



NEC3 Term Service Contract (TSC3)

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

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

for aesthetic, chemical, microbiological and physical
analysis of various samples for a period of (five) 5
years.

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CONTRACT No. [Insert at award stage]

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:

- a) Provision of Aesthetic, chemical, microbiological and physical analysis of various samples for a period of 5 yrs.**

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

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

Options A or C	The offered total of the Prices exclusive of VAT is	
	Value Added Tax @ 15% is	
	The offered total of the amount due inclusive of VAT is ¹	
	(in words)	

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

Signature(s)

Name(s) _____

Capacity _____

For the tenderer:

(Insert name and address of organisation)

Name & signature of witness

Date

Tenderer's CIDB registration number:

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

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed 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 tenders, use another copy of this Form of Offer and Acceptance.

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

Note:

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

No.	Subject	Details
1	[•]	[•]
2	[•]	[•]
3	[•]	[•]
4	[•]	[•]
5	[•]	[•]
6	[•]	[•]
7	[•]	[•]

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

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

For the tenderer:

For the Employer

Signature _____

Name _____

Capacity _____

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

ESKOM HOLDINGS SOC LIMITED

Name & signature of witness _____

Date _____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*.

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	X1: Price adjustment for inflation
		X2: Change 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) ²	
10.1	The <i>Employer</i> is (name):	Eskom Holdings Limited (reg no: 2002/015527/30), 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.	[•]
	Fax No.	[•]
10.1	The <i>Service Manager</i> is (name):	Simthembile Mahlasela
	Address	Lethabo Power Station Private Bag X415 Vereeniging 1930
	Tel	(016) 457 5565
	e-mail	mahlasms@eskom.co.za

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

11.2(2)	The Affected Property is	Lethabo Power Station
11.2(13)	The <i>service</i> is	Aesthetic, chemical, microbiological and physical analysis of various samples for a period of 5 yrs.
11.2(14)	The following matters will be included in the Risk Register	
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	Two weeks
2	The Contractor's main responsibilities	(If the optional statement for this section is not used, no data will be required for this section)
21.1	The <i>Contractor</i> submits a first plan for acceptance within	One week
3	Time	
30.1	The <i>starting date</i> is.	[•]
30.1	The <i>service period</i> is	[•]
4	Testing and defects	No data is required for this section of the conditions of contract.
5	Payment	
50.1	The <i>assessment interval</i> is	After every results submission and acceptance
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	30 days after receipt of an invoice
51.4	The <i>interest rate</i> is	(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 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)
6	Compensation events	

7	Use of Equipment Plant and Materials	No data is required for this section of the conditions of contract.
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	1. Transportation road accident 2. [•] 3. [•]
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 in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..
9	Termination	
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	Monthly
11	Data for Option W1	

W1.1	The <i>Adjudicator</i> is (Name)	Mr Andrew Baird
	Address	Megawatt Park
	Tel No.	+27 11 803 3008
	Fax No.	Not applicable
	e-mail	andrewbaird@ecsconsult.co.za
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). Only when the dispute arises the adjudicator will be nominated from Annexure B.
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	the Chairman for the time being or his nominee
	- if the arbitration procedure does not state who selects an arbitrator, is	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	One month before anniversary date of the contract.	
	The proportions used to calculate the Price Adjustment Factor are: according to the CPI	10%	Fixed portion
		90%	Service
X2	Changes in the law		
X17	Low service damage	2% per day up to a maximum of 15% per task order	
X19	Task Order		
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	1 days of receiving the Task Order	
X20	Key Performance Indicators (not used when Option X12 applies)		
X20.1	The <i>incentive schedule</i> for Key Performance Indicators is in	See Section 4.3.1	

X20.2	A report of performance against each Key Performance Indicator is provided at intervals of Monthly
Z	The <i>additional conditions of contract</i> are Z1 to Z11 always apply.

Z1 Cession delegation and assignment

- Z1.1 The *Contractor* does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the *Employer*.
- Z1.2 Notwithstanding the above, the *Employer* may on written notice to the *Contractor* cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry and the Electricity Distribution 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 substantially 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 Works.
- 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 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 2003 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property.

- warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the OHS Act 85 of 1993, 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 OHS Act 85 of 1993 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 from the last sentence in core clause 61.3, "unless the *Service Manager* should have notified the event to the *Contractor* but did not".

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 under the compensation events stated in 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 judicial management order granted against it.

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. 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/live/content.php?Item_ID=9248

Annexure B: The *Employer's* Panel of Adjudicators

The following persons listed in alphabetical order of their surname have indicated their willingness to be included in the Eskom Panel of Adjudicators. Their CV's may be obtained by using the contact details provided.

Name	Location	Contact details (phone & e mail)
Nigel ANDREWS	Gauteng	+27 11 836-6760 nigela@quoin.net
Andrew BAIRD	Gauteng	+27 11 803 3008 andrewbaird@ecsconsult.co.za
Christopher BINNINGTON	Gauteng	+27 11 888-6141 cdb@bca.co.za
Peter HIGGINS	UK	+44 1293 873 868 peterhiggins@pdconsult.co.uk
Bruce LEECH	Gauteng	+27 11 290 4000 leech@counsel.co.za
Nigel NILEN	Gauteng	+27 11 465 3601; nilences@global.co.za
Robert St. LEGER	Cape Town	+27 21 794 7488 bobst@iafrica.com
Peter THURLOW	Gauteng	+27 11 787 6226 info@thurlowassoc.com

Information about the Panel and appointment of the selected *Adjudicator* is in _____

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Notes to a tendering contractor:

1. Please read both the NEC3 Term Service Contract (June 2005) and the relevant parts of its Guidance Notes (TSC3-GN)³ in order to understand the implications of this Data which the tenderer is required to complete.
2. The number of the clause which requires the data is shown in the left-hand column for each statement however other clauses may also use the same data.
3. Where a form field like this [] appears, data is required to be inserted relevant to the option selected. Click on the form field **once** and type in the data. Otherwise, complete by hand and in ink.

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

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is	%
	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:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key persons are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job Responsibilities: Qualifications:	

³ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

Experience:

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

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

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>	[•]

C2.1 Pricing assumptions: Option A

The conditions of contract

How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract, June 2005 (TSC3) core clauses and Option A states:

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

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

Function of the Price List

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

Link to the *Contractor's* plan

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

Preparing the *price list*

It will be assumed that the tendering contractor has read Pages 14, 15 and 73 of the TSC3 Guidance Notes before preparing the *price list*. Items in the *price list* may have been inserted by the *Employer* and the tendering contractor should insert any additional items which he considers necessary. Whichever party provides the items in the *price list* the total of the Prices is assumed to be fully inclusive of everything necessary to Provide the Service as described at the time of entering into this contract.

1 As the *Contractor* has an obligation to correct Defects (core clause 42.1) and there is no compensation event for this unless the Defect was due to an *Employer's* risk, the lump sum Prices and rates must also include for the correction of Defects.

2 If the *Contractor* has decided not to identify a particular item in the *price list* at the time of tender the cost to the *Contractor* of doing the work must be included in, or spread across, the other Prices and rates in the *price list* in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.

3 There is no adjustment to lump sum prices in the *price list* if the amount, or quantity, of work within that lump sum item of service later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event. See Clause 60.1.

4 Hence the Prices and rates tendered by the *Contractor* in the *price list* 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.

5 The *Contractor* does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event. It should be noted that the list of compensation events includes those arising as a result of an *Employer's* risk event listed in core clause 80.1.

Format of the *price list*

(From page 73 of the TSC3 Guidance Notes)

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

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

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

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

C2.2 the *price list*

Samples	Analysis Required (SANS 241)	Units	Frequency	Rate
	Aluminium	ppb	A	
	Arsenic	ppb	A	
	Boron	ppb	A	
	Barium	ppb	A	
	Cadmium	ppb	A	
RAW WATER	Cyanide	ppb	A	
	Chromium	ppb	A	
POTABLE OUTLET	Copper	ppb	A	
	Iron	ppb	A	
	Mercury	ppb	A	
VPS	Manganese	ppb	A	
	Lead	ppb	A	
MINE (NVC)	Selenium	ppb	A	
	Strontium	ppb	A	
	Zinc	ppm	A	
	Vanadium	ppb	A	
	Uranium	ppb	A	
	Antimony	ppb	A	
	Calcium	ppm	A	
	Sodium	ppm	A	
	Magnesium	ppm	A	
	Potassium	ppm	A	
	pH		A	
	Electrical Conductivity	µS/cm	A	
	Total Dissolved Solids	ppm	A	
	Colour		A	
	Turbidity	NTU	A	
	Combined Nitrate + Nitrite	ppm	A	
	fluoride	ppm	A	
	Monochloramine	ppm	A	
	Free residual chlorine	ppm	A	
	E.coli	CFUs per 100ml	A	
	Total coliform bacteria	CFUs per 100ml	A	
	Heterotrophic plate count	CFUs per 100ml	A	

	Somatic coliphages count	ppb	A	
	Phenols	ppb	A	
	Combined trihalomethane	ppb	A	
	Microcystin Elisa	ppb	A	
	Langelier index		A	
	Chemical oxygen demand	ppm	A	
	Dissolved organic carbon	ppm	A	
	Total organic carbons	ppm	A	
	Oudor & taste		A	
	Protozoan parasites	count per 10l	A	
	CCPP	ppm	A	
	Algae		A	
	Nitrate as N	ppm	A	
	Nitrite as N	ppm	A	
	Chloride	ppm	A	
	Sulphate	ppm	A	
	Chloroform	ppb	A	
	Bromoform	ppb	A	
	Dibromochloromethane	ppb	A	
	Bromodichloromethane	ppb	A	
	Treatment Chemicals		A	
	Cobalt	ppb	A	
	Ammonia	ppm	A	

Samples	Analysis Required	Units	Frequency	Rate
	pH		Monthly	
	K ₂₅	µS/cm	Monthly	
	Total Alkalinity as CaCO ₃	ppm	Monthly	
	Ca Hardness as Calcium	ppm	Monthly	
	Mg Hardness as Magnesium	ppm	Monthly	
	Sodium	ppm	Monthly	
	Potassium	ppm	Monthly	
	Ammonia as N	ppm	Monthly	
	Aluminium	ppm	Monthly	
	Arsenic	ppb	Monthly	
	Boron	ppm	Monthly	
	Barium	ppm	Monthly	
	Cadmium	ppm	Monthly	
Final Sewage Recovery	Cyanide	ppm	Monthly	
	Chromium	ppm	Monthly	
	Copper	ppm	Monthly	

	Iron	ppm	Monthly	
	Mercury	ppb	Monthly	
	Manganese	ppm	Monthly	
	Lead	ppm	Monthly	
	Selenium	ppb	Monthly	
	Strontium	ppm	Monthly	
	Zinc	ppm	Monthly	
	Fluoride as F	ppm	Monthly	
	Chlorides	ppm	Monthly	
	Nitrites as N	ppm	Monthly	
	Nitrates as N	ppm	Monthly	
	Turbidity	ppm	Monthly	
	Free chlorine	ppm	Monthly	
	Faecal Coli.	CFUs per 100ml	Monthly	
	Sulphates	ppm	Monthly	
	Phenols	ppm	Monthly	
	Total Organic Carbon	ppm	Monthly	
	Ortho Phosphate as PO4	ppm	Monthly	
	Total Suspended Solids	ppm	Monthly	
	Total dissolved solids	ppm	Monthly	
	Chemical oxygen Demand	ppm	Monthly	

Samples	Analysis Required	Units	Frequency	Rate
	Aluminium	ppm	Six monthly	
	Arsenic	ppb	Six monthly	
	Boron	ppm	Six monthly	
Clean Station Dam	Barium	ppm	Six monthly	
	Cadmium	ppm	Six monthly	
	Cyanide	ppm	Six monthly	
Ash Dam Dirty	Chromium	ppm	Six monthly	
	Copper	ppm	Six monthly	
	Iron	ppm	Six monthly	
	Mercury	ppb	Six monthly	
Ash dam clean	Manganese	ppm	Six monthly	
	Lead	ppm	Six monthly	
	Selenium	ppb	Six monthly	
	Strontium	ppm	Six monthly	
Dirty Reclaim	Zinc	ppm	Six monthly	
	Fluoride	ppm	Six monthly	
	Nitrate	ppm	Six monthly	

	Total organic carbons	ppm	Six monthly	
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Samples	Analysis Required	Units	Frequency	Rate
Unit 1 diesel Gen		CFUs/L	Six monthly	
	Yeast			
Unit 2 diesel Gen		CFUs/L	Six monthly	
Unit 3 diesel Gen	Mold	CFUs/L	Six monthly	
Unit 4 diesel Gen		CFUs/L	Six monthly	
Unit 5 diesel Gen		CFUs/L	Six monthly	
Unit 6 Diesel Gen		CFUs/L	Six monthly	

Samples	Analysis Required	Units	Frequency	Rate
		CFUs/L	Quarterly	
POTABLE-OUTLET		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
VPS		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
MINE (NVC)		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
CCW		CFUs/L	Quarterly	
	Legionella Bacteria	CFUs/L	Quarterly	
CCE		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
DUST A		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
DUST B		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
DUST C		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
DUST D		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
CENTAC 1		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
CENTAC 2		CFUs/L	Quarterly	
		CFUs/L	Quarterly	

CENTAC 3		CFUs/L	Quarterly	
		CFUs/L	Quarterly	
OBO		CFUs/L	Quarterly	
		CFUs/L	Quarterly	

Samples	Analysis Required	Units	Frequency	Rate
Potable outlet	E.coli	CFUs/100ml	Ad-hoc basis but not more than 3 times a year	
VPS	Heterotrophic plate count			

Total for a period of five years	
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NB: The quantities on the contract are based on an “estimate”, they may be less or more. Therefore, the contract value is not binding, only the rates apply.

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1 Description of the service

1.1 Executive overview

Chemical and microbiological analysis of various samples by a SANAS accredited laboratory.

Analyses are done on drinking water, effluent water, wastewater (sewage), raw water, station diesel and cooling water samples for compliance to water use license, potable water analysis for compliance to the SANS 241 drinking water standard and some of the work done in order to improve long term plant health. In order to meet the needs of the business and to ensure that results are obtained within a specific time frame, the laboratory requires a service of an external SANAS accredited laboratory, accredited for the parameters appearing on 1.2 of this document as per required frequencies. Turnaround time to report the analyses of samples received by the laboratory is 10 working days and 5 working days for emergency samples.

All analysis and results to be reported quantitatively except the parameters that can only be analysed and reported qualitatively.

Supplier to make provision for sample collection at his own expense if the Laboratory location is more 200km from Lethabo Power Station.

Supplier to make provision for sterile and non-sterile sample bottles at his own expense if necessary or required.

1.2 Employer's requirements for the service

The below mentioned parameters are to be analysed in accordance with the latest version of the ISO 17025 standards.

Samples	Analysis Required (SANS 241)	Units	Frequency
RAW WATER	Al	ppb	A
	As	ppb	A
	B	ppb	A
	Ba	ppb	A
	Cd	ppb	A
	CN	ppb	A
	Cr	ppb	A
POTABLE OUTLET	Cu	ppb	A
	Fe	ppb	A
	Hg	ppb	A
VPS	Mn	ppb	A
	Pb	ppb	A
MINE (NVC)	Se	ppb	A
	Sr	ppb	A
	Zn	ppm	A
	V	ppb	A

	U	ppb	A
	Sb	ppb	A
	Ca	ppm	A
	Na	ppm	A
	Mg	ppm	A
	K	ppm	A
	pH		A
	Electrical Conductivity	μ.S/cm	A
	TDS	ppm	A
	Colour		A
	Turbidity	NTU	A
	Combined Nitrate + Nitrite	ppm	A
	Fluoride	ppm	A
	Monochloramine	ppm	A
	Free residual chlorine	ppm	A
	E.coli	CFUs per 100ml	A
	Total coliform bacteria	CFUs per 100ml	A
	Heterotrophic plate count	CFUs per 100ml	A
	Somatic coliphages count	ppb	A
	THM	ppb	A
	Phenols	ppb	A
	Combined trihalomethane	ppb	A
	Microcystin Elisa	ppb	A
	Langelier index		A
	COD	ppm	A
	DOC	ppm	A
	TOC	ppm	A
	Oudor & taste		A
	Protozoan parasites	count per 10l	A
	CCPP	ppm	A
	Algae		A

Samples	Analysis Required	Units	Frequency
Clean Station Dam	Al	ppm	Six monthly
	As	ppm	Six monthly
	B	ppm	Six monthly
	Ba	ppm	Six monthly
	Cd	ppm	Six monthly
Ash Dam Dirty	CN	ppm	Six monthly
	Cr	ppm	Six monthly
	Cu	ppm	Six monthly
	Fe	ppm	Six monthly
Ash dam clean	Hg	ppm	Six monthly
	Mn	ppm	Six monthly
	Pb	ppm	Six monthly
	Se	ppm	Six monthly
Dirty Reclaim	Sr	ppm	Six monthly
	Zn	ppm	Six monthly
	Floride	ppm	Six monthly
	Nitrate	ppm	Six monthly
	TOC	ppm	Six monthly

Samples	Analysis Required	Units	Frequency
Final Sewage Recovery	pH		Monthly
	K ₂₅	ppm	Monthly
	M-Alk	ppm	Monthly
	Ca Hardness as CaCO ₃	ppm	Monthly
	Mg Hardness as CaCO ₃	ppm	Monthly
	Na	ppm	Monthly
	K	ppm	Monthly
	NH ₃ as N	ppm	Monthly
	Al	ppm	Monthly
	As	ppm	Monthly
	B	ppm	Monthly
	Ba	ppm	Monthly
	Cd	ppm	Monthly
	CN	ppm	Monthly
	Cr	ppm	Monthly
	Cu	ppm	Monthly

Fe	ppm	Monthly
Hg	ppm	Monthly
Mn	ppm	Monthly
Pb	ppm	Monthly
Se	ppm	Monthly
Sr	ppm	Monthly
Zn	ppm	Monthly
F ⁻	ppm	Monthly
Cl ⁻	ppm	Monthly
NO ₂ ⁻ as N	ppm	Monthly
NO ₃ ⁻ as N	ppm	Monthly
Turbidity	ppm	Monthly
Free chlorine	ppm	Monthly
Faecal Coli.	CFUs per 100ml	Monthly

Samples	Analysis Required	Units	Frequency
POTABLE-OUTLET	Legionella Bacteria	CFUs/L	Quarterly
		CFUs/L	Quarterly
CFUs/L		Quarterly	
VPS		CFUs/L	Quarterly
MINE		CFUs/L	Quarterly
		CFUs/L	Quarterly
CCW		CFUs/L	Quarterly
CCE		CFUs/L	Quarterly
DUST A		CFUs/L	Quarterly
		CFUs/L	Quarterly
DUST B		CFUs/L	Quarterly
		CFUs/L	Quarterly
DUST C		CFUs/L	Quarterly
		CFUs/L	Quarterly
DUST D		CFUs/L	Quarterly
		CFUs/L	Quarterly
CENTAC 1		CFUs/L	Quarterly
		CFUs/L	Quarterly
CENTAC 2		CFUs/L	Quarterly

CENTAC 3	CFUs/L	Quarterly
	CFUs/L	Quarterly
OBO	CFUs/L	Quarterly
	CFUs/L	Quarterly
	CFUs/L	Quarterly

Samples	Analysis Required	Units	Frequency
Potable outlet	E.coli	CFUs/100ml	Ad-hoc basis but not more than 3 times a year
VPS	Heterotrophic plate count		

Samples	Analysis Required	Units	Frequency
Unit 1 diesel Gen	Yeast	CFUs/L	Six monthly
Unit 2 diesel Gen		CFUs/L	Six monthly
Unit 3 diesel Gen	Mold	CFUs/L	Six monthly
Unit 4 diesel Gen		CFUs/L	Six monthly
Unit 5 diesel Gen		CFUs/L	Six monthly
Unit 6 Diesel Gen		CFUs/L	Six monthly

1.3 Interpretation and terminology

If required include here definitions additional to those used in the *conditions of contract* which are required only for the purpose of making the Service Information easier to draft and read. Also list abbreviations used and provide a full interpretation of each one, for example:

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
TSS	Total suspended solids

TDS	Total dissolved solids
TOC	Total organic carbon
DOC	Dissolved organic carbon
TPH	Total petroleum hydrocarbons
THM	Trihalomethanes
PAH	Poly Aromatic hydrocarbons
BTEX	Benzene, Toluene, Ethylbenzene and Xylene
F.O. G	Fats, Oil and Grease
GRO	Gasoline range organics
MTBE	Methyl tert-butyl Ether
TAME	tert-Amyl methyl ether

2 Management strategy and start up.

2.1 The Contractor's plan for the service

The purpose of this document is to define the specified provision of lube oil sample analysis, scope of work activity requirements for Chemical Services at Lethabo Power Station. It is therefore imperative that the suitable qualified Contractor aligns his/her company/organisation fully to these specified scope activities and processes laid down in this document.

2.2 Management meetings

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

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk registers and compensation events	When it occurs	Lethabo lab	<i>Employer, Contractor and Contract manager</i>
Overall contract progress, feedback and presentation of the monthly report	Monthly	Lethabo lab or alternative venue	<i>Employer, Contractor and Contract manager</i>

All meetings shall be recorded using minutes or a register prepared and circulated by the person who convened the meeting. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the *conditions of contract* to carry out such actions or instructions.

2.3 *Contractor's* management, supervision and key people

Employer: Eskom
Contract Manager: Riaan Volkskank
Contract Supervisor: Simthembile Mahlasela
Safety Officer: Tshokolo Mofokeng
Quality Officer: Matshidiso Maseola
Officer: SDL&I Compliance: Candy Mhlahlo

Supplier:

2.4 Management and reporting

- The type of reports, level of detail and frequency of reporting will be mutually agreed by the Employer and the contractor during the contract negotiation phase of this agreement. These may change from time to time on request by the Employer.
- The contractor to be present at any ad-hoc meetings that may arise in order address any work progress or safety related matters.
- Liaison meetings shall be held with the Employer Representative or his/her delegate on monthly basis to discuss any technical details, or concerns.

2.5 Documentation control

All contractual communications will be in the form of properly compiled letters or forms attached to e-mails and not as a message in the e-mail itself.

Every document or report should have the 4600 number; Task order should have both 4600 and 4500 number and the invoice should have both 4600 and 4500 numbers.

The person representing the Employer at Arnot Power Station will issue each Task Order to the Supplier. Each Task Order will be submitted at least one week prior to the starting date.

2.6 Invoicing and payment

The Z clauses make reference to invoicing procedures stated here in this Service Information.

The invoice must be sent to APS with details e.g. Contract number, Invoice number, VAT number and the Order number.

Breakdown with commensurate with price list is shown on each invoice.
Only original invoices will be accepted.

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:

Finance Department
Eskom Holdings Limited SOC Ltd
Lethabo Power Station
Private Bag X415
Vereeniging
1930

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

2.7 Contract change management

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

2.9 Insurance provided by the *Employer*

- None

2.10 Training workshops and technology transfer

2.11 Design and supply of Equipment

- The supplier to make use of own laboratory equipment in their own premises.

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

2.12.1 Equipment

- None

2.12.2 Information and other things

- Supplier to provide analysis report within 5 working days for the monthly samples and within 4 hours for ad-hoc and emergency samples. results are to be presented in a spread sheet format as requested by the employer and as per the ISO 17025 report requirements.

2.13 Management of work done by Task Order

- The person representing the Employer at Lethabo Power Station will issue Task Order to the contractor. Each task Order will be submitted at least one week prior to the starting date.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

A. Risks

Number	Hazard	Risks	Control
1	Noise (All over the plant)	NIHL	Ear Protection
2	Dust (Localised areas. Indicated by safety Signs)	Respiratory	Dust Musk
3.	Falling objects	Physical Injuries (WCS Death)	<ul style="list-style-type: none"> • Hard hat • Good House keeping
4	Tripping Hazard	Physical Injuries	Safety Shoes
5	Hot Components (Boiler and Turbine Side)	Burn	Overall (PPC)
6	Steam (Turbine side)	Burn	Overall (PPC)
7	Heat	Heat Stroke	Rotation of workers Fluids

- The type of PPE needed for the project will be determined by the task risk assessment but taking into consideration the generic risk found at our plant.

•

B. Procedures and legislations:

1. Occupational health and safety act 85 of 1993 and Construction regulation
2. Cardinal Rules Procedure
3. Eskom Contractors Management procedure

C. Road Safety

- a. Speed limit: 60km/h in the station vicinity
- b. By passing Speed humps not allowed
- c. Transporting People at the back of the bakkie not allowed
- d. Lifesaving rules: Buckle up always and Be sober
- e. Park only at demarcated areas

D. Sanitation

- a. Toilets for both genders are available at the plant.

E. Emergency

- a. Emergency alarms are tested every Wednesday 10H00

F. Access

- a. Before access can be granted the following must be met:
 - i. SHE Induction attended

3.2 Environmental constraints and management

NO EIA is required for such activity.

Note: Lethabo is home to various wild animals, there caution shall be taken on and off-site to ensure 0% animal collision.

National Environmental Management **Biodiversity Act No 10 of 2004**

In terms of the **National Environmental Management: Act No 107 of 1998**: Everyone has a duty to care of the environment.

3.3 Quality assurance requirements

The samples are to be analysed in accordance with the standards as prescribed by the employer.

3.4 Risk Analysis

RISK	MITIGATING FACTORS	LEVEL OF IMPACT (H/M/L)
<p>Time:</p> <p>Low Service due to</p> <ul style="list-style-type: none"> • Failure to complete the works as per agreed task order. Low Service by the contractor 	<ul style="list-style-type: none"> • Damages to be imposed on the delayed key date as per the contract data and in line with the approved schedule at 2% per day up to a maximum of 15% per task order. 	<p>High</p>
<p>Supplier:</p> <p>non-performance as per SOW</p>	<p>Early warnings and NCR's will be issued to correct the threat or defect to the plant.</p>	<p>Medium</p>
<p>Quality:</p> <p>Incorrect analysis report and late reporting</p> <p>ISO 17025 Accreditation Suspended</p>	<ul style="list-style-type: none"> • The contractor should participate in proficiency testing schemes and give feedback on a monthly basis to the contract manager on the performance. • The contract manager will make quarterly visits at the contractor premises for site inspection and planned audits if necessary. • All reports will have specific sample number and dates analysed. • Should the Supplier sub-contract the service to another accredited facility. Failure to comply to Quality and technical Requirements, termination of contract will be done as per NEC clauses. 	<p>High</p>
<p>Safety</p> <p>Safety: non-compliance to Eskom Life Saving Rules and Safety requirements and regulations</p>	<p>Service provider shall ensure Compliance to Act, Eskom Safety Standards and Specifications</p> <p>Act: Occupational Health and Safety Act of 1993 Standard 32-136: Standard Contractor Health and Safety Requirements.</p> <p>Health and Safety Specification: LBS0067PC-H</p>	<p>Medium</p>
<p>Environment:</p>	<ul style="list-style-type: none"> • Contractor to be familiarized with Lethabo waste management procedure. 	

<p>Non-Conformance to Environmental Requirements</p>	<ul style="list-style-type: none"> • Contractor to be familiarised with Environmental Statement of Commitment. • Contractor shall report all incidents or risks whilst on the job to the Eskom Project leader who will inform the environmental department. • No work to be performed on site. 	<p>Low</p>
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4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed.

- None

4.1.2 BBBEE and preferencing scheme

- The *Contractor* shall provide the verification certificate.

Supplier Development Localisation & Industrialisation SDL&I

: Specific Goals

A maximum of 10/20 points may be awarded to a tenderer for the specific goal specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act, the contract must be awarded to the tenderer scoring the highest points.

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

NB: The following documents are required to claim preference points,

- Valid B-BBEE certificate issued by a SANAS accredited verification agency / sworn affidavit / CIPS affidavit
- Proof of ownership / shareholding (preferably CIPC documentation) inclusive of shareholding breakdown
- Certified ID copies of shareholder(s)
- Proof of Disability (where applicable)

Tenderer failing to provide documentation for the allocation of preference points will not be disqualified, but'

- May only score point out of 90/80 for price
- Scores 0 points out of 10/20 for specific goals

Section 2: Objective criteria

The inclusion of objective criteria is not mandatory but a condition for contract award. If the tenderer does not meet objective criteria; it may lead to the second-ranked tenderer being recommended for award.

2.1 Designated Sectors

When applicable the following stipulated minimum threshold for Local Production and Content must be achieved in full by the tenderer

a) Is this Commodity or part of it a Designated Sector?

YES	NO
<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please indicate below Designated Components

Commodity	Components	Local Content Threshold
Not Applicable	Not Applicable	Not Applicable

NOTE: SBD 6.2 Declaration Form and Annex C (Local Content Declaration-Summary Schedule) are therefore mandatory and must be tender returnables if applicable.

2.2 CIDB Skills Development

Continuation of Mandatory Requirements

a) Is there CIDB compulsory training?

YES	NO
<input type="checkbox"/>	<input checked="" type="checkbox"/>
Not applicable	

If Yes, what is the% of the Construction Skills Development Goal % (CSDG)

If the answer above is Yes, it will then be mandatory for the supplier to match Eskom's targets

Criteria	Eskom Target	Tenderer Commitment
CSDG Percentage	N/A	

Description	N/A		
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NOTE: Failure by the Contractor/Service Provider/Supplier to meet the CIDB CSDG mandatory % will render their tender non-responsive.

2.3 National Industrial Participation Programme

Eskom will implement the NIPP requirement, which determines that the contractor/supplier must contact the Department of Trade, Industry and Competition (dtic) to arrange for support and development of local businesses. Eskom is required to inform the tenderers of this requirement. NIPP will only be applicable for contracts with an FGN component or content of USD 5 million or more.

The following narrative must be captured in all tenders that have import/foreign content equal to or in excess of USD 5 million:

“NIPP is a programme that seeks to leverage economic benefits and support the development of South African industry by effectively utilising the instrument of government procurement. The NIPP programme is mandatory for all government and parastatal purchases or lease contracts (goods and services) with an imported content equal to or exceeding USD 5 million.

“The programme targets South African and foreign industries, enterprises, and suppliers of goods and services to government/parastatals, where the imported content of such goods and services equals to or exceeds USD 5 million. The first customer of NIPP is the South African industry that benefits through the NIPP business plans, which, when implemented, generate new or additional business activities through one or more of the following: investment, export opportunities, job creation, increased local sales, SMME and BEE promotion, R&D, and technology transfer.

“Companies with an NIPP obligation must sign this obligation agreement with the Department of Trade, Industry and Competition (dtic) before the contract with Eskom Holdings SOC Ltd, as a purchasing entity, is signed. The obligation agreement governs the relationship between the dtic and the supplier. It defines the NIPP obligation value(s), requirements to fulfil the NIPP obligation, performance milestones, performance monitoring processes, and the NIPP credit allocation criteria.

“All tenders with an import content that is equal to or exceeds the threshold of USD 5 million compels the winning bidder to negotiate and enter into a NIPP obligation agreement with the dtic before signing the contract with Eskom.”.

2.4 Mandatory Subcontracting as condition of award (not applicable)

Subcontracting is mandatory on contracts above R30 million and is a condition for contract award.

Tenderers shall subcontract a minimum of 30% of the contract value to the following designated groups:

- an EME or QSE which is 51% owned by black people living in rural or underdeveloped area or townships.

NOTE 1: Tenderers shall submit the following mandatory returnable for Subcontracting:

- Subcontracting agreement signed by both with subcontractors’ company registration documents (CK and B-BBEE certificate or sworn affidavit) or
- Copies of sub-contracting contracts (agreements) or copies of letters from the tenderer to the sub-contractors, stating the intent to sub-contract. The Tenderer should sign both documents and the Sub-contractor(s) earmarked.

Potential scope to be subcontracted and/or outsourced: (not applicable)

Subcontracting, in this instance, will be treated as a condition for contract award. A supplier awarded a contract may not subcontract more than 25% of the value of the contract to any other entity that does not have an equal or higher B-BBEE status level of a contributor than the supplier concerned unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract

Section 3: SDL&I Objectives in line with Reconstruction and Development Programme (RDP) Goals

Tenderers who complete and submit the objectives as required, but who do not meet Eskom’s targets, will not be disqualified. SDL&I objectives do not form part of scoring but commitments will form part of contractual obligations

1. **BBBEE requirements:** All tenderers are required at a minimum maintain their BBBEE status throughout the contract period:

2. Local Procurement Content

“Local Procurement Content” refers to value added in South Africa by South African resources. Where a single contract involves a combination of local and imported goods and/or services, the tender response must be separated into its components as per the Price Schedule included with the tender documents. Local procurement content is total spending minus the imported component.

Tenderers are required to submit their proposals in the table below.

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

Section 4: SDL&I Penalty and Performance Security

Eskom will apply a penalty of 2.5% of the invoice amount for failure to meet SDL&I obligations.

Eskom will apply a penalty of 2.5% of the Contract Value for failure to meet SDL&I obligations.

For the duration of the contract, Eskom will retain 2.5% of every invoice (excluding VAT) as security for the fulfilment of all SDL&I Obligations. The retained amounts shall only be released to the Contractor upon:

- Eskom receives the SDL&I progress report/s from the contractor.
- Fulfilment of all SDL&I obligations by the contractor.
- Submission of an approved compliance report by SDL&I Department.

Section 5: Reporting and Monitoring

- The suppliers shall on a quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 30 (thirty) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.
- Upon notification by Eskom that the suppliers have not met their SDL&I obligations, the suppliers shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- Every contract shall be accompanied by the SDL&I Implementation Schedule, which must be completed by the suppliers and returned to SDL&I representative for acceptance 28 days after contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments

Section 6: General Information on Validity of Sworn Affidavits

The following must be considered when it comes to validity of Affidavits;

Tenders submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:

- Name/s of deponent as they appear in the identity document and the identity number.
- Designation of the deponent as the director, owner or member must be indicated in order to know that person is duly authorised to depose of an affidavit. (Mark the applicable option).
- Name of enterprise as per enterprise registration documents issued by the CIPC, where applicable, and enterprise business address.
- Percentage of black ownership, black female ownership and designated group. In the case of specialised enterprises as per Statement 004, the percentage of black beneficiaries must be reflected. (No blank spaces to be left).
- Indicate total revenue for the year under review and whether it is based on audited financial statements or management account. (Mark the applicable option).
- Financial year end as per the enterprise's registration documents, which was used to determine the total revenue. (Financial year end to be stipulated by day/month/year).
- B-BBEE Status level. An enterprise can only have one status level. (Tick applicable level)
- Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for the empowering supplier status.
- Date deponent signed and date of Commissioner of Oath must be the same. (The sworn affidavit must be signed in the presence of the Commissioner of Oath. Furthermore the Commissioner must also sign and stamp)
- Commissioner of Oath cannot be an employee or ex officio of the enterprise because, a person cannot by law, commission a sworn affidavit in which they have an interest.

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

4.2 Subcontracting

4.2.1 Preferred subcontractors

4.2.2 Subcontract documentation, and assessment of subcontract tenders

4.2.3 Limitations on subcontracting

4.2.4 Attendance on subcontractors

4.3 Plant and Materials

4.3.1 Specifications

4.3.2 Correction of defects

4.3.3 *Contractor's* procurement of Plant and Materials

4.3.4 Tests and inspections before delivery

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

5 Working on the Affected Property

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

The Supplier must get Temporary Gate Pass for the duration of the Contract as soon as they attended Safety Induction.

5.2 People restrictions, hours of work, conduct and records

Delivery of samples bottles must be done between 07h00 and 1600 Monday to Friday.

5.3 Health and safety facilities on the Affected Property

If any incident happens, the contractor must immediately report the incident to the employer.

5.4 Environmental controls, fauna & flora

5.5 Cooperating with and obtaining acceptance of Others

5.6 Records of *Contractor's* Equipment

Calibration certificates and Service records of laboratory equipment.

5.7 Equipment provided by the *Employer*

5.8 Site services and facilities

The analysis of samples will be carried out in the suppliers ISO 17025 accredited facility.
The *Employer* will arrange an access permit to Lethabo PS site for the *Supplier's* personnel for sample bottles delivery.

5.8.1 Provided by the *Contractor*

The *Supplier* must provide his/her employees with appropriate PPE for execution of his/her duties.
The Supplier must provide his/her employee with transport for sample bottles delivery.

5.9 Control of noise, dust, water and waste

The *Supplier* must provide his/her employees with appropriate PPE for execution of his/her duties i.e. Hardheads, Ear protection, overalls, goggles, face shields, gloves and e.t.c.

5.10 Hook ups to existing works

5.11 Tests and inspections

5.11.1 Description of tests and inspections

Samples will be delivered to the supplier Laboratory and the employer for all samples delivered will issue an order number.
The following parameters shall be analysed.

Parameter	Method to be followed
Wear metals	ASTM D5185-91
Additives	ASTM D5185-91
Contaminants	ASTM D5185-91
Water content	ASTM D1744-92
Kinetic Viscosity @40°C	ASTM D445-88
Particle quantification	1000ppm and 0ppm Anelex ferrous debris
Total acid/base number	ASTM D974-87/ASTM D2896
NAS cleanliness code	ISO 4406

5.11.2 Materials facilities and samples for tests and inspections

N/A

6 List of drawings

6.1 Drawings issued by the *Employer*

N/A

Drawing number	Revision	Title
None		
