



NEC3 Term Service Contract (TSC3)

**Between ESKOM HOLDINGS SOC LIMITED
(Reg No. 2002/015527/06)**

and

**for CNC Machining of Boiler and Turbine components
Pressure test and recertification of machined valves for the
period of 60 months at Arnot Power Station**

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CONTRACT No.:

PART C1: AGREEMENTS & CONTRACT DATA

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C1 Agreements & Contract Data

1. C1.1 Form of Offer and Acceptance

2. Offer

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

CNC Machining of Boiler and Turbine components and valves butt ends machining, pressure test and recertification for the period of 60 months at Arnot Power Station

The tenderer, identified in the signature block below, having examined the documents listed in the Tender Data and addenda thereto as listed in the Tender Schedules, 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.

The offered total of the Prices exclusive of VAT is	
Value Added Tax @ 15% is	
The offered total of the Prices inclusive of VAT is	
(in words)	

This Offer may be accepted by the Employer by signing the form of Acceptance overleaf 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:

3. Acceptance

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

The terms of the Contract, are contained in:

Part 1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)

Part 2 Pricing Data

Part 3 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 Tender 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, which must be signed by the duly authorised representative(s) for both parties.

The tenderer shall within one week 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 copy of this document, including the Schedule of Deviations (if any) together with all the terms of the contract as listed above.

Signature(s)

Name(s)

Capacity

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

Note: If a tenderer wishes to submit alternative tender offers, further copies of this document may be used for that purpose, duly endorsed, 'Alternative Tender No. _____'

4. Schedule of Deviations

Note:

1. To be completed by the Employer prior to award of contract. 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	N/A	N/A

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

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

5. For the tenderer:

6. For the Employer

Signature	_____	_____
Name	_____	_____
Capacity	_____	_____
On behalf of	(Insert name and address of organisation)	(Insert name and address of organisation)
Name & signature of witness	_____	_____
Date	_____	_____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

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

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1: Price adjustment for inflation
		X2 Changes in the law
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract (June 2005) ¹	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Limited (Reg No: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	013 693 2093
	Fax No.	086 662 3162
10.1	The <i>Service Manager</i> is (name):	Wakhe Ndawana
	Address	Arnot Power Station
	Tel	013 297 9183
	Fax	086 662 3162
	e-mail	NdawanW@eskom.co.za
11.2(2)	The Affected Property is	Arnot Power Station

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

11.2(13)	The <i>service</i> is	CNC Machining of Boiler and Turbine components. Valves butt ends machining, pressure test and recertification for the period of 60 months at Arnot Power Station.
11.2(14)	The following matters will be included in the Risk Register	[N/A]
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	48 hours
2	The Contractor's main responsibilities	Machine Boiler and Turbine components. Pressure test and recertification of machined valves.
21.1	The <i>Contractor</i> submits a first plan for acceptance within	1 week of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	60 months
4	Testing and defects	No data is required for this section of the <i>conditions of contract</i> .
5	Payment	
50.1	The <i>assessment interval</i> is	After the work has been completed on the GO.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	One month after the assessment date.
51.4	The <i>interest rate</i> is	<p>(i) zero percent above 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 (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and</p> <p>(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the</p>

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	Compensation events	(If the optional statement for this section is not used, no data will be required for this section)
	These are additional compensation events:	1 [N/A]
7	Use of Equipment Plant and Materials	No data is required for this section of the <i>conditions of contract</i> .
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	1. Late access on the plant 2. Interaction with other contractors
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance).
83.1	The <i>Employer</i> provides these additional insurances	as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance)
83.1	The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248
83.1	The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is:	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of

in connection with this contract for any one event is:

the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..

9	Termination	The following clauses of the NEC TSC applies Clause 90.1 Clause 90.3 : Reason 2, Reason 3 and Reason 4. Clause 90.5 : Reason 8		
10	Data for main Option clause			
A	Priced contract with price list			
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	2 weeks.		
11	Data for Option W1			
W1.1	The <i>Adjudicator</i> is (Name)	the person selected from the Eskom Panel of Adjudicators listed in Annexure B to this Contract Data by the Party intending to refer a dispute to him.		
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za)		
W1.4(2)	The <i>tribunal</i> is:	arbitration		
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.		
	The place where arbitration is to be held is	South Africa		
	The person or organisation who will choose an arbitrator			
	- if the Parties cannot agree a choice or			
	- if the arbitration procedure does not state who selects an arbitrator, is	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
12	Data for secondary Option clauses			
X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is			
	The proportions used to calculate the Price Adjustment Factor are: Boiler and Turbine Components CNC Machining	proportion	linked to index for	Index prepared by
		0.30	Labour	SEIFSA Table C3 – Journeymen
		0.15	Transport	SEIFSA Table L1(b)
		0.20	Carbon Steel-	SEIFSA Table E-8

			LARGE RANGE (DIA 105 - < = 185 MM)	
		0.20	Round bar	SEIFSA Table E-5
		0.15	Fixed portion	Non-negotiable
		1.00		
	The proportions used to calculate the Price Adjustment Factor are: Valves Machining, pressure testing and recertification	Proportion	linked to index for	Index prepared by
		0.15	Transport	SIEFSA Table L1(b)
		0.30	Material	SEIFSA Table U-A (1) -Final manufactured good
		0.40	Labour	SEIFSA Table 3 – Journeymen
		0.15	Fixed portion	Non-negotiable
		1.00		

The service provider is invited to submit a its own escalation proposal if required

X2	Changes in the law	No data is required for this Option
X17	Low service damages	Rework penalty
X17.1	The <i>service level damages</i>	Any defects on the unit after outage within 2 months will incur a penalty of 0.5% and any corrective maintenance activities within the period of 3 months will incur a penalty 0.5% of the task order or for each item
		Delay delivery 3% per week per item on the task order
		The service damages are limited to 10% of the Contract Value.
X18	Limitation of liability	
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	R0.0 (zero Rand)

X18.2	For any one event, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	The greater of <ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx
X18.4	The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	the total of the Prices other than for the additional excluded matters. The <i>Contractor's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for

- Defects due to his design, plan and specification,
- Defects due to manufacture and fabrication outside the Affected Property,
- loss of or damage to property (other than the *Employer's* property, Plant and Materials),
- death of or injury to a person and
- infringement of an intellectual property right.

X18.5	The <i>end of liability date</i> is	12 months after the end of the <i>service period</i> .
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	2 days of receiving the Task Order
Z	The additional conditions of contract are	Z1 to Z11 always apply.

Z1 Cession delegation and assignment

- Z1.1 The *Contractor* does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the *Employer*.
- Z1.2 Notwithstanding the above, the *Employer* may on written notice to the *Contractor* cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry.

Z2 Joint ventures

- Z2.1 If the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the *Employer* for the performance of this contract.
- Z2.2 Unless already notified to the *Employer*, the persons or organisations notify the *Service Manager* within two weeks of the Contract Date of the key person who has the authority to bind the *Contractor* on their behalf.
- Z2.3 The *Contractor* does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the *Employer* having been given to the *Contractor* in writing.

Z3 Change of Broad Based Black Economic Empowerment (B-BBEE) status

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Service.

- Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Ethics

- Z4.1 Any offer, payment, consideration, or benefit of any kind made by the *Contractor*, which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the *Contractor's* obligation to Provide the Service or taking any other action as appropriate against the *Contractor* (including civil or criminal action).
- Z4.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if the *Contractor* (or any member of the *Contractor* where the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

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

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

Z5 Confidentiality

- Z5.1 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.
- Z5.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.
- Z5.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z5.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z5.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z6 Waiver and estoppel: Add to core clause 12.3:

- Z6.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

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

- Z7.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
 - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.
- Z7.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

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

- Z8.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z8.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z8.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

Z9 Notifying compensation events

- Z9.1 Delete the last paragraph of core clause 61.3 and replace with:

If the *Contractor* does not notify a compensation event within eight weeks of becoming aware of the event, he is not entitled to a change in the Prices.

Z10 Employer's limitation of liability

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

Z10.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.

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

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

Z12 SD & L functionary

Skills

1 x Technician

2 x Matriculant from high school (Further Study) for any qualification related to the project around Arnot Power Station

Corporate Social Investment

The successful tenderer shall be expected to select from predetermined list and fund a CSI Project as a direct beneficiation of the Local to site communities of Rietkuil or the surrounding areas that are **within 60km** radius from Arnot Power Station.

Job Creation

Tenderers to source general labourers from communities that are **within 50km** radius from Arnot Power Station.

Sub-Contract

Tenderers shall sub-contract 30% of the contract value. This should include the activities to be subcontracted to EME and QSE entities that are more than 51% black owned and residing within the previously disadvantaged communities. The selection of the subcontractors shall be done in consultation with SD & L functionary.

Annexure A: Insurance provided by the Employer

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

1. Services provided in a TSC3 contract could include some element of construction or refurbishment as well as a continuous maintenance or operational service activity. If an event occurs which causes loss or damage, a claim could be made either against the *Employer's* "works" type policy which may be in place for the *Employer's* portion of the Affected Property concerned or against the *Employer's* assets policy which may be in place for the *Employer's* portion of the Affected Property concerned, or both.
2. The cover provided and the deductibles under the works policy are different to those under the assets policy. Each policy has a range of applicable deductibles depending on the location of the Affected Property and the nature of the insurable event.
3. The *Contractor* is required in terms of Contract Data for clause 83 to provide cover for the deductibles in the insurance provided by the *Employer*. This can be provided from his own resources on a 'self insured' basis or obtained by him from his own insurers. In order to assess the extent of this cover, tendering contractors and their brokers should consult the internet web link given below and scroll to '**Format TSC3**' to establish both the cover and the deductibles in relation to the *service* provided in terms of this contract.
4. Tendering contractors should note that cover provided by the *Employer* is only per the policies available on the internet web link listed below and may not be the cover required by the tendering contractor or as intended by each of the listed insurances in the left hand column of the Insurance Table in clause 83.2. In terms of clause 83.1 "the *Contractor* provides the insurances stated in the Insurance Table except any insurance which the *Employer* is to provide". Hence the *Contractor* provides insurance which the *Employer* does not provide and in cases where the *Employer* does provide insurance the *Contractor* insures for the difference between what the Insurance Table requires and what the *Employer* provides.
5. If Marine Insurance is required the *Contractor* needs to obtain a copy of the latest edition of Eskom's Marine Policies Procedures found at internet website given below.
6. Further information and full details of all Eskom provided policies and procedures may be obtained from:

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

C1.2 Contract Data

Part two - Data provided by the *Contractor*

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

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	
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:	Ref to the scope of work
21.1	The plan identified in the Contract Data is contained in:	-
24.1	The key people are: 1 Name: 2 Name:	CV's (and further key person's data including CVs) are in the file.
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	Page 12
11.2(19)	The tendered total of the Prices is	(in words)

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title		No of pages
C2.1	Pricing assumptions: Option A		2
C2.2	The <i>price list</i>		5

C2.1 Pricing assumptions: Option A

How work is priced and assessed for payment

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

Identified and defined terms 11
11.2

(12) The Price List is the *price list* unless later changed in accordance with this contract.

(17) The Price for Services Provided to Date is the total of

- the Price for each lump sum item in the Price List which the *Contractor* has completed and
- where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Contractor* has completed by the rate.

(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

Function of the Price List

Clause 54.1 in Option A states: "Information in the Price List is not Service Information". This confirms that instructions to do work or how it is to be done are not included in the Price List but in the Service Information. This is further confirmed by Clause 20.1 which states, "The *Contractor* Provides the Service in accordance with the Service Information". Hence the *Contractor* does **not** Provide the Service in accordance with the Price List. The Price List is only a pricing document.

Link to the *Contractor's* plan

Clause 21.4 states "The *Contractor* provides information which shows how each item description on the Price List relates to the operations on each plan which he submits for acceptance". Hence when compiling the *price list*, the tendering contractor needs to develop his first clause 21.2 plan in such a way that operations shown on it can be priced in the *price list* and result in a satisfactory cash flow in terms of clause 11.2(17).

Preparing the *price list*

Before preparing the *price list*, both the *Employer* and tendering contractors should read the TSC3 Guidance Notes pages 14 and 15. In an Option A contract, either Party may have entered items into the *price list* either as a process of offer and acceptance (tendering) or by negotiation depending on the nature of the service to be provided. Alternatively the *Employer*, in his Instructions to Tenderers or in a Tender Schedule, may have listed some items that he requires the *Contractor* to include in the *price list* to be prepared and priced by him.

It is assumed that in preparing or finalising the *price list* the *Contractor*:

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;

- Has listed and priced items in the *price list* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

Format of the *price list*

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

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

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

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

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

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

C2.2 the *price list*

CNC Machining of Boiler and Turbine component. Pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station

Overview

The tender issued by Eskom Arnot Power Station is aimed at procuring services from potential service providers. We would like to clarify that this tender is price competitive, and all submitted quotes will be evaluated on the basis of cost effectiveness. In accordance with our procurement policy, the evaluation team will consider lower quotes in order to ensure the most economically advantageous solution for Eskom Arnot Power Station.

Quotation to be submitted as per the below list, please note the quote should include collection and deliver cost.

Annex A: Boiler and Turbine Components CNC Machining.

Item No.	Description	UoM	Quantity	Rate	Amount
1.	Deshttr Attemperator End Cap 13CrMo4-5 DRW-ARN-20221007-CAL01	EA	40		
2.	Main steam pipework stub end cap 11CrMo9-10 ARNPS-T-DRW-SMA-000049	EA	40		
3.	Desuperheater thermowell pipe stub Item 1 11CrMo9-10 ARNPS-DRW-SMA-000040	EA	50		

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

4.	Desuperheater thermowell pipe stub Item 2 X6CrNiMoTi17-12-2 ARNPS-DRW-SMA-000040	EA	50		
5.	Hot reheat pipework drain stub 10CrMo9-10 ARNPS-T-DRW-SMA-000032	EA	40		
6.	Desuperheater pipework thermocouple end cap 13CrMo4-5 ARNPS-T-DRW-SMA-000041	EA	40		
7.	Primary Roof header end cap 16Mo3 DRW-ARN-202202-CAL03	EA	35		
8.	Main superheater pilot spray valve reducer 16Mo3 ARNPS-T-DRW-SMA-000010	EA	35		
9.	Main steam attemperator nozzle end cap 13CrMo4-5 ARNPS-T-DRW-SMA-000009	EA	35		
10.	Main superheater pilot spray valve reducer 16Mo3 TDRW010917	EA	35		
11.	Main superheater main spray valve reducer	EA	35		

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

	16Mo3 TDRW010918				
12.	Hot Reheat pipework end cap 13CrMo4-5 TDRW010811	EA	40		
13.	Desuperheater loop drain line Reducer P265GH TDRW010919	EA	35		
14.	Main steam attemperator nozzle end cap 13CrMo4-5 TDRW010870	EA	40		
15.	Downcomer collection header 16Mo3 DRW-ARN-202010-BLR03	EA	40		
16.	RHS wall header end cap 16Mo3 DRW-ARN-202010-BLR02	EA	40		
17.	SHTR 2 Header end cap 13CrMo4-5 DRW-ARN-202010-BLR04	EA	40		
18.	LHS Wall header end cap 16Mo3	EA	35		

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

	DRW-ARN-202010-BLR01				
19.	Cold reheat pipework end cap 16Mo3 TDRW010801	EA	35		
20.	Cold reheat pipework end cap 16Mo3 TDRW010800	EA	35		
21.	Main steam pipework end cap 11CrMo9-10 TDRW010793	EA	40		
22.	Mains team pipe end cap 11CrMo9-10 TDRW010794	EA	40		
23.	Main steam pipework end cap 11CrMo9-10 TDRW010795	EA	40		
24.	Hot reheat pipework end cap 13CrMo4-5 TDRW010796	EA	40		
25.	Hot reheat pipework end cap 13CrMo4-5 TDRW010799	EA	40		

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

26.	Hot reheat pipework end cap 13CrMo4-5 TDRW010798	EA	40		
27.	Hot reheat pipework end cap 13CrMo4-5 TDRW010797	EA	40		
28.	Hot reheat pipework end cap 13CrMo4-5 TDRW010811	EA	40		
29.	Reducer Flange 13CrMo4-5 HPIA-FLANGE-001	EA	40		
30.	Intermediate Header end cap 13CrMo4-5 DRW-ARN-20220919-CALC01	EA	40		
31.	Primary chamber Header end cap 16Mo3 DRW-ARN-20220919-CALC02	EA	35		
32.	Economiser outlet Header end cap 16Mo3 DRW-ARN-20220921-CALC02	EA	35		
33.	SHTR 2 Outlet header End cap	EA	35		

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

	13CrMo4-5 DRW-ARN-20220921-CALC01				
34.	Hot reheat CEGB thermowell pipe stub item 1 11CrMo9-10 TDRW003533	EA	40		
35.	Hot reheat CEGB thermowell transition piece X6CrNiMoTi17-12-2 TDRW003533	EA	45		
36.	Hot reheat CEGB thermowell pipe stub item 1 11CrMo9-10 TDRW003521	EA	40		
37.	Hot reheat CEGB thermowell transition piece X6CrNiMoTi17-12-2 TDRW003521	EA	45		
38.	HP Heater plug 15Mo3 26.41/57025	EA	600		
39.	HP Heater seal ring 15Mo3 SK-TGW-1566	EA	40		
	Annex A: Boiler and Turbine Components CNC Machining. Total Excl. VAT:				

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Annex B: Valves Machining, pressure testing and recertification

Item No.	Description	UoM	Quantity	Rate	Amount
1.	Persta Globe Valve DN15 400 bar @ 350°C 600 Bar	EA	250		
2.	Persta Globe Valve DN25 400 bar @ 350°C 600 Bar	EA	250		
3.	Persta Globe Valve DN32 400 bar @ 350°C 600 Bar	EA	250		
4.	Persta Globe Valve DN50 400 bar @ 350°C 600 Bar	EA	250		
5.	Safety file	SUM	1		
6.	Safety File	ANNUAL	4		
Annex B: Valves Machining, pressure testing and recertification Total Excl. VAT:					

Total for Annex A + B

PART 3: SCOPE OF WORK

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Employer's Service Information</i>	18
C3.2	<i>Contractor's Service Information</i>	1
	Total number of pages	

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

C3.1: EMPLOYER'S SERVICE INFORMATION

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CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Description of the service

1.1 Executive overview

This executive overview provides a concise summary of the tender proposal for CNC specifically focused on machining of boiler and turbine auxiliary components including valve machining, pressure test and recertification. The purpose of this document is to outline the key aspects of the tender, including scope of work, capabilities, quality assurance measures, and expected outcomes.

1.2 Employer's requirements for the service

The contractor will be required to rubber lining of the condenser as and when required. The contractor must be compliant to the following systems.

Scope of Work

The tender issued by Eskom Arnot Power Station is intended for a period of 5 years, and the services of the selected service provider will primarily be required during power outages. The specific scope of work will be determined and assigned to the service provider during each outage.

Applicable corporate, generation and international guideline, directives and standards.

No.	Reference Number	Document title
1	Application National statutory standard	
1.1	OHS Act 85 of 1992	Occupational Health and Safety Act
1.2	PER Rev 2	Pressure Equipment Regulation
1.3	SANS 347	Categorization and conformity assessment criteria
2	Eskom standards	
2.1	474-10327	Vup & PER Compliance and Management Position Paper
2.2	240-51544462	Supplier Contract Quality Requirements Specification
2.3	QM58	Supplies Contract Quality Requirements and specification
2.4	240-8479413	Maintenance and repair of high temperature/pressure valves and fittings
2.5	240-83539994	Eskom approval of personnel performing quality related special process on Eskom plant
2.6	240-83540088	Requirement for non-destructive testing on Eskom plant
3	International health and safety standards	
3.1	DIN EN 10222-2	Steel forging for pressure purpose
3.2	BS EN 1266-1	Industrial valves - Pressure test
3.3	BS EN 12516-1	Industrial Valve – Shell design strength

A. Scope of Work

Section A – CNC Machining of boiler and turbine components (refer to annex A)

1. CNC machining of boiler and turbine auxiliary components as per the specifications provided by Eskom Arnot Power Stations.
2. Employ precise and automated machining techniques to fabricate the boiler and turbine components according to the specified dimensions and tolerances.
3. Ensuring adherence to the required tolerances, dimensions, and material standards.
4. Quality control measures and procedures to be compliant with all relevant standards and regulations.

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

5. Facilitate the procurement and sourcing of the necessary materials required for machining of the components.
6. Quality inspection and testing of finished components to meet Eskom's specifications and industry standards.
7. Perform NDT on the final machined components.

Section B – Valve butt ends machining, pressure testing and recertification (Refer to annex B)

1. Design strength calculations to determine valve ends Minimum Allowable WT.
2. Machine valve ends to specified dimensions. Prep ends to conform to BS EN 12627 requirements.
3. Rerating to appropriate PN rating as per site requirements.
4. Pressure test according to BS EN12266-1 requirements.
5. New name plate and stamping.

B. Quality Requirements

1. All machining processes must meet industry standards and adhere to Eskom Arnot Power Station's quality requirements.
2. Regular inspections and quality checks as per approved QCP should be conducted by relevant parties throughout the machining process to assure compliance.
3. Any non-conformities or quality issues found should be addressed promptly and necessary corrective actions taken.
4. The supplier will be responsible for keeping detailed records of all machining activities, including the process parameters, measurements, and inspection results. Final data package should be submitted to the Eskom for archive.
5. Regular progress reports should be submitted to Eskom Arnot Power Station, outlining the completed work, upcoming milestones, and any identified challenges or delays.

C. Qualifying Criteria

1. **Company Experience:** The bidding company must have a minimum of five years of experience in CNC machining services. This ensures that the company has a proven track record and can deliver high-quality work.
2. **Technical Expertise:** The company must possess skilled and trained personnel who are proficient in operating CNC machines. Additionally, they should have expertise in various machining techniques, including milling, turning, drilling, and grinding.
3. **Quality Management Systems:** The company should have an established quality management system in place to ensure that the manufactured products meet specified requirements. They should possess appropriate certifications such as ISO 9001:2015, demonstrating their commitment to quality.
4. **Safety Measures:** The bidding company must strictly adhere to safety protocols and maintain a safe working environment for their employees. They should have policies and procedures in place for hazard mitigation, personal protective equipment (PPE), and safe machine operation.
5. **Compliance with Standards:** The bidding company should comply with industry standards and regulations relevant to CNC machining processes. They should have a comprehensive understanding of material specifications, tolerances, and machining standards.
6. **Capacity and Timelines:** The bidding company should provide details of their capacity to handle the required workload within the specified timelines. This includes having sufficient resources, such as manpower, machines, and materials, to meet the project requirements.
7. **References and Client Testimonials:** The bidding company should provide references of previous clients and testimonials that demonstrate their excellence in CNC machining services.

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Annex A: Boiler and Turbine Components (Refer to attached drawings)

Item No.	Component Description	Quantity	UoM
1.	Deshttr Attemperator End Cap 13CrMo4-5 DRW-ARN-20221007-CAL01	40	EA
2.	Main steam pipework stub end cap 11CrMo9-10 ARNPS-T-DRW-SMA-000049	40	EA
3.	Desuperheater thermowell pipe stub Item 1 11CrMo9-10 ARNPS-DRW-SMA-000040	50	EA
4.	Desuperheater thermowell pipe stub Item 2 X6CrNiMoTi17-12-2 ARNPS-DRW-SMA-000040	50	EA
5.	Hot reheat pipework drain stub 10CrMo9-10 ARNPS-T-DRW-SMA-000032	40	EA
6.	Desuperheater pipework thermocouple end cap 13CrMo4-5 ARNPS-T-DRW-SMA-000041	40	EA
7.	Primary Roof header end cap 16Mo3 DRW-ARN-202202-CAL03	35	EA
8.	Main superheater pilot spray valve reducer 16Mo3 ARNPS-T-DRW-SMA-000010	35	EA
9.	Main steam attemperator nozzle end cap 13CrMo4-5 ARNPS-T-DRW-SMA-000009	35	EA
10.	Main superheater pilot spray valve reducer 16Mo3 TDRW010917	35	EA
11.	Main superheater main spray valve reducer 16Mo3 TDRW010918	35	EA
12.	Hot Reheat pipework end cap 13CrMo4-5 TDRW010811	40	EA
13.	Desuperheater loop drain line Reducer P265GH TDRW010919	35	EA
14.	Main steam attemperator nozzle end cap 13CrMo4-5 TDRW010870	40	EA
15.	Downcomer collection header 16Mo3 DRW-ARN-202010-BLR03	40	EA
16.	RHS wall header end cap 16Mo3 DRW-ARN-202010-BLR02	40	EA

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

17.	SHTR 2 Header end cap 13CrMo4-5 DRW-ARN-202010-BLR04	40	EA
18.	LHS Wall header end cap 16Mo3 DRW-ARN-202010-BLR01	35	EA
19.	Cold reheat pipework end cap 16Mo3 TDRW010801	35	EA
20.	Cold reheat pipework end cap 16Mo3 TDRW010800	35	EA
21.	Main steam pipework end cap 11CrMo9-10 TDRW010793	40	EA
22.	Mains team pipe end cap 11CrMo9-10 TDRW010794	40	EA
23.	Main steam pipework end cap 11CrMo9-10 TDRW010795	40	EA
24.	Hot reheat pipework end cap 13CrMo4-5 TDRW010796	40	EA
25.	Hot reheat pipework end cap 13CrMo4-5 TDRW010799	40	EA
26.	Hot reheat pipework end cap 13CrMo4-5 TDRW010798	40	EA
27.	Hot reheat pipework end cap 13CrMo4-5 TDRW010797	40	EA
28.	Hot reheat pipework end cap 13CrMo4-5 TDRW010811	40	EA
29.	Reducer Flange 13CrMo4-5 HPIA-FLANGE-001	40	EA
30.	Intermediate Header end cap 13CrMo4-5 DRW-ARN-20220919-CALC01	40	EA
31.	Primary chamber Header end cap 16Mo3 DRW-ARN-20220919-CALC02	35	EA
32.	Economiser outlet Header end cap 16Mo3 DRW-ARN-20220921-CALC02	35	EA
33.	SHTR 2 Outlet header End cap 13CrMo4-5 DRW-ARN-20220921-CALC01	35	EA
34.	Hot reheat CEGB thermowell pipe stub item 1 11CrMo9-10	40	EA

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

	TDRW003533		
35.	Hot reheat CEGB thermowell transition piece X6CrNiMoTi17-12-2 TDRW003533	45	EA
36.	Hot reheat CEGB thermowell pipe stub item 1 11CrMo9-10 TDRW003521	40	EA
37.	Hot reheat CEGB thermowell transition piece X6CrNiMoTi17-12-2 TDRW003521	45	EA
38.	HP Heater plug 15Mo3 26.41/57025	600	EA
39.	HP Heater seal ring 15Mo3 SK-TGW-1566	40	EA

Annex B: Valves Machining, pressure testing and recertification.

Item No.	Valve Description	Quantity	UoM
1.	Persta Globe Valve DN15 400 bar @ 350°C 600 Bar	250	EA
2.	Persta Globe Valve DN25 400 bar @ 350°C 600 Bar	250	EA
3.	Persta Globe Valve DN32 400 bar @ 350°C 600 Bar	250	EA
4.	Persta Globe Valve DN50 400 bar @ 350°C 600 Bar	250	EA

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
GO	General Overhaul
MGO	Mini General Overhaul
IR	Interim
QCP	Quality Control Plan

Management strategy and start up.

The *Contractor's* plan for the *service*

UNIT	OUTAGE DESCRIPTION	DATE

NOTE: Dates may change due to system demand. Swopping of units can occur due to Power Station constraints.

Management meetings

Meetings will be held as and when required by the Service Manager or the Outage Manager.

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.

Contractor's management, supervision and key people

The contractor will appoint key persons with sufficient knowledge in their area of expertise.

Provision of bonds and guarantees

N/A

Documentation control

The contractor will compile QCP's of work to be done and which will be approved by the quality controller or service manager.

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Invoicing and payment

Time sheets

Payments will be made according to number of valves to be refurbished and quotation will be submitted by a supplier after strip and access with the scope to be done.

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

The *Contractor* shall address the tax invoice to

ESKOM HOLDINGS SOC LIMITED – REGISTRATION NUMBER 2002/15527/6
FINANCE DEPARTMENT
ARNOT POWER STATION
PRIVATE BAG X2
RIETKUIL
1097

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;

(add other as required)

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

Contract change management

N/A

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

Records to be kept of all

1. Fabrication data package of the machined component
2. Valve machining, pressure test and recertification data package.
3. Consumables purchased as well as consumables used.

These records to be made available to the service manager when so requested.

Insurance provided by the *Employer*

First read TSC3 Core Clause 86.1 and then add anything necessary for the management of insurance related issues such as a cross reference to where procedures for making claims can be found. Also provide contact details for persons capable of being able to answer any insurance related queries the *Contractor* may have, as well as to whom the information required by Marine Insurance (if any) may be addressed.

Training workshops and technology transfer

N/A

Design and supply of Equipment

N/A

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

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

Equipment

None

Information and other things

None

Management of work done by Task Order

1. The contractor performs work in accordance with the prior use of a Task Order from the delegated service manager or his delegate and completes it within the time period specified in the task order.
2. Should the contractor be unable to supply the sources required to complete a task order within the period specified, he immediately notifies the service manager to this effect. The notification includes recommendations as to how the work can be completed.
3. The task order is complete when the content and deliverables listed in the task order and any additional requirements have been provided.
4. Emergency work is work required when normal administration cannot be achieved and allows the contractor to start work on a verbal instruction from the service manager. The contractor will provide the work. The task order is confirmed in writing in 24 hours.

Health and safety, the environment and quality assurance

Health and safety risk management

The *Contractor* shall comply with

- the health and safety requirements contained in Annexure A (ARNOT POWER STATION SHE SPECIFICATION) to this Service Information.
- OSHACT 85 of 1993.
- the life saving rules of ESKOM.

Environmental constraints and management

The *Contractor* shall comply with the environmental criteria and constraints stated in:

- SHE Statement ASEN 0002
- Arnot Legal and other requirements
- Arnot Power Station Emergency Preparedness Procedure
- Waste Management Procedure ASEN 0008

Quality assurance requirements

QUALITY: The supplier will be expected to comply with supplier quality management specification 240-105658000 (previously called QM58) and ISO: 9001 requirements as per the relevant category from 240-10565800 and other Eskom Holdings SOC Limited's Standards and specifications.

Procurement

There is a cross reference from the core clause 11.2(6) definition of Disallowed Cost to the Service Information regarding procurement procedures. This part of the Service Information **MUST** include any such procedures to be able to administer Disallowed Cost.

People

Minimum requirements of people employed

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Specify any constraints relating to people employed to Provide the Service; for example permits for foreigners, training (other than H & S), use of labour from designated areas and industrial relations.

Skills

The company must possess skilled and trained personnel who are proficient in operating CNC machines. Additionally, they should have expertise in various machining techniques, including milling, turning, drilling, and grinding.

Corporate Social Investment

The tenderer shall fund a CSI Project with at least 2% of the profit from predetermined list as a direct beneficiation of the Local to site communities of Rietkuil or the surrounding areas that are **within 60km** radius from Arnot Power Station.

Job Creation

Tenderers to source general labourers from communities that are **within 50km** radius from Arnot Power Station.

BBBEE and preferencing scheme

Specify constraints which *Contractor* must comply with after contract award in regard to any Broad Based Black Economic Empowerment (B-BBEE) or preferencing scheme measures.

Subcontracting

Tenderers shall sub-contract 30% of the contract value. This should include the activities to be subcontracted to EME and QSE entities that are more than 51% black owned and residing within the previously disadvantaged communities. The selection of the subcontractors shall be done in consultation with SD & L functionary.

Subcontract documentation, and assessment of subcontract tenders

As per tender documents

Limitations on subcontracting

As per the condition of the tender

Attendance on subcontractors

N/A

Plant and Materials

Specifications

N/A

Correction of defects

Defects are to be corrected by the contractor as soon as it comes to the contractor's attention. Any defect notified by the service manager to the contractor is to be corrected within 24 hours.

The quality of work done by the contractor should be of such a nature that it will last from one shutdown till the next shutdown. The contractor will be expected to correct at his own cost any poor quality work done by him, that forces a unit to come down before its next scheduled outage.

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Contractor's procurement of Plant and Materials

Any certificates or guarantees that accompany any material purchased will immediately be made available to the service manager when so requested. Vendor data to also be made available to the service manager if so requested.

Tests and inspections before delivery

Test certificates and inspection certificates of materials and components to be made available to the service manager when requested.

Plant & Materials provided "free issue" by the Employer

Governor valve bushes

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

All site access is controlled via the designated access gate. The contractor is informed of the access procedure through site regulations and such procedures may change depending on the prevailing security situation. Protective Services may with valid cause temporary or permanently remove someone from site. Access might be denied to anybody who could be considered a security risk.

The contractor books in tools, cabins, furniture, PC's etc at the security office before entering the premises. The list must be safely stored as it will be required to present the list to protective services when something on the list has to be removed from site..

Fire Precaution

Tampering with the employer's fire equipment is forbidden.

Exit doors, fire escape routes and walkways must be kept free of obstruction.

Barricading and screens

The contractor provides and installs barricades and warning devices to ensure that equipment and persons are not exposed to danger or to prevent access to dangerous areas.

Fitness

All the contractor's employees are to be medically fit. The contractor ensures that a full medical examination is carried out by a registered occupational health worker and that a certificate is issued.

People restrictions, hours of work, conduct and records

The contractor will keep records of all employees. The service manager will have access to them at any time.

Health and safety facilities on the Affected Property

The contractor to apply safety awareness at all times through continuous training.

Environmental controls, fauna & flora

N/A

Cooperating with and obtaining acceptance of Others

The contractor might encounter other parties also doing work in the contractor's designated area. Co-operation and liaison between different parties are expected by the employer.

CNC Machining of Boiler and Turbine components and pressure test and recertification of machined valves for the period of 60 months at Arnot Power Station.

Records of *Contractor's* Equipment

N/A

Equipment provided by the *Employer*

N/A

Site services and facilities**Provided by the *Employer***

Potable water

Sanitary facilities

The contractor shall provide everything else necessary for providing the Service

Provided by the *Contractor*

The contractor provides all necessary PPE to their workers.

The contractor also provides any equipment to enable the workers to safely carry out the work.

Control of noise, dust, water and waste

N/A

Hook ups to existing works

N/A

Tests and inspections**Description of tests and inspections**

During the course of the work, the service manager will do inspections on the work being conducted. The site manager is also expected to do inspections during the course of the work. The supervisor will on a daily basis do inspections. After the completion of the work in the various areas, the service manager, plant engineer, site manager, quality controller and supervisor will do final inspections.

Materials facilities and samples for tests and inspections

N/A

List of drawings**Drawings issued by the *Employer***

This is the list of drawings issued by the *Employer* at or before the Contract Date and which apply to this contract.

Drawing number	Revision	Title
Drawings Attached		