

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).



NEC3 Term Service Contract (TSC3)

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

and

**for The provision of meter reading for Capricorn, Waterburg,
Sekhukhune, Mopane & Vhembe districts within LimLanga
Cluster - Limpopo for a period of 60 months (5 Years).**

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Enquiry No. : LP00163AR

PART C1: AGREEMENTS & CONTRACT DATA

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C1.1 Form of Offer & Acceptance

Offer

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

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

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

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 *Tenderer* under the Contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of Contract* identified in the Contract Data.

| | | |
|-----------|---|-----------------------------|
| Options A | The offered total of the Prices exclusive of VAT is | Rates Based Contract |
| | (in words) Rates Based Contract | |

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 Contract Data, or other period as agreed, whereupon the Tenderer becomes the party named as the *Tenderer* 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:

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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 Tenderer 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 Contract 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**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

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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 Contracting.
2. The extent of deviations from the Contract documents issued by the Employer prior to the Contract closing date is limited to those permitted in terms of the Conditions of Contract.
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 Contract Data and any addenda thereto listed in the Contract 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 Contract 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)

Name &
signature
of witness

Date

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

| Clause | Statement | Data |
|--------|---|---|
| 1 | General | |
| | The <i>conditions of Contract</i> are the core clauses and the clauses for main Option: | |
| | | G: Term contract |
| | dispute resolution Option | W1: Dispute resolution procedure |
| | and secondary Options | |
| | | X1: Price adjustment for inflation |
| | | X2: Changes in the law |
| | | X7: Delay damages |
| | | X9: Transfer of rights |
| | | X10: Employer's Agent |
| | | X11: Termination by the Employer |
| | | Z: Additional conditions of Contract |
| | | X13 will only be applicable should Financial Analysis report recommends that the performance bond be obtained. |
| | of the NEC3 Term Service Contract April 2013 ¹ (TSC3) | |
| 10.1 | The <i>Employer</i> is (name): | Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa |
| | Address | Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg |
| | Tel No. | +27 11 800 5085 |
| 10.1 | The <i>Service Manager</i> is (name): | Anastacia Raphasha |
| | Address | 90 Hans van Rensburg Str, Polokwane, 0700 |
| | Tel | +27 11 800 5085 |
| | Fax | N/A |

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

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e-mail

RaphasAM@eskom.co.za

| | | |
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| 11.2(2) | The Affected Property is | LimLanga cluster - Distribution Limpopo Operating Unit. |
| 11.2(13) | The <i>service</i> is | The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years). |
| 11.2(14) | The following matters will be included in the Risk Register | <ol style="list-style-type: none"> 1. Late response to the task order 2. Non- compliance of terms and conditions of the Contract. |
| 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 | 1 week |
| 2 | The <i>Tenderer's</i> main responsibilities | |
| 21.1 | The <i>Tenderer</i> submits a first plan for acceptance within | 1 week of the Contract Date |
| 3 | Time | |
| 30.1 | The <i>starting date</i> is. | To be Advised |
| 30.1 | The <i>service period</i> is | 60 Months |
| 4 | Testing and defects | |
| | | As per terms and conditions of the NEC3 Term Service Contract April 2013¹ (TSC3) |
| 5 | Payment | |
| 50.1 | The <i>assessment interval</i> is | Between the 25th day of each successive month. |
| 51.1 | The <i>currency of this Contract</i> is the | South African Rand |
| 51.2 | The period within which payments are made is | 3 weeks. |
| 51.4 | The <i>interest rate</i> is | <p>the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and</p> <p>(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the</p> |

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| | | <p>6 month London Interbank Offered Rate quoted under the caption “Money Rates” in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted <i>mutatis mutandis</i> every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.</p> |
| 6 | Compensation events | As per terms and conditions of the NEC3 Term Service Contract April 2013 ¹ (TSC3) |
| 7 | Use of Equipment Plant and Materials | As per terms and conditions of the NEC3 Term Service Contract April 2013 ¹ (TSC3) |
| 8 | Risks and insurance | |
| 80.1 | These are additional <i>Employer's</i> risks | <p>1. as stated for “Format TSSC3” available on http://www.eskom.co.za/Contracts/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> |
| 83.1 | The <i>Employer</i> provides these insurances from the Insurance Table | <p>as stated for “Format TSC3” available on http://www.eskom.co.za/Contracts/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> |
| 83.1 | The <i>Employer</i> provides these additional insurances | <p>as stated for “Format TSC3” available on http://www.eskom.co.za/Contracts/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> |
| 83.1 | The <i>Tenderer</i> provides these additional insurances: | None |
| 83.1 | The minimum amount of cover for insurance against loss and damage caused by the <i>Tenderer</i> to the <i>Employer's</i> property is | <p>the amount of the deductibles relevant to the event described in the “Format TSC3” insurance policy available on http://www.eskom.co.za/Contracts/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> |
| 83.1 | The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> | |

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| | property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Tenderer</i>) arising from or in connection with the <i>Tenderer's</i> Providing the Service for any one event is: | whatever the <i>Tenderer</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>Tenderer</i> arising out of and in the course of their employment in connection with this Contract for any one event is: | As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Tenderer's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands).. |
| 9 | Termination | As per terms and conditions of the NEC3 Term Service Contract April 2013¹ (TSC3) |
| 10 | Data for main Option clause | |
| A | Priced Contract with price list | |
| 20.5 | The <i>Tenderer</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> | the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA). |
| W1.2(3) | The <i>Adjudicator nominating body</i> is: | the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body. |
| W1.4(2) | The <i>tribunal</i> is: | arbitration |
| W1.4(5) | The <i>arbitration procedure</i> is | the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body. |
| | The place where arbitration is to be held is | South Africa |
| | The person or organisation who will choose an arbitrator | |
| | - if the Parties cannot agree a choice or | |
| | - if the arbitration procedure does not state who selects an arbitrator, is | the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body. |
| 12 | Data for secondary Option clauses | |

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| X1 | Price adjustment for inflation | |
| X1.1 | The <i>base date</i> for indices is | The standardised rates will be fixed and firm for the first 12 months and thereafter be adjusted in accordance with CPI (SEIFSA index Table D) annually throughout the duration of the contract. Table L-5 for transport price adjustment will apply. |
| X2 | Changes in the law | As per terms and conditions of the NEC3 Term Service Contract April 2013¹ (TSC3) |
| X17 | Low service damages | |
| X17.1 | The <i>service level table</i> is | 10% of task order value per complete week of delay. |
| X18 | Limitation of liability | |
| X18.1 | The <i>Tenderer'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>Tenderer'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. |
| X18.3 | The <i>Tenderer'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. |
| X18.4 | The <i>Tenderer'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>Tenderer's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Tenderer</i> is liable under this Contract for <ul style="list-style-type: none"> • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and |

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| | | <ul style="list-style-type: none"> • infringement of an intellectual property right. |
| X18.5 | The <i>end of liability date</i> is | 52 months after the end of the <i>service period</i>. |
| X19 | Task Order | |
| X19.5 | The <i>Tenderer</i> submits a Task Order programme to the <i>Service Manager</i> within | 2 days of receiving the Task Order |
| X20 | Key Performance Indicators (not used when Option X12 applies) | |
| X20.1 | A report of performance against each Key Performance Indicator is provided at intervals of | 3 months |
| Z | The <i>additional conditions of Contract</i> are | |
| | | Z1 to Z11 always apply. |

Z1 Cession delegation and assignment

- Z1.1 The *Tenderer* 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 *Tenderer* 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 *Tenderer* 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 *Tenderer* on their behalf.
- Z2.3 The *Tenderer* 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 *Tenderer* in writing.

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

- Z3.1 Where a change in the *Tenderer's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Tenderer's* B-BBEE status, the *Tenderer* notifies the *Employer* within seven days of the change.
- Z3.2 The *Tenderer* 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 *Tenderer's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this Contract or alternatively, terminate the *Tenderer's* obligation to Provide the Service.

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- Z3.4 Failure by the *Tenderer* 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 *Tenderer* 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 *Tenderer*, enters the public domain or to information which was already in the possession of the *Tenderer* at the time of disclosure (evidenced by written records in existence at that time). Should the *Tenderer* disclose information to Others in terms of clause 25.1, the *Tenderer* ensures that the provisions of this clause are complied with by the recipient.
- Z4.2 If the *Tenderer* 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 *Tenderer* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Tenderer*, 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 *Tenderer* 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 *Tenderer* ensures that all his sub-Tenderers 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 *Tenderer* 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 *Tenderer*:
- accepts that the *Employer* may appoint him as the "Principal Tenderer" (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

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Subcontractors, employees and others under the *Tenderer's* direction and control, likewise observe and comply with the foregoing.

- Z6.2 The *Tenderer*, 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 *Tenderer'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 *Tenderer* 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 *Tenderer* 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 *Tenderer* (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 *Tenderer* 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 *Tenderer* for the *Tenderer's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 The *Tenderer'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 *Tenderer* or a third party, such party's employees, agents, or Sub-Contractors or Sub-Contractor's employees, or any one or more of all of these parties' relatives or friends,

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| 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 <i>Tenderer</i> , or any member thereof in the case of a joint venture, or its employees, agents, or SubContractors or the Sub-Contractor'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. |

Z 11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this Contract or in execution thereof.

Z 11.2 The *Employer* may terminate the *Tenderer's* obligation to Provide the Service if a Committing Party has taken such Prohibited Action and the *Tenderer* 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 *Tenderer's* obligation to Provide the Service for this reason.

Z 11.3 If the *Employer* terminates the *Tenderer's* obligation to Provide the Service for this reason, the procedures and amounts due on termination are respectively P1, P2, P3 and P4, and A1 and A3.

Z 11.4 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 *Tenderer* ensures that the Committing Party co-operates fully with an investigation.

Annexure A: Insurance provided by the Employer

These notes are provided as guidance to Contracting Tenderers and the Tenderer about the insurance provided by the Employer. The Tenderer 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 *Tenderer* 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, Contracting Tenderers 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. Contracting Tenderers 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 Contracting Tenderer 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 *Tenderer* provides the insurances stated in the Insurance Table except any insurance which the *Employer* is to provide". Hence the *Tenderer* provides insurance which the *Employer* does not provide and in cases where the *Employer* does provide insurance the *Tenderer* insures for the difference between what the Insurance Table requires and what the *Employer* provides.

C1.2 Contract Data

Part two - Data provided by the *Tenderer*

Notes to a Contracting Tenderer:

1. Please read both the both the NEC3 Term Service Contract April 2013 and the relevant parts of its Guidance Notes (TSC3-GN)¹ in order to understand the implications of this Data which the Tenderer is required to complete.
2. The number of the clause which requires the data is shown in the left hand column for each statement however other clauses may also use the same data.

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

| Clause | Statement | Data |
|----------|---|------------|
| 10.1 | The <i>Tenderer</i> is (Name): Address Tel No. Fax No. | |
| 11.2(8) | The <i>direct fee percentage</i> is | 10% |
| | The <i>subcontract fee percentage</i> is | 10% |
| 11.2(14) | The following matters will be included in the Risk Register | |
| 11.2(15) | The Service Information for the <i>Tenderer's</i> plan is in: | |
| 21.1 | The plan identified in the Contract Data is contained in: | |
| 24.1 | The key people are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job: Responsibilities: Qualifications: Experience: | |

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

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

| | | |
|----------|--|-----------------------------|
| A | Priced Contract with price list | |
| 11.2(12) | The <i>price list</i> is in | |
| 11.2(19) | The Contracted total of the Prices is | Rates based Contract |

C1.3 Forms of Securities

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

Pro formas for Bonds & Guarantees- TO BE ADVISED AT CONTRACT AWARD STAGE.

For use with the NEC3 Term Service Contract (TSC3)

The *conditions of Contract* stated in the Contract Data Part 1 include the following Secondary Options:

Option X4: Parent company guarantee
Option X13: Performance Bond

Each of these secondary Options requires a bond or guarantee “in the form set out in the Service Information”. Pro forma documents for these bonds and guarantees are provided here for convenience but are to be treated as part of the Service Information.

The *Tenderer* shall guarantee his ASGI-SA Obligations by providing the *Employer* with an ASGI-SA Guarantee in the form provided here.

The organisation providing the bond / guarantee does so by copying the pro forma document onto his letterhead without any change to the text or format and completing the required details. The completed document is then given to the *Employer* within the time stated in the Contract.

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

PART 2: PRICING DATA

TSC3 Option A

| Document reference | Title |
|---------------------------|-------------------------------|
| C2.1 | Pricing assumptions: Option A |
| C2.2 | The <i>price list</i> |

C2.1 Pricing assumptions: Option A

How work is priced and assessed for payment

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

| | | |
|-------------------------------------|------|---|
| Identified and defined terms | 11 | |
| | 11.2 | (12) The Price List is the <i>price list</i> unless later changed in accordance with this Contract. |
| | | (17) The Price for Services Provided to Date is the total of <ul style="list-style-type: none">the Price for each lump sum item in the Price List which the <i>Tenderer</i> has completed andWhere a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Tenderer</i> has completed by the rate. |
| | | (19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate. |

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

Function of the Price List

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

Link to the *Tenderer's* plan

Clause 21.4 states "The *Tenderer* 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 Contracting Tenderer 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 Contracting Tenderers 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 (Contracting) or by negotiation depending on the nature of the *service* to be provided. Alternatively the *Employer*, in his Instructions to Tenderers or in a Contract Schedule, may have listed some items that he requires the *Tenderer* to include in the *price list* to be prepared and priced by him.

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

- 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 Contract, 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 Contracted 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 *Tenderer* estimated at time of Contract. 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 Contracting Tenderer.

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

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

If the *Tenderer* 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.

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C2.2 the *price list*

| Description | Unit | 2024/2025 Rate (Excl. VAT) |
|-----------------------|------|----------------------------|
| Meter Reading | | |
| SPU Rural | Each | R 85.02 |
| SPU Urban/residential | Each | R 85.02 |
| Stats | Each | R 42.61 |
| LPU | Each | R 85.02 |
| Travelling | KM | R 6.77 |

ACCEPTANCE BY THE TENDERER

Tenderer's signature

.....

C3: Scope of Work

C3.1 Works Information

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

This service includes the following specific outputs:

1. Meter Reading as per the agreed routes.

Small Power User (SPU) meters must be read as per predetermined and agreed routes. (See attached annexure A – Schedule of meter reading routes).

The schedule and/or number of customers can be changed by Eskom by giving the contractor one month notice in writing. All Small Power User SPU meters referred to in this contract can be identified and read by means of the information and equipment that will be provided by the relevant Eskom office:

- the physical address
- the premise number
- a meter identification number visible on or in the meter kiosk
- single line diagrams to find installations where necessary Electrical Network Schematic (ENS)
- All documentation/equipment to perform the required meter readings must be collected from the relevant Eskom office.
- Note: Three meters in one premise, is regarded as one. Therefore the contractor will be paid for single premise.
- In addition to the above, the contractor must have:
 - Knowledge of the geographical area to easily locate the premises without delay and timeously read the meters for scheduled billing date. Eskom will in addition provide contractor with network information and /or assist contractor with line owner who knows the area and Eskom network.
- technical and geographical aspects of Eskom's networks
- the different reading routes
- and the dates on which routes must be read.
- All Small Power User SPU meter readings will be captured on Hand Held Data Capture devices which will be provided by Eskom. All information must be downloaded as per Eskom requirements.
- If access cannot be gained to meters the reason must be reported on the Eskom Hand Held Unit (HHU) under the remarks section. Eskom will audit the remarks for validity

- On completion of each reading route, the readings must be uploaded from the Hand Held Unit (HHU) to the Route master as per monthly read schedule.
- Terminated points of delivery must also be read during the reading of normal routes and if any meter advance or tampering is identified it must be reported immediately to the relevant Eskom office by the contractor.
- If the contractor fails to complete a reading route due to own fault or actions, the relevant penalty will be applied. See item 6 (page 9 of 39) of the scope of work - Penalty section.
- If the contractor fails to complete a reading route due to an act of nature (rain, snow etc.) premises will remain unread, no payment will be made for those premises and no penalty will be imposed.
- Timelines that will apply will be as set out in point 5– Timeline schedule
- All access to rural properties will be done as described in the Eskom procedure - “Access to Farms”. A copy of this procedure is attached as annexure B and must be adhered to at all times.
- Any incident that may occur between the contractor and any Eskom customer must be reported immediately to the relevant Eskom Officer, Meter readings.
- Special meter readings may be requested by Eskom as and when required at the quoted rate of deep rural / rural / urban.
- All work requested by Eskom will be dispatched via the contractor.
- The contractor will not be paid for a special meter reading if a special meter reading arises due to the contractor’s fault i.e. incomplete route round or inaccurate reading.
- The contractor must update / correct applicable data on the Hand Held Unit on site in the case where data is different between the Hand Held Unit and in the meter box. Where the Hand Held Unit does not make provision to change information i.e. pole number such information must be provided to Eskom in writing.
- Any tampering on meters must be recorded on the Hand Held Unit (HHU).
- Eskom reserves the right to change the meter reading cycles as deemed necessary.

2. Contractor’s responsibilities:

- Read Small Power User (SPU), Large Power Unit(LPU) &Statistics(STATS) Meters
- Check that all meter seals are intact
- Check for meter tampering
- Check for any sign of oil leakage at transformer
- To see if meter is still operating
- For any other abnormalities on installation
- Serial number of the meter, if no number it must be noted
- Ad hoc meter read if necessary

2.1 Audit or investigate a service point.

Output:

- Check that all meter seals are intact
 - Check for any meter tampering
 - Check for any sign of oil leakage at transformer
-

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

- Check to see if meter is still operating
- Check for any other abnormalities on installation
- Data collection for Customer network link (CNL) every quarter
- Provide photos for every meter showing its reading.

2.2 Move in / Move out of customers

- Move out.

2.3 Final meter reading to be taken

- Move in.

2.4 Opening reading to be taken

- The contractor will report all factors prohibiting the contractor from carrying out all relevant work to do meter readings i.e. bad roads, vicious dogs, access denied, gate locked etc. to Eskom. Failing to report these factors can result in Eskom not paying for the specific activity and/or imposing penalties as set out in this agreement.
- Under no circumstances may the contractor use Eskom or the customers' resources to carry out their duties.
- While carrying out the duties as agreed to in this agreement, the contractor will report to Eskom any faulty equipment identified on the Eskom network which is damaged, broken and / or a safety risk, i.e. low hanging conductor, damaged meter kiosks, etc.
- On completion of any duties performed as agreed, to in this agreement, the contractor will leave all Eskom equipment at the installation in an electrical safe condition and the meter box must be locked with an Eskom lock that will be supplied by Eskom.

The contractor's employees should attend all relevant courses, at his own expense, to be accredited by Eskom, to carry out the activities they are appointed for.

- Eskom customers will be treated courteously and with respect at all times.
- Under no circumstances will a route reading be interrupted so that a disconnection / reconnection can be carried out.
- See page 16 for number of premises to be read as well as the routes.
- All vehicles must be suitable for the area of operations.

3. Eskom 's responsibilities

- Eskom will provide the contractor with Eskom locks and Handhelds Units.
 - i. Eskom will accredit the contractor's employees for the relevant activity/s they have to execute at the sole cost of the contractor.

4. Work Process

- When a Work Order is issued by Eskom the contractor must sign receipt thereof or as agreed.
- No task will be considered as completed until Eskom has received all the required feedback in the prescribed format. The scheduled timelines will apply.
- The contractor is expected to do weekly and monthly reports and provide feedback to Eskom within 3 working days. Work reconciliation and invoicing process will be used as prescribed by Eskom. Under no circumstances may the contractor give the customer access to the meter box or a key unless instructed by Eskom in writing.

5. Time lines

5.1 SPU route meter readings

The Eskom Billing Assistant is responsible for the co-ordination of the reading dates with the contractor.

The reading dates are determined by the Eskom billing system window. On average the contractor has 3 to 4 days to read the meter round as provided by Eskom.

5.2 Special Readings

A clear photo with necessary information must be provided within 24 hours of the request or as agreed.

Note: No payment will be made if a special meter readings is required due to the original reading being incorrect, inaccurate or due to the mistake of the contractor.

6. Penalties and Incentives

Route meter readings round

If the contractor provides readings late and the readings cannot be used for Eskom automatic billing, then no payment will be made for the entire route.

If readings are incomplete and the Eskom Billing Assistant never received field feedback on the missing readings from the contractor, then each unread premise will be penalized with 25% of the unit price as per item description (Urban, rural or deep rural) which will be deducted from the payment.

All incomplete readings will be re-scheduled as special readings and the contractor will bear the costs thereof.

Eskom is prepared to reward the contractor to locate installations / customers that are consuming energy and are not on the Eskom billing system. A monetary reward of R500.00 per successful update will be paid to the contractor after the required information is received and verified by Eskom.

The cost incurred to check fraudulent actual readings received from the contractor will be recovered from the contractor on calculated actual costs.

In the event of a false reading supplied by the contractor, Eskom will recover any losses sustained from the contractor, even if Eskom discovers this false reading at a later stage.

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

The contractor will not be paid for late, incomplete, inaccurate or poor-quality work including feedback and Eskom will re-schedule the contractor for the same task. Work will be completed at the contractor's own expense.

Note: If for any reason the contractor cannot perform the task, feedback from the field must be given to Eskom. Eskom will then follow and apply terms and conditions of the contract.

7. Other Requirements

The contractor tendering for the contract needs to submit a detailed business plan so that Eskom is able to determine whether the contractor is capable of delivering a quality, timeous and sustainable service. Focus should be on timelines.

The contractor shall also include a staff structure and an indication of how the staff is deployed within the area.

8. Confidentiality

- It is agreed and acknowledged by the parties to this agreement that due to the relationship between the parties, access to certain information and materials concerning the other party's business affairs, customers and technology will be of a confidential nature and of substantial value to the disclosing party.
 - Such information can under no circumstances be disclosed to any third party. The parties to this agreement agrees that for the duration of this agreement and for a period of 2 (two) years from the termination of this agreement, neither party will in any way for its own account or to the benefit of any third party, disclose any confidential information revealed to it by the other party other than to fulfill its obligations under this agreement.
 - Both parties will take every reasonable precaution to protect the confidentiality of such information or any information that is shared between the parties under this agreement.
-

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

Specifications

| Title | Date or revision | Tick if publicly available |
|---|------------------|----------------------------|
| <u>General Specifications:</u> | | |
| | | |
| Health and Safety requirements | Latest | |
| Environmental requirements | Latest | |
| Site regulations and access control | Latest | |
| Waste Management Procedure | Latest | |
| • Eskom Distribution Standard Copies available from Eskom Distribution Technology, Technical Administrator, Telephone 011-871 2214. Important Note: where material options (i.e coastal and inland) are available the coastal option will be applicable in Eskom's Limpopo Operating Region (Refer to Engineering Instruction EI-039-MVL). | Latest | |
| • Technical Bulletins As issued by Eskom's Distribution Technology, Simmerpan Copies of the relevant Bulletins are available on request. | Latest | |
| Environnemental Management Environnemental Management Programme (EMP) Procedure SHEQ Policy | Latest | |
| Quality Quality Requirements for the Procurement of Assets, Goods & Services | Latest | |
| Safety Occupational Health and Safety Requirements to be met by Tenderers and SubTenderers Employed by Eskom. Co-ordination of Safety on Capital Projects Standard applicable to Tenderers working in Close Proximity to Live Apparatus | Latest | Health & Safety Documents |
| Management of Substance Abuse | Latest | |
| Business Conduct Suspending Suppliers from Eskom's Supplier Lists Eskom Business Conduct Policy and Guidelines Declaration of Conflict of Interest | Latest | |

Employer's requirements for the service

All suppliers shall comply with, but not limited to the following legislation during the period of this Contract.

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

- The National Road Traffic Act (Act 93 of 1996)
- The Hazardous Substance Act (Act 15 of 1973)
- The Occupational, Health and Safety Act (Act 85 Of 1993)
- The Environment Conservation Act (Act 73 of 1989)
- The National Environmental Management Act (Act 107 of 1998)
- The National Water Act (Act 36 of 1998)
- The National Waste Management Act (Act 59 of 2008)

All suppliers shall comply with all relevant Eskom procedures but not limited to the following:

- Waste Management Procedure: EPC 32-245
- The Limpopo Operating Unit (LOU) Waste Management Plan
- Safety, Health, Environmental and Quality Policy: 32-727
- Procedure for the Effective Management of Safety, Health and Environmental Related Incidents: 32-95

Interpretation and terminology

The following abbreviations are used in this Service Information:

| Abbreviation | Meaning given to the abbreviation |
|--------------|-----------------------------------|
| | None |

Management strategy and start up.

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

Management strategy and start up.

Management meetings

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

| Title and purpose | Approximate time & interval | Location | Attendance by: |
|--|-----------------------------|--------------------------|----------------|
| Risk register and compensation events | As required | Service Manager's office | Both parties |
| Overall Contract progress and feedback | As required | Service Manager's office | Both parties |
| | | | |

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.

Tenderer's management, supervision and key people

N/A

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

Provision of bonds and guarantees

N/A

Documentation control

All Contractual Documentation must have relevant Contract number and Purchase Order Number as reference as per Eskom Holdings SOC Ltd Standards . Contractual communications will be in the form of properly compiled letters, letters attached to emails, emails, NEC3 template and urgent Tenderer meetings can be in the form of sms. The use of sms's, emails does not override the use of applicable and relevant NEC3 standard templates, forms and Eskom Holdings SOC Limited procedures.

Invoicing and payment

Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Tenderer* 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 *Tenderer* shall address the tax invoice to

_____ and include on each invoice the following information:

Name and address of the *Tenderer* and the *Service Manager*;

The Contract number and title;

Tenderer'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)

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

Contract change management

For any change in scope, such changes must be treated as Compensation Events.

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

In order to substantiate the Defined Cost of compensation events, the *Employer* may require the *Tenderer* to keep records of amounts paid by him for people employed by the *Tenderer*, Plant and Materials, work subContracted by the *Tenderer* and Equipment. A site diary will be required.

Insurance provided by the *Employer*

The insurance provided by the Employer, is addressed under the Contract data.

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

Training workshops and technology transfer

To be advised by the Service Manager, as required

Design and supply of Equipment

N/A

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

Equipment

As per Task Order

Information and other things

As per Task Order

Management of work done by Task Order

NB: No work that falls outside the approved scope of works will be undertaken without a Task Order.

Health and safety, the environment and quality assurance

Health and safety risk management

In addition to the requirements of the laws governing health and safety, Eskom may have some additional requirements particular to the *service* and the Affected Property for this Contract. The text below provides for these being attached as an Annexure to this Service Information. PLEASE ALSO READ CORE CLAUSE 27.4 TOGETHER WITH Z7 IN THE ADDITIONAL CONDITIONS OF CONTRACT TO MAKE SURE THAT WHATEVER IS INCLUDED IN THE ANNEXURE FOLLOWS ON FROM THOSE CLAUSES.

The Divisional/Regional Safety Risk Manager or his representative having jurisdiction over the *service* must provide the relevant safety, health and environmental (SHE) criteria for incorporation into this Service Information. The SHE specification / scope must be signed off by the Divisional/Regional Safety Risk Manager or his representative confirming that the applicable safety criteria have been taken into account.

The Commodity Manager / Buyer must refer the Contract to the Divisional/Regional Safety Risk Manager or his representative in order to evaluate against enquiry-specific safety criteria.

The Divisional Safety Risk Managers who will be responsible for the allocation of resources to assist P&SCM with the above processes are as follows:

- Distribution: Alex Stramrood

The *Tenderer* shall comply with the health and safety requirements contained in Below Form to this Service Information.

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

| | | | | |
|---|----------------------------|---------------------|------------|----------|
| Occupational Health and Safety Act: Section 37(2) Agreement - Form | Document Identifier | 240-77037682 | Rev | 1 |
|---|----------------------------|---------------------|------------|----------|

Only in the specific instance and for the specific purpose and to the extent for which it was made or given. This agreement is signed on behalf of the parties, each signatory to this warranting that he/she has the requisite authority to do so.

Signed this Day of 20 at

..... (Place)

(Full name)..... (Signature)on

behalf of (Supplier/Tenderer)

Tenderer Responsible Manager (responsible for signing the Eskom Contract on behalf of the Tenderer)

Witnesses

1.

2.

Signed this day of20.....

at (Place)

(Full name..... (Signature).....on

Behalf of **Eskom Holdings SOC Limited.**

(Contracts and/or Project Manager or Eskom's representative)

Witnesses

1.

2.

Environmental constraints and management

The *Tenderer* shall comply with the environmental criteria and constraints stated in Annexure _____

Guidelines of Compiling an Environmental Policy

Environmental policy

The environmental policy is the driver for implementing and improving the organization's environmental management system so that it can maintain and potentially improve its environmental performance. The policy should therefore reflect the commitment of top management to comply with applicable laws and to demonstrate continual improvement. The policy forms the basis upon which the organization sets its objectives and targets. The policy should be sufficiently clear to be capable of being understood by internal and external interested parties and should be periodically reviewed and revised to reflect changing conditions and information.

Top management shall define the organization's environmental policy and ensure that it:

Top management includes people on site, at head office, or any member of a controlling group designated to be management of the organization.

A site or an operating unit does not need to document its formal adoption of a corporate environmental policy if the corporate policy, as defined by its scope, applies to the site or operating unit. In addition, the corporate policy will need to be adequately specific to the site or operating unit.

If the site or corporate policy is modified to suit the site or operating unit, then these changes must be documented.

a) is appropriate to the nature, scale and environmental impacts of its activities, products or services;

for example, an organization involved in activities with a high environmental risk (for example, scheduled processes) would be expected to provide more specific undertakings in its environmental policy than an organization involved in low risk activities. The environmental policy should also address the different types of environmental impacts of the organization's activities, products or services.

This does not imply that all environmental impacts be addressed in the policy but that the framework of the policy covers all significant impacts (see 4.2 d).

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

b) includes a commitment to continual improvement and prevention of pollution;

The words “continual improvement” and “pollution prevention” do not need to be explicitly mentioned as long as similar words are used or there are clear statements in the policy that directly address pollution reduction

(for example, waste minimization, source reduction and cleaner technologies) and continual improvement. Pollution prevention is more than just pollution control and requires preventive measures, instead of only control.

c) includes a commitment to comply with relevant environmental legislation and regulations,

Compliance with all relevant legislated and other requirements (National, provincial and local) is a minimum requirement for certification.

Exceptions to this are where:

- a) *The authorities have been informed of the non-compliance in writing;*
- b) *A corrective action programme is in place;*
- c) *Evidence is available that the authorities have accepted the corrective action programme;*
- d) *Evidence is available that the corrective action programme is being implemented.*

Where a permit for a process of the organization has expired and the organization can provide evidence of due diligence, for example, records of telephone calls, faxes to the regulator or minutes of meetings with the regulator showing that they are in the process of applying for new permits.

The word comply does not need to be explicitly mentioned in the environmental policy, as long as there are similar words (for example, adhere to, in accordance with) clearly communicating commitment to compliance with legislation and regulations.

d and with other requirements to which the organization subscribes;

The “other requirements” may include:

- a) Industry initiatives, non-regulatory guidelines or codes of practice such as Responsible Care or more general environmental initiatives such as the business Charter for Sustainable Development to the extent that the organization has formally adopted them;
- b) Agreements with public authorities;
- c) Formal management systems such as SABS ISO 9001/2, NOSA and ISRS; and
- d) Corporate or Head office requirements.

If an organization subscribes to other requirements (as in 4.2(c) a) and b) above in their environmental policy then:

- 1) The certification body will verify compliance with these requirements;
- 2) Compliance with those requirements will not be included in the scope of the certificate; and
- 3) Non-compliance with these requirements could provide grounds for not granting certification.

If an organization subscribes to other requirements (as in 4.2(c)) c) above then the certification body will only verify compliance with the SABS ISO 14001 requirements and not to those other formal management systems. (An exception to this is where the organization requests a combined SABS ISO 14001 and SABS ISO 9000 certification assessment/audit).

e) Provides the framework for setting and reviewing environmental objectives and targets;

The policy should be sufficiently detailed to provide a yardstick against which the organization’s environmental performance can be evaluated.

The policy wording must be specific enough so that specific objectives and targets can be formulated from it by the organization in order to implement the policy.

f) Is documented, implemented and maintained ...

The policy can be documented in any form (i.e. paper or electronic).

All the requirements of SABS ISO 14001 shall be addressed and an organization cannot elect to omit any of these requirements from its environmental management system.

Policies tend to set long-term goals.

The policy should be periodically reviewed and revised in response to new information and changing circumstances.

The policy must be reviewed periodically – at least annually.

It is not expected that the policy be reissued annually. A well-developed policy can effectively drive the organization’s environmental management system for several years.

g) ... and communicated to all employees;

Communication involves both the transmission and the understanding of the policy.

Communication mechanisms can include posting the policy in common areas, distributing it by memo, and reviewing it at staff or “toolbox talks” meetings.

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A person's level of knowledge of the policy should be proportional to his/her level of responsibility in the environmental management system i.e. senior staff responsible for ensuring implementation need a greater knowledge of the policy than personnel at shop-floor level. In the South African context, unskilled, illiterate workers cannot be expected to have in-depth knowledge of the contents of the environmental policy, however all employees are expected to have an idea of the concepts of the environment, why it is important to protect the environment, and of their role in achieving this (see also 4.4.2).

h) is available to the public

The policy must be available to any interested party on request.

The words "is available" do not necessarily mean that the organization has to pro-actively distribute the policy to the public. The organization should however make the public aware of the fact that the policy is available.

A mechanism should be in place to have the policy available to the public.

i) Key component of the policy

The policy provides an environmental purpose and set of values for the organization to follow.

The policy should:

- a) Be relevant and straightforward;
- b) Relay that protection of the environment is a top priority of the organization;
- c) Show commitment to continued improvement of environmental performance and compliance with the laws and regulations;
- d) Clearly specify which organizational activities are covered by the statement;
- e) Be a natural jumping-off point for setting environmental objectives and targets;
- f) Provide a framework for assessing progress made with the targets and objectives that are oriented towards minimizing environmental impacts.

j) Communication, promotion and support of policy

The policy statement will be totally ineffective if the commitment it contains is not communicated, made available, promoted and supported by all. It is important to note that the policy:

- a) Should be available to all employees in the organization;
- b) Should be communicated repeatedly after a period of time as a reminder;
- c) Should be made available to the public;
- d) Should be promptly provided whenever a copy is required;
- e) Should be signed by top management to show commitment and support.

Repeated exposure is the key to communicating the policy effectively thus it can be posted, communicated through news letters or sent to desktop personal computers.

Quality assurance requirements

As per Contract Supplier Quality requirements

The provision of meter reading for Capricorn, Waterburg, Sekhukhune, Mopane & Vhembe districts within LimLanga Cluster - Limpopo for a period of 60 months (5 Years).

Procurement

People

Minimum requirements of people employed

N/A

BBBEE and preferencing scheme

Where a change in the *Tenderer's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Tenderer's* B-BBEE status, the *Tenderer* notifies the *Employer* within seven days of the change.

Skills Development

This procurement is not considered to be a designated sector as confirmed by DTI.

Sub-Contracting

Preferred Sub-Contracting.

Tenderers are requested to submit names of proposed "Sub-Contractors" to be utilized on this project. Tenderers are advised that only Eskom Approved Consultants and Tenderers who have completed the necessary Eskom Tenderer Training & Accreditation may be used. Subcontracting must be approved by the Service Manager, failure to do so will be a breach of contract.

| Sub-Contractor | Section of Work to be Subcontracted | Vendor No. |
|----------------|-------------------------------------|------------|
| | | |
| | | |
| | | |

Subcontractor documentation, and assessment of subcontractor Contracts

As per Terms and Conditions of NEC Term Services Contract

Limitations on sub-contracting

Tenderers are not allowed to sub-Contract more than 25% of the Contract value to another enterprise that does not have equal or higher BBBEE status level, unless the intended sub-Tenderer is an EME that has the capability and ability to execute the sub-Contract.

Attendance on sub-Contractors

None

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Plant and Materials

Specifications

As per Task Order

Correction of defects

Defects to be corrected within 1 Week

***Tenderer's* procurement of Plant and Materials**

Material to be procured locally, from Eskom approved Supplier.

Tests and inspections before delivery

The inspection to be done by the Service Manager

Plant & Materials provided “free issue” by the *Employer*

As per Task Order

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Working on the Affected Property

The Tenderer must adhere the OHSA Act

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

As per Task Order

People restrictions, hours of work, conduct and records

As per Task Order

Health and safety facilities on the Affected Property

As per Task Order

Environmental controls, fauna & flora

This sub-paragraph may not be required in a service Contract or if these matters are dealt with in the general environmental requirements referred to in section 3 above.

Equipment provided by the *Employer*

None

Site services and facilities

Provided by the *Employer*

Security and Site

Provided by the *Tenderer*

As per Task Order

Control of noise, dust, water and waste

The Tenderer to adhere to Environment Management Act

Hook ups to existing works

The Tenderer to adhere to Eskom life saving rules

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Tests and inspections

Description of tests and inspections

Site Inspection to be done at the end of each Task Order

Materials facilities and samples for tests and inspections

Materials facilities and samples for tests and inspections the *Tenderer* and the *Employer* are to provide, per core clause 40.2.

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List of drawings

Drawings issued by the *Employer*

| Drawing number | Revision | Title |
|----------------|----------|---|
| | | drawings will be available from the Service Manager |

Access to the Eskom Web Page

All Tenderers must make sure that they can access Eskom Web page at any given time to get the latest drawings and specifications before commencement of any task. Web Access applications can be done through the assistance of Brenda Morrison @ 011 629 5266 or MorrisEF@eskom.co.za

Acknowledgement of Web Access/and or application for Web Access

Ido hereby acknowledge having/applied for access to the Eskom Distribution Website with all Distribution Procedures, Standards and Drawings as they will be listed in the index of the Task Order documents.

I undertake to study and abide by these requirements at all times. If for any reason I cannot access or open any of the files on the web, I will contact the *Employer* immediately.

Tenderers Signature:

Signed at: on the day of

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ANNEXURE B
SECTION 37(2) AGREEMENT
CONCLUDED BETWEEN
ESKOM HOLDINGS SOC LIMITED
(Hereinafter referred to as Eskom)
AND

.....
(Name of Tenderer/supplier)

I,[(name)representing
..... [insert name of Tenderer/supplier], do hereby
acknowledge that [insert name of Tenderer/supplier] is an
employer in his/her own right, with duties as prescribed in the Occupational Health and Safety Act No. 85 of
1993 ("the Act"), as amended, and agree to ensure that all work will be performed and/or machinery or plant
used in accordance with the provisions of the Act.

I undertake that [insert name of Tenderer/supplier] shall strictly
adhere to, and ensure that his/her employees adhere to, the provisions of the Occupational Health and
Safety Act, 1993 (Act 85 of 1993).

I have been provided with SHE specifications for project/service[insert brief
details of project/service, for example, name, Contract/project number]
and will comply with the requirements set out in these.

I accept and agree that the SHE specifications constitute arrangements and procedures between
..... [insert name of Tenderer/supplier] and Eskom, which will
ensure compliance by [insert name of Tenderer/supplier] with
the provisions of the Act, as contemplated in section 37(2) of the Act.

This agreement constitutes the sole agreement between the parties, and no variation, modification, or waiver
of any of the provisions of this agreement or consent to any departure from these shall, in any manner, be of
any force or effect, unless confirmed in writing and signed by both parties, and such variation, modification,
waiver, or consent shall be effective

| | | | | |
|---|--------------------------------------|---------------------|------------|----------|
| Occupational Health and Safety Act: Section 37(2) Agreement - Form | Document Identifier | 240-77037682 | Rev | 1 |
|---|--------------------------------------|---------------------|------------|----------|

only in the specific instance and for the specific purpose and to the extent for which it was made or given.
This agreement is signed on behalf of the parties, each signatory to this warranting that he/she has the
requisite authority to do so.

Signed this day of 20 at

..... (Place)

(Full name)..... (Signature)on

behalf of **(supplier/Tenderer)**

Tenderer Responsible Manager (responsible for signing the Eskom Contract on
behalf of the Tenderer)

Witnesses

3.

4.

Signed this day of20.....

at (Place)

(Full name)..... (Signature).....on

Behalf of **Eskom Holdings SOC Limited.**

(Contracts and/or Project Manager or Eskom's representative)

Witnesses

3.
