structures, corner poles etc. to be painted (Painting colours to be discussed with the Project Coordinator)

#### 1.2.7.2 Fencing, barriers and lockable gates – (Contractor)

- Perimeter fencing to be 2m high as well as the gates of the yard
- Perimeter fencing should be around the whole perimeter of the Contractor
- Lockable gates must be installed and locked on a daily basis ensuring no illegal access to the Contractor's yard
- Isolate the work area from other areas of the Park Homes that are occupied
- Welding operations screened from public view
- Physical barriers that restrict access to stacking areas

**1.2.7.3 G5 filling and compact – (Contractor)**

- Supply G5 and fill to the designated site
- Compact G5
- Fill with concrete rocks
- Ensure the yard is levelled out and raised high enough ensuring no water will dam up in the designated area

**1.2.7.4 Electricity main supply extended cable and DB (Converts 380 Volts to 220 Volts) – (Contractor)**

- Every site to have its own DB Board and cable to be connected to a central point (DB Board & Cable to be supplied by Contractor)
- The DB Board and Cables being supplied shall have the capacity to supply the Contractor's yard with enough power to operate effectively
- Connections from DB Board to Park Homes to be done by the Contractor
- Contractor shall supply own CoC of all connections.

**1.2.7.5 Contractor signage board (2m x 2m signage – with a steel structure) – (Contractor)**

- Sign board displaying: Contractor Name, Contact Details of Site Manager and Company owner.
- Signs to warn of the dangers on the premises also requesting unauthorized people to stay out.
- Fire & Emergency Plan – display the plan in a visible place and make sure it is understood.
- Every site should have a first aid box and trained first aider.
- Fire extinguishers required in every building and easily accessible.
- Safety Records shall be displayed at the contractor site (updated every week as and when required).
- Facilities for hazardous material storage should be clearly marked on the contractor's site and disposal of hazardous materials should be adhered to the Eskom procedure.

**1.2.7.6 Roofing to cover open areas. (Contractor)**

- All works that are carried out at the contractor's yard should be done under roof not accessible to rain, dust or any foreign material
- There should be enough lighting to execute works safely.

**1.2.7.7 Toilet facilities, there are some portable toilets on site that the contractor can use. (Eskom)**

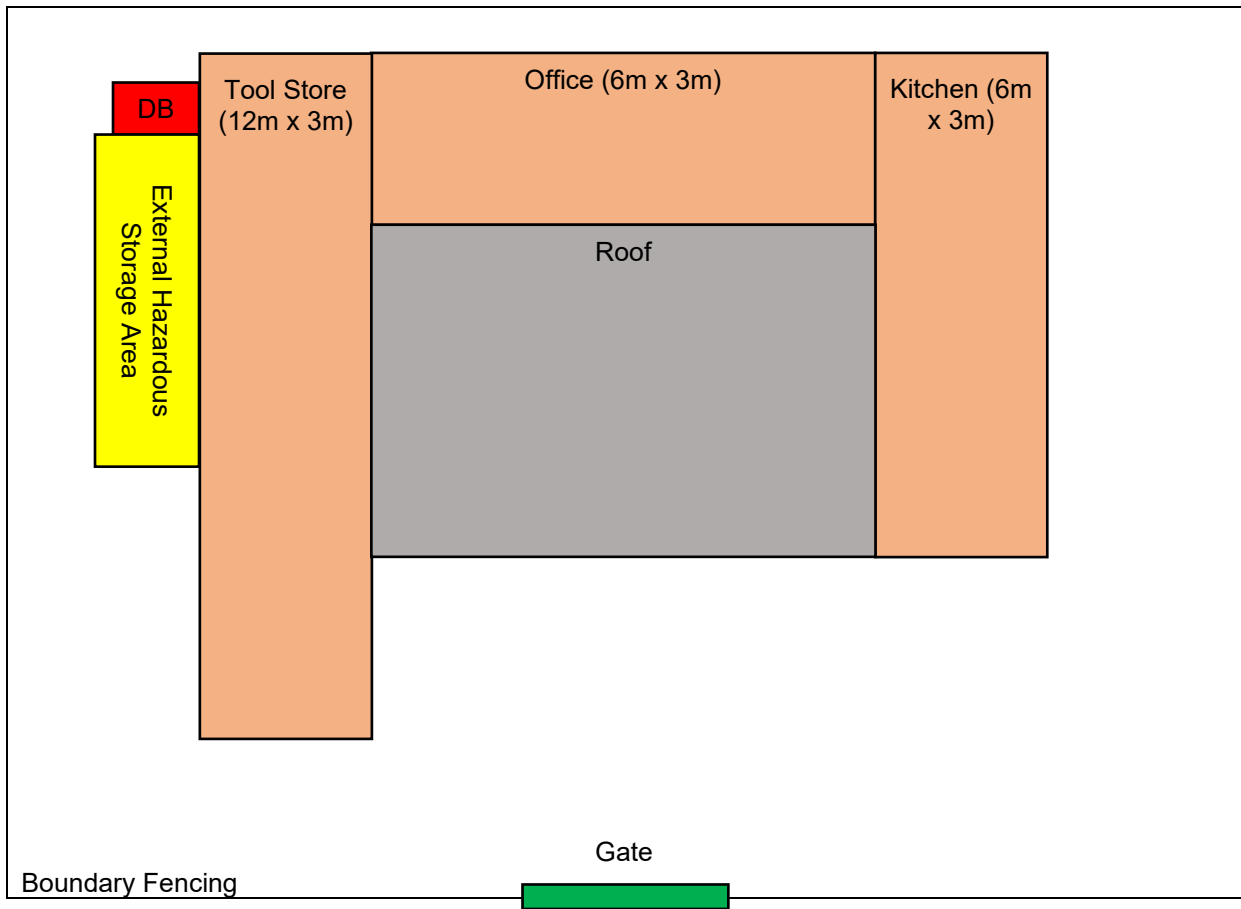
- Eskom will have portable toilets on strategic places on site which will be there for Contractor's use.
- If contractor has the means to install their own portable toilets, please note that the responsibility of cleaning those toilets lies with the contractor.

Note:

At the end of the contract the site with all the buildings, DB Board and power supply cable will then belong to Eskom.

The Contractor will only be allowed to remove furniture, materials and tools when de-establishing site.

Proposed Site Layout:



### 1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

| Abbreviation | Meaning given to the abbreviation |
|--------------|-----------------------------------|
| OBL          | Outside battery limits            |
|              |                                   |

## 2 Management strategy and start up.

### 2.1 The Contractor's plan for the service

The Contractor will submit a plan to the Service Manager for acceptance within the period stated in the service agreement.

Requirements which are to be incorporated into the Contractor's plan:

- Document 240-85065548 requirements (project controls for contractors)
- Level 4 programme when Task Order is provided to the Contractor

### 2.2 Management meetings

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

| Title and purpose                       | Approximate time & interval                                                                                                                                       | Location                                | Attendance by:                                                                                    |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------|
| Risk register and compensation events   | Discussions to take place as soon as a risk is notified                                                                                                           | <i>Service Manager's</i> office         | <i>Contractor, Service Manager</i> , Co-ordinator and Contracts Supervisor                        |
| Overall contract progress and feedback  | Weekly basis during Outages Thursdays 14:00-15:00                                                                                                                 | <i>Service Manager's</i> office         | <i>Service Manager, Contractor</i> , Co-ordinator and Contracts supervisor                        |
| Daily Outage Progress                   | Daily 10:00am during outages                                                                                                                                      | Outage Boardroom                        | Outage Execution Manager, Planner, <i>Service Manager</i> , Co-ordinator and Contract Supervisors |
| Daily Safety Toolbox Talks              | Daily before work starts on site with signed attendance registers by <i>Contractor's</i> employees and signed off minutes by the <i>Contractor's</i> Site Manager | <i>Contractors</i> Yard                 | <i>Contractor</i> and his employees                                                               |
| <i>Contractor</i> Weekly Safety Meeting | Wednesdays during Outages 11:00-12:00                                                                                                                             | Outage Boardroom                        | Safety Officers, Supervisors, Outage planners and Co-ordinators                                   |
| Plant Safety Walk down                  | Tuesdays 08:00am and Thursdays 08:00am during Outages                                                                                                             | Outside the unit on Outage shutter door | Safety Officers, Supervisors, Outage planners and Co-ordinators                                   |

|                            |                              |                                 |                                                                           |
|----------------------------|------------------------------|---------------------------------|---------------------------------------------------------------------------|
| <i>Contractors Meeting</i> | Daily 15:00pm during outages | <i>Service Manager's office</i> | Outage Co-ordinator, <i>Contractor, Contractor Planner and Supervisor</i> |
|----------------------------|------------------------------|---------------------------------|---------------------------------------------------------------------------|

If the *Contractor* can't attend any meeting his feedback should be formally communicated through to the *Service Manager*.

The *Contractor* will provide a detailed feedback report daily during Outages providing accurate feedback on the status of *service* carried out by the *Contractor*. This report should indicate accurate progress of *service* and if any constraints are experienced, the *Contractor* to communicate with the *Service Manager* and mitigate the risks with action plans.

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* to provide a key list of personnel who will carry out the work on site with their qualifications attached.
- A company organogram shall be shared with the *Service Manager* to communicate accordingly to comply with the NEC3 Term Services Contract communication structures.
- The *Contractor* shall provide a site manager/contract manager to manage all contract related matters. Such persons is preferred to have prior experience in contract management and change of this person is communicated in writing, within 1 (one) week of such change, to the *Employer*.
- The *Contractor's* supervisor shall be knowledgeable, competent and fully capable to perform supervisory duties without direct or continuous supervision by the employer, to liaise and co-ordinate activities with various departments, including the employer's personnel and others in order to fulfill all obligations.
- In the absence of the relevant *Site Manager* or *Supervisor*, a replacement must be identified to take over the duties.

### 2.4 Provision of bonds and guarantees

Not applicable to this contract

### 2.5 Documentation control

- Documentation requirements cover the life cycle of the project from the initial engineering stages through to installation and commissioning including operating, maintenance and the training stages of the project. Not only must these documents be comprehensive and complete but comply with strict document control and revision procedures.
- The *Contractor* is responsible to plan the supply of the documentation during the various project stages and to provide the documentation in accordance with the *Contractor* Document Submission Schedule (CDSS). A document is thus any written or pictorial information describing, defining, specifying or certifying activities, requirements, procedures or results.
- All the drawings issued by the *Employer* for this contract is copyright protected and are not to be copied by the *Contractor*.

- d) It is the responsibility of the *Contractor* to update any drawings that may have changed due to modifications on the plant. These drawings should be submitted and registered correctly by the *Contractor* to the drawing office at Kriel Power Station.
- e) The *Contractor* submits all documentation on a formal transmittal form to the *Service Manager*.
- f) All manuals, documents, drawings and engineering documentation shall be presented in British English in both software and hardware.
- g) All Communications will be always filed and kept on site as it is crucial to have the correct communication structures. These communication documents should always adhere to the NEC 3 Term Service Contract communication requirements.

#### **Contractor Document Submission Schedule (CDSS)**

| <b>Document Name/Description</b>                                              | <b>Date/Time documents to be submitted</b>   |
|-------------------------------------------------------------------------------|----------------------------------------------|
| A programme in Primavera format as referred to document number (240-85065548) | One week after receipt of task order         |
| Baseline risk assessment                                                      | A month before start of the work             |
| QCP's                                                                         | A month before start of the work             |
| <i>Contractor's</i> Safety file                                               | Two week before start of work                |
| Inspection report                                                             | 24 hours after stripping activity            |
| Daily progress report                                                         | After Every Shift                            |
| Technical report and data pack                                                | Within 14 days of completion of the services |

## **2.6 Invoicing and payment**

Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *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 [Invoiceseskomlocal@eskom.co.za](mailto:Invoiceseskomlocal@eskom.co.za) 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;
- Purchase order number
- GR Number
- ***Contractor* shall invoice after approval of Assessment, Payment certificate and GR**

## **2.7 Contract change management**

- a) Any change of the *Contractor's* company ownership should be communicated through to the *Service Manager*. Failing to do this may lead to contract termination with legal consequences.
- b) The correct processes and procedures will be communicated through to the *Contractor* by the *Service Manager*.
- c) If the *Employer's* *Service Manager* change the *Contractor* will be notified by the *Employer* as soon as possible to ensure that the *Contractor* follow the correct communication channels.

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

To substantiate the Defined Cost of Compensation Events, the *Contractor* shall keep records of amounts paid.

## **2.9 Insurance provided by the Employer**

As stated in Contract Data and as per Table A within this Service Agreement

## 2.10 Training workshops and technology transfer

- a) The *Service Manager* shall request a detailed workshop or bar charts which fit into the logic and time span of the Accepted Programme and reflects the required manufacturing completion dates.
- b) The *Contractor* shall create a programme for training on the plant for the Employer's nominated employees if required from the *Service Manager*.
- c) This training shall be relevant for the *Employer's* employees to perform front line fault finding or maintenance.

## 2.11 Design and supply of Equipment

- a) Details of the design of Equipment is shared with the *Service Manager*, not necessarily for his acceptance but, as an assurance that the Equipment will be able to allow the *Contractor* to Provide the Service efficiently and without delay.
- b) Also, the *Employer* may wish to exercise constraints or include witness and hold points during manufacture, assembly or delivery of such Equipment.
- c) The *Contractor* submits particulars of the design of an item of equipment to the *Service Manager* for acceptance when the *Service Manager* instructs him to. A reason for not accepting is that the design of the item will not allow the *Contractor* to provide the service in accordance with the Service Information, accepted plan or the applicable law.

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

### 2.12.1 Equipment

The *Contractor* shall hand over a serviceable plant to the *Employer* by the end of this contract.

### 2.12.2 Information and other things

- a) The *Contractor* has the right to use Equipment, Plant, and Materials as stated in this Service Information provided by the *Employer* to provide the service.
- b) At the end of the service period the *Contractor* returns all Equipment and surplus materials to the *Employer*. Provides items of equipment for the *Employer's* use as stated in the Service Information and provides information and other things as stated in the Service Information.

## 2.13 Management of work done by Task Order

- a) A Task is work within the service which the *Service Manager* may instruct the *Contractor* to carry out within a stated period.
- b) A signed Task Order is the *Service Manager's* instruction to carry out a Task.
- c) Task Completion is when the *Contractor* has done all the work in the Task and corrected Defects which would have prevented the *Employer* or Others from using the Affected Property and Others from doing their work.
- d) Task Completion Date is the date for completion stated in the Task Order unless later changed in accordance with this contract.
- e) A Task Order includes:
  - A detailed description of the work in the Task
  - A priced list of items of work in the Task in which items taken from the Price List are identified.
  - The starting and completion dates for the Task
  - Conditions of the service agreement is in accordance with the Task Order issued
- f) The *Service Manager* consults the *Contractor* about the contents of a Task Order before he issues it.
- g) The Prices for items in the Task price list which are not taken from the Price List are assessed in the same way as compensation events.
- h) No Task Order is issued after the end of the service period.
- i) Work will not commence on site without the *Contractor* receiving a signed detailed task order that has been agreed upon by the *Service Manager* and the *Contractor*.
- j) It is the *Contractor's* responsibility to provide the *Service Manager* a detailed Task Order programme for acceptance within the period stated in the Contract Data.

- k) Only when the Task Order programme is accepted and agreed upon by the *Service Manager* and the *Contractor* will any work commence on site.
- l) **When any emergencies do arise, it is required from the *Contractor* to adhere to the following terms:**
- The *Contractor* will be informed of emergencies when the *Service Manager* first becomes aware of it.
  - Response time within 2 hours for any communication when the *Contractor* acknowledges the emergency.
  - Provide a programme within 8 hours after Task Order provided to the *Contractor*.
  - Mobilise within 5 hours after Task Order have been accepted by both parties.

### 3 Health and safety, the environment and quality assurance

#### 3.1 Health and safety risk management

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 2003 (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 enough 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.

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.

The *Contractor* shall comply with the health and safety requirements contained in Annexure \_\_\_\_\_ to this Service Information.

#### 3.2 Environmental constraints and management

All service providers appointed to render any services within Eskom Kriel Power Station are required to comply with the station's Environmental Management System requirements.

NB: Before commencing with any work, the service providers are required to visit the station's environmental section for evaluation. The station's environmental practitioner will evaluate the services to be rendered by the service provider and therefore allocate relevant legal and other requirements documents which the *Contractor* shall comply with during the works. The service provider together with Eskom's Environmental practitioner shall sign in the Environmental Agreement Register to indicate that the agreement is reached.

The service provider shall then commence with the works but paying inordinate attention towards implementing the relevant legal and other requirements measures as agreed in the register. Failure to comply with this agreement may ultimately lead to the termination of this contract. This requirement shall also be clearly stipulated in the NEC contracts between Eskom Kriel Power Station and any service providers.

It should always be noted that Kriel Power Station is ISO14001 certified and therefore promotes Integrated Environmental Management (IEM) philosophy which aims to achieve a desirable balance between conservation and development. All activities taking place within Kriel Power Station must consider section 28 of the National Environmental Management Act (107 of 1998) which makes provision for the duty of care approach. The contractor's team must commit to review and to continually improve environmental management, with the objective of improving overall environmental performance. The *Contractor* must consult with Kriel Environmental section on a regular basis for on-going assistance and advice.

The EMS shall clearly cover the following areas as per ISO 14001.

- Environmental policy

- Environmental legal and other requirements
- Risk Assessments/Aspects & Impacts Register
- Improved management of monitoring and measurement documentation (e.g. devices calibration certificates)
- Provision of necessary resources (e.g. computers, adequate human resource) and allocation of roles and responsibility (through clear appointments) to achieve effective implementation of the EMS.
- Continuous commitment towards complying with operational controls such as work instructions, operational procedures, etc. (either provided by the *Contractor* or by *Service Manager*) as well as emergency preparedness and response procedures/plans.
- The contractor shall continually evaluate the compliance to legal requirements (e.g. sewage treatment plant permits and other applicable legislation); this should also be documented within the monthly environmental site inspections reports.
- Kriel Power Station's procedure for non-conformity, corrective action and preventive actions shall be followed in case of the environmental incidents.
- Contingency plans.

### 3.2.1 Environmental Management Programmes

- Environmental Management Programmes shall be established and maintained to ensure that objectives and targets are achieved.

### 3.2.2 Audits

- Audits covering various Environmental aspects, Safety, Operational, IBI and Maintenance Management at the plant shall be carried out within an acceptable interval to ensure compliance with statutory requirements and Eskom's policies, Directives, procedures etc.

The *Contractor* shall comply with the environmental criteria and constraints stated in Annexure \_\_\_\_\_

## 3.3 Quality assurance requirements

- a) The *Contractor* shall be required to demonstrate by means of a Contract Quality Plan (CQP) that this organisation is so structured that all the requirements of the specification will be properly monitored and controlled. The Contract Quality Plan (CQP), which must include the Quality Control Plan (QCP), is to be drafted in accordance with QM-58 and the Supplier Contract Quality Requirement Specification (QM58). The Quality documents are to be submitted for approval to *the Project Manager* within thirty (30) days after a contract has been awarded to the *Contractor*.
- b) No work may commence unless the Contract Quality Plan and Quality Control Plan documents have been approved in writing and a copy submitted to *the Project Manager*. The *Contractor*, in conjunction with *the Project Manager* must sign off all Quality Control documents after completing all work as per the agreed scope. The *Contractor* to submit a copy of the final signed off documents/data packages to *the Project Manager* within one (1) week after completion of work.
- c) The *Contractor* shall be required to read and fully understand the contents of the Supplier Contract Quality Requirement Specification (QM58) and a copy is to be kept in possession or on premises.
- d) The *Contractor* shall comply with all *Employer's* requirements as set out in QM-58 (Supplier Contract Quality Specification).
- e) The *Contractor* further ensures that the subcontractor's programmes comply with the requirements of the Service Information.
- f) The *Contractor* notifies the *Service Manager* of any changes to the Quality System and obtains agreement prior to implementation on existing orders and contracts, or sub orders and subcontracts.
- g) The Supplier Contract Quality Requirement Specification (QM58) shall remain applicable in the event of the contract being extended or modified for reasons permitted.
- h) By signature and acceptance of this contract the *Contractor* acknowledges and agrees to comply with and adhere to Eskom's policies and procedures (current and/or latest revisions) including the Supplier Contract Quality Requirement Specification (QM58).

### 3.3.1 Contract Quality Management Plan Requirement

The *Contractor* prepares a contract quality management plan that, where appropriate, indicates the following:

- Indicates the interface with the *Contractors* quality system and applicable documents such as procedures and work instructions
- Establishes communication channels between the *Contractor* and the *Service Manager* in respect of quality and the integration of such with the prescribed contract communication channels
- Indicates how specific subcontractors will be monitored
- Identifies items or activities for which quality control plans will be prepared
- Identifies the specifications, drawings and acceptance criteria for material for which quality control plans are not required
- Identifies the areas or processes requiring special controls
- Identifies the *Contractor's* Management Representative and personnel responsible for the control of quality activities and their relationship to the *Contractor's* management structure
- Identifies the documents which are to be submitted to the *Service Manager*
- Indicates the *Contractor's* quality monitoring programme

The *Contractor* periodically updates the contract quality management plan to reflect changes in any of the above details. The frequency of such updates is determined by the *Service Manager* but will not be greater than one year.

### 3.3.2 Quality Control Plan

The *Contractor's* or Subcontractor's quality control plans cover inspection and test proposals for items or activities to be supplied as part of the *service*.

The quality control plan indicates the following as appropriate:

- The identification of the item.
- A list of the sequence of operations including inspections and tests.
- The identification of the specification, drawings or procedures for each operation.
- The acceptance criteria with reference to the appropriate technical specification, in-house, national or international standard and relevant clause number.
- The inspections and tests the *Contractor* has nominated for hold and witness points.
- Provision for inspections and tests nominated by the *Service Manager*.
- Provision for inspection status indication.
- Inspection and test records which are generated by the *Contractor*.
- Competence of the people-Level II welding inspector, Coded welders, N3 Fitters /Boiler makers
- Personnel qualifications from approved training and accredited institute
- ITPs and welding procedures
- Material certificates
- Organogram indicating the quality person and his/her duties
- Adhere to the QM58
- Follow the Eskom welding rule book

The quality control plans are reviewed by the *Service Manager* to allow for insertion of his specific requirements, including hold and witness points, prior to commencement of work. The *Contractor* does not commence work until the *Service Manager* accepts.

The *Contractor* shall comply with:

- a) The Occupational Health and Safety Act, 1993, and all Regulations made there under.
- b) All *Employer* Safety and Operating Procedures, which are attached hereto.

The *Contractor* acknowledges that he is fully aware of the requirements of all the above and undertakes to employ only people who have been duly authorised in terms thereof and who have received sufficient safety training to ensure that they can comply therewith.

The *Contractor* undertakes not to do, or not to allow anything to be done which will contravene any of the provisions of the Act, Regulations or Safety and Operating Procedures.

The *Contractor* shall appoint a person who will liaise with the *Employer* Safety Officer responsible for the premises relevant to this contract. The person so appointed shall on request:

- a) Supply the *Employer* Safety Officer with copies of minutes of all Health and Safety Committee meetings, whenever he is required to do so.
- b) Supply the *Employer* Safety Officer with copies of all appointments in respect of employees employed on this contract, in terms of the Act and Regulations and shall advise the *Employer* Safety Officer of any changes thereto.

*Employer* may, at any stage during the currency of this agreement be entitled to:

- a) Do safety audits at the *Contractor's* premises, its workplaces and on its employees.
- b) Refuse any employees, sub-*Contractor* or agent of the *Contractor* access to its premises if such person has been found to commit any unlawful act or any unsafe working practice or is found to be not authorised or qualified in terms of the Act.
- c) Issue the *Contractor* with a work stoppage order or a compliance order should *Employer* become aware of any unsafe working procedures or conditions or any non-compliance with the Act, Regulations and Procedures by the *Contractor* or any of its Employees, sub-*Contractors* or agents. Stoppages of this nature will not constitute a compensation event.

List of minimum statutory appointments required (where applicable), as required by the OHS Act:

OHS Act, Section 16(2) - *Employer*

OHS Act, GMR 2(1) - Supervision of Machinery

OHS Act, GMR 2(7) - Assist the designated person

OHS Act, CR 6(1) – Construction Supervisor (Authorised Supervisors and Responsible Persons must be appointed as Construction Supervisor)

OHS Act, CR 6(2) – Assistant Construction Supervisor

OHS Act, Section 17 - Health and Safety Rep

OHS Act, GAR 9 – Incident investigation

OHS Act, CR 12 – Demolition work

OHS Act, CR 19 – Explosive Powered Tools

OHS Act, CR 22 – Electrical installations and machinery

OHS Act, GSR 3 – First Aiders

## 4 Procurement

### 4.1 People

#### 4.1.1 Minimum requirements of people employed

It is the Contractor's sole responsibility to ensure all its employees have permits to perform work in the Republic of South Africa.

#### 4.1.2 BBBEE and preferencing scheme

- a) 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.
- b) The Contractor is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the Employer within thirty days of the notification or as otherwise instructed by the Employer.
- c) Where, as a result, the Contractor's B-BBEE status has decreased since the starting date the Employer may either re-negotiate this contract or alternatively, terminate the Contractor's obligation to provide the service.
- d) Failure by the Contractor to notify the Employer of a change in its B-BBEE status may constitute a reason for termination will be dealt with according to the NEC3 TSC penalty/termination clauses

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

Not Applicable to this contract

#### 4.1.4 Supplier Development Localisation and Industrialisation

|                            |                                   |
|----------------------------|-----------------------------------|
| Sub-Contracting Targets    | 20%                               |
| Skills development targets | NDT Technicians X3<br>Welders X 3 |
| Local Procurement content  | 100%                              |

### 4.2 Subcontracting

#### 4.2.1 Preferred subcontractors

- a) The Employer may list which subcontractors or suppliers the Contractor is required to enter into subcontracts with.
- b) If the Contractor subcontracts work, he is responsible for providing the Service as if he had not subcontracted.
- c) This contract applies as if a Subcontractor's employees and equipment were the Contractor's.

#### 4.2.2 Subcontract documentation, and assessment of subcontract tenders

- a) When the *Contractor* uses a *Subcontractor*, he needs to engage with him on a NEC basis.
- b) The *Subcontractor* needs adhere to all processes, policies and procedures of Eskom as service should be provided as if not subcontracted to Eskom.
- c) All reporting will happen based on the NEC standard forms or as agreed upon in the Kick off meeting

#### 4.2.3 Limitations on subcontracting

- a) The *Contractor* submits the name of each proposed *Subcontractor* to the *Service Manager* for acceptance. A reason for not accepting the *Subcontractor* is that the appointment will not allow the Contractor to Provide the Service.
- b) The *Contractor* does not appoint a Subcontractor until the *Service Manager* accepted them.

#### 4.2.4 Attendance on subcontractors

- a) The Subcontractor shall attend all morning feedback Outage meetings to provide accurate feedback on the progress of service.
- b) Assessment meetings between Service Manager and the Contractor should be avoided by the Subcontractor.

### 4.3 Plant and Materials

#### 4.3.1 Specifications

Plant and Materials are defined as items intended to be included in the Affected Property. This will refer to replacement of worn or defective parts, routine replacement as part of regular preventative maintenance and supply of spare parts.

#### 4.3.2 Correction of defects

- a) The Service Manager arranges for the Employer to allow the Contractor access if it is needed for correcting a Defect.
- b) The Contractor needs to correct a Defect within one day or when the first available opportunity arises.

#### 4.3.3 *Contractor's* procurement of Plant and Materials

- a) The Contractor will do all procurement of materials according to own procurement processes.
- b) All materials purchased by the Contractor to be installed to Affected Property will be kept and preserved according to the storage relevant specification.
- c) The Contractor may at any point be requested by the Service Manager to submit the storage and preserving specification for any material or plant.
- d) All plant and material to be stored at an area demarcated by the Service Manager and it is the responsibility of the Contractor to prepare the area and make it comply with the storage and preserving specification.

#### 4.3.4 Tests and inspections before delivery

- a) The Contractor does not deliver those Plant and Materials which the Service Information states are to be tested or inspected before delivery until the Service Manager has notified the Contractor that they have passes the test or inspection.
- b) All holding points on QCP should have been adhered to and signed off by both parties before accepting any material or goods on site.

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

- a) The Employer has service air operating at 600 kPa that the Contractor is allowed to use. Other facilities provided by the Employer can be seen in Section 5.8 of this contract.

#### 4.3.6 Cataloguing requirements by the *Contractor*

Not applicable to this contract

## 5 Working on the Affected Property

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

- The *Contractor* applies for temporary access permits (*Contractor's Permit*) at the Security gate, prior to the Possession Date.
- The *Contractor* personnel are required to always be in possession of a Contractor's Permit.
- All *Contractor* personnel are issued with a temporary access permit (*Contractor's Permit*) which contains the following information:
  - i) Name
  - ii) ID Number
  - iii) Company
  - iv) Validity date
- All *Contractors'* permits are submitted to Protective Services when the workers leave the site after completion of the works.
- To assist Protective Services with the issuing of permits and the identification of personnel on site, the *Contractor* supplies a list of all personnel that he intends using on site, at least 24 hours prior to entry of the Security Area.
- This list is delivered to Protective Services, or is faxed to (017) 615 2602
- The list, identified with the *Contractor's* name, contains the following information:
  - i) Employee Name
  - ii) Employee ID Number
  - iii) Eskom Safety Co-ordinator signature
  - iv) *Service Manager* signature
  - v) Copy of the first page of the ID book of every employee of the *Contractor*, photocopied to reduce the size to 65%.
- To speed up the process of gaining access to the site, the *Contractor* compiles detailed lists of all tools and equipment to be taken on site before arriving at the Power Station Security gate.
- A special Tool List form is available at Protective Services.
- An authorised copy of this list is retained to be used again when the tools and equipment is removed from site after the completion of the works.
- The *Contractor's* visitors and all personnel always conform to the security arrangements in force at the site.
- Application forms for visitors are filled in by the *Contractor's* Site Manager and approved by the *Employers* Representative, one day before the visit and submitted to the *Employer's* Protective Services office.
- Visitors are not allowed on site if the necessary forms are not in the possession of security staff.
- The Chief of Protective Services may, with valid cause, remove any of the *Contractor's* personnel from the site, either temporarily or permanently, without any prejudice. He may deny access to the site to any person whom, in the opinion of the said Chief of Protective Services, constitutes a security risk.
- No unauthorised vehicles are allowed on site.
- Only *Contractor's* vehicles with displayed Contract Vehicle Permits disks are allowed on site.
- Contract Vehicle Applications are directed to the *Employers* Representative.
- The *Contractor* is restricted to the working areas associated with his place of work.
- The *Contractor* is forbidden to enter any other areas and must ensure that his employees abide by these regulations.
- Parking inside the power station is strictly forbidden, except for loading purposes.
- No recruiting of casual labour is done on Eskom premises, including the area outside the Power Station Security Gate.

#### 5.1.1 Eskom Life Saving Rules:

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

Rule 1: Open, Isolate, Test, Earth, Bond, And / Or insulate before touch - that is any plant operating

above 1 000 V.

Rule 2: Hook up at heights - no person may work at height where there is a risk of falling.

Rule 3: Buckle up – no person may drive any vehicle on Eskom business and/or on Eskom premises: unless the driver and all passengers are wearing seat belts.

Rule 4: Be sober (no person is allowed to work under the influence of drugs and alcohol.)

Rule 5: Use a permit to work – where an authorization limitation exists, no person shall work without the required permit to work.

- Kriel Power Station Health and Safety Standards
- Specifications for *Contractors* attached to the Invitation to Tender. This procedure will be handed over during tender enquiry and will enable the successful Tenderer to compile a Health & Safety plan that has to be approved by the *Employer* prior to commencement of work.
- Compliance with Eskom & Kriel No Smoking Policy
- Adhere to the OHS Act 85 of 1993
- All staff will undergo Safety Induction, presented by Kriel Risk Management Department
- *Employer's* site regulations, covering the following:
  - Clean lines
  - Storage of material
  - Safety precautions and fire prevention
  - Permits to work
  - Other *Contractor's* work
  - Representation of *sub-contractors*
  - Constant Supervision for hot work
  - Handing over of *works*
  - *Contractor's* Site
  - Disposal of waste, oil residue and sludge
  - Hot Work permit for welding
  - Working at heights
  - Working in and around an area that contains flammable substances
  - Testing for combustible gases
  - Availability of fire extinguishers when working in an area that contains flammable
  - Substances

## 5.2 People restrictions, hours of work, conduct and records

- a) The *Contractor* shall provide the necessary resources to carry out the service as stated in the Service Information.
- b) The *Contractor* shall provide everything to carry out the Service Information of this contract unless where otherwise stated in this Service Agreement. Everything that should be provided by the *Employer* is stated in this Service Agreement, anything not stated in the Service Agreement should be provided by the *Contractor* to execute the work as stated in the Service Information.
- c) It is very important that the *Contractor* keeps records of his people working on the Affected Property, including those of his *Subcontractors*.
- d) The *Service Manager* shall have access to all records of the *Contractor* and *Subcontractor* at any time when deemed necessary.

## 5.3 Health and safety facilities on the Affected Property

Any emergency equipment or fire suppression systems to be utilized by the *Contractor* when an emergency arise.

## 5.4 Environmental controls, fauna & flora

General environmental requirements referred to in section 3 above, Kriel Power Station ISO14001.

## 5.5 Cooperating with and obtaining acceptance of Others

- a) The *Contractor* cooperates with the personnel during the service delivery.
- b) The *Contractor* cooperates with the *Employer's* team during site visits and in ensuring that the service is delivered in accordance to all requirements.

## 5.6 Records of *Contractor's* Equipment

- a) The *Contractor* shall keep record of his equipment on site with relevant inspections carried out.
- b) Inspection reports should be accessible by the *Service Manager* at any given time when he deems necessary.
- c) All equipment or tools signed in by the *Contractor* shall strictly adhere to the gate access rules and procedures.
- d) All Equipment including hired shall be inspected and approved before accepted on site.
- e) The *Contractor* shall keep records of all hired Equipment to execute the Service Information

## 5.7 Equipment provided by the *Employer*

- a) It is the responsibility of the Contractor to provide his Equipment list to the Service Manager with all calibration certificates etc.
- b) The Employer provides Equipment as stated in the Service Information, anything not stated in the Service Information the Contractor must provide and already accounted for in the Price List.

## 5.8 Site services and facilities

### 5.8.1 Provided by the *Employer*

The *Employer* will provide in the way of water, waste disposal, ablutions, fire protection and lighting (etc) on the Affected Property. Power will be provided by the *Employer* the *Contractor* needs to ensure his own cabling, connections, DB Boards and CoC certificates of installations and connections.

#### a) Refuse Disposal

- i) The *Employer* provides special colour coded bins for refuse disposal. These bins are emptied by the *Employer* free of charge.
- ii) The *Contractor* ensures that all workers under his control strictly adhere to the correct use of refuse bins as stated in the Plant.

#### b) Supply of Electricity

- i) *Employer* will make available to the *Contractor* 220/230-volt electrical supply free of charge from the closest existing point of supply.
- ii) The *Contractor* is to make provision for the necessary extensions and plug points.
- iii) All Electrical boards must be inspected and tested before connecting to a power supply and then a CoC must be issued by the *Contractor*.
- iv) The *Contractor* will adhere to the Electrical Installation Regulations of 1992

#### c) Medical Facilities

- i) The *Contractor* provides a First Aid service to his employees and subcontractor. In the case where these prove to be inadequate, like in the event of a serious injury, the *Employer's* Medical Centre and facilities are available.
- ii) Outside the *Employer's* office hours, the *Employer's* First Aid Services are only available for serious injuries and life-threatening situations.

- iii) The *Employer* is entitled, however, to recover the costs incurred, in the use of the above *Employer's* facilities, from the *Contractor*.

**d) Toilet Facilities**

- i) The *Employer* provides the *Contractor* access to toilet facilities.  
ii) Temporary chemical toilets are provided by the *Contractor* where deemed necessary.

**5.8.2 Provided by the *Contractor***

- The Contractor shall provide, for his own use adequate size offices.
- A cleaning service must also be provided.
- Domestic rubbish will be removed free of charge.
- The Contractor shall dismantle and clear off site all such infrastructure at the discretion of the Service Manager on completion of the contract.
- No such dismantling and clearance work shall be carried out without prior approval by the Service Manager.
- Any electrical equipment or appliances used by the Contractor shall conform to the applicable South African Safety standards and Kriel standard PSR 010 and shall be maintained in safe and proper working condition.
- The Employer shall have the right to stop the Contractor's use of any electrical equipment or appliance, which in the Employer's opinion does not conform to the foregoing.

**5.8.2.1 Site Location**

- The boundary of the site is within the Power Station boundary fences.
- The *Contractor* is to mark the boundaries of his site clearly.
- The *Contractor* is to ensure that all his material and equipment is always within the boundaries of his site.
- A site for the *Contractor* will be provided if needed. (The exact position will be determined on site).
- The *Contractor* will ensure further treatment of the yard area to always keep all neat and tidy.
- The *Contractor* shall also include for such items as security, watch and access arrangements to his yard area.
- The *Contractor* shall not occupy any site area other than that located to him.
- On completion of the service on Site, all areas allocated to the *Contractor* shall be re-instated to their former condition to the satisfaction of *Employer*

**5.8.2.2 *Contractor's* site requirements**

- The *Contractor* supplies, installs, properly maintains and removes all temporary construction facilities and utilities necessary for the complete performance of the *service* Including the following:
- The *Contractor's* yard should adhere to sound housekeeping, failing with this the *Employer* may use another *Contractor* to clean up the *Contractor's* yard. These costs will be carried by the *Contractor*.
- Any damage to installed lighting is repaired at the *Contractor's* expense.
- The reticulation of electricity, water and any other services required by the *Contractor* from a supplied central distribution point.
- Hazardous Substances to be contained as per Eskom requirements.
- Transportation on and off site
- Telephone connections may be available, and the *Contractor* applies via the *Services Manager* for a connection. Connection fees and calls are for the *Contractor's* account.
- Compressed air and gases
- Maintenance of lay-down and storage areas
- Electric panels and distribution wiring for erection and within *Contractor's* yard
- Security of *Contractor's* yard

- Temporary lighting to ensure safe working conditions.

#### 5.8.2.3 Accommodation

- The provision of accommodation for *Contractor's* personnel is the responsibility of the *Contractor*.
- The *Contractor* or any of his employees or subcontractors is not allowed to use the *Employer's* dining facilities.
- The shop next to the main office building may be utilized by the *Contractors*.

### 5.9 Control of noise, dust, water and waste

- a) All waste introduced to and/or produced on *Employer's* Premises by the *Contractor* for this order, must be handled in accordance with the minimum requirements for the Handling and Disposal of hazardous waste in terms of Government Legislation as proclaimed by the Department of Water Affairs and Forestry 1994 Ref.: BN0621-16296-5. (A copy of this document is available at the Power Station for reference purposes).
- b) Provide sufficient storage containers, labelled depicting general or hazardous waste and store in a designated storage area
- c) No hazardous waste may be stored for a period of more than 90 days on the Kriel Power Station's premises
- d) Contractor shall ensure that all hazardous waste is disposed of at a licensed Class H disposal site. A copy of the hazardous waste disposal certificate must be submitted to the *Service Manager*.
- e) Contractor shall ensure that the *Contractor's* site does comply with the general good housekeeping practices. Redundant material will be removed to allocated sites.
- f) No scrap shall be stored in the *Contractor's* yard. Scrap is to be cleared from Site daily.

### 5.10 Hook ups to existing works

Any work performed at heights, *Contractor* must adhere to the correct safety standards, procedures and specifications stated in the health and safety risk management of Kriel Power Station.

### 5.11 Tests and inspections

#### 5.11.1 Description of tests and inspections

- a) The *Contractor* gives at least 48 hours in advance notification to the Supervisor or the Authority for inspection/test and hold or witness points, which require their attendance. The *Contractor* confirms readiness for inspection at least 24 hours prior to the test.
- b) The *Contractor* shall ensure that all work has been fully inspected, accepted and documented prior to requesting any inspection by the Supervisor.
- c) The *Contractor* and the *Employer* provide materials, facilities and samples for tests and inspections as stated in the Service Information.

#### 5.11.2 Materials facilities and samples for tests and inspections

As per the *Employer's* service information 1.2 of Part C3 Scope of work

## **6 List of drawings**

### **6.1 Drawings issued by the *Employer***

Not applicable to this contract