

**PE MULTI-PURPOSE TERMINAL**

**Document Title:**


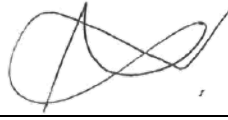

# SCOPE OF WORK

**SOW TITLE:**

**PROVISION OF EQUIPMENT (FRONT END LOADERS AND EXCAVATOR)  
FULL MAINTENANCE LEASE SERVICES FOR TRANSNET SOC LTD  
OPERATING AS TRANSNET PORT TERMINALS, (HEREINAFTER  
REFERRED TO AS "TPT"), AT THE LOHATLHA INLAND TERMINAL FOR A  
PERIOD OF 3 YEARS (THIRTY-SIX MONTHS).**

## CHANGE CONTROL

### DOCUMENT PREPARATION

	Name	Title	Signature	Date
Requested by	Monwabisi Nombombo	Operation Manager PE Bulk/ Break Bulk		15.08.2024
Reviewed by	Mkhululi Mtshiselwa	Chief Operations Manager		15.08.2024
Approved by	Khulisa Mbenya	Engineering Manager		15.08.2024

## **1 BACKGROUND:**

Based on the opportunities to improve operational efficiencies and increase revenue stream, the Lohattha Inland Terminal has been identified to support additional Breakbulk volumes. The plan is to use Lohattha (In-Land Terminal) as a transit storage area of Manganese before Manganese is transported via Rail down to Port Elizabeth MPT.

To realize this bulk operation, the Terminal would require plant equipment in the form of Front-End Loaders and an Excavator to ensure these volumes materialize. Apart from making sure that the manganese ore is handled efficiently, it is also the Terminal's responsibility to ensure that the operations do not in any way or form have a negative impact on the environment in which the Terminal operates and therefore Transnet seeks the services of a competent Service Provider to support Transnet obligations with regards to all customer and environmental demands.

## **2 EXECUTIVE OVERVIEW**

- 2.1 TPT requires a partner or partners to provide solutions for its equipment requirements.
- 2.2 Other key considerations include the service provider's capability, capacity, and adherence to (without limitation) all legal and safety requirements and/or considerations.
- 2.3 TPT further seeks to improve its current processes for providing these Services to its end user community through this Terminals.
- 2.4 The selected Service Provider(s) will share in the mission and business objectives of TPT. These mutual goals will be met by meeting contractual requirements and new challenges in an environment of teamwork, joint participation, flexibility, innovation, and open communications.
- 2.5 TPT must receive reduced cost of acquisition and improved service benefits resulting from the Service Provider's economies of scale and streamlined service processes.
- 2.6 TPT must achieve appropriate availability that meets user needs while reducing costs for both Transnet and the chosen Service Provider(s).
- 2.7 TPT must receive proactive improvements from the Service Provider with respect to provision of Services and related processes.
- 2.8 TPT's overall competitive advantage must be strengthened by the chosen Service Provider's leading-edge technology and service delivery systems.
- 2.9 TPT's end users must be able to rely on the chosen Service Provider's personnel for service enquiries, recommendations, and substitutions.
- 2.10 TPT must reduce costs by streamlining its acquisition of Services, including managed service process.

### 3 SCOPE OF REQUIREMENTS

#### 3.1 OPERATIONAL HANDLING METHODOLOGY:

CARGO HANDLING PROCESS:

TPT operates on 24 hour 7 days a week basis.

**Cargo is handled as follows:**

##### LOADING OF RAIL TRUCKS

The Front-end loaders are used to load rail trucks (wagons). The rail trucks must be loaded in a manner that ensures even distribution of mass across the rail wagon axels. Each rail truck has a capacity of 63 tons and equipment load cells must be used to approximate this tonnage (i.e. the supplied equipment must be fitted with weight cells appropriate for handling of this cargo). It is required that 8 trains consisting of 106 wagons per train are loaded per week. i.e. 106 wagons equating to 6 678 tons per day or alternatively 848 wagons equating to 53 424 tons per week.

**Note:** TPT will provide all operators for this project

#### 3.2. CARGO HANDLING EQUIPMENT REQUIREMENTS:

##### 3.2.1 Front End Loader (FEL)

3.2.1.1 The Service Provider shall provide five (5) FELs and (1) Excavator on a full (36) months maintenance lease for the duration of the contract.

3.2.1.2. The FELs provided shall meet the following minimum requirements:

- A) Net Power: 210 kW.
- B) Gross Torque: 1500 Nm.
- C) Operating Weight: 24000kg minimum.
- D) Bucket:
  - 5.0 m<sup>3</sup> capacity (heaped).
  - Custom weld-on 40mm thick straight edge (with no teeth/tips) made from VRN500 Steel or similar 500HB steel (minimum Brinell Hardness Number of 500) and beveled.
  - Corner guard and sidebar protectors for abrasion resistance of the bucket.
- E) Breakout force: 21 000 kg or 206 kN minimum.
- F) Static Tipping Load: 16 000 kg (full turn).
- G) Engine fuel: Diesel.
- H) Realtime payload scale display inside the cabin.
- I) The FELs shall have window protection from stones in the form of polycarbonate secondary glazing or polycarbonate windows.
- J) The FELs shall have an Air conditioner.
- K) The FELs shall be fitted with Solid OTR (Off-the-Road) tyres that have deep tread.
- L) The FELs shall be fitted with Lights (front and rear).

- M) The FELs shall be fitted with orange revolving lights (beacon) and reverse sirens.
- N) The FEL can be new or used equipment. Used FELs shall have a maximum of 10 000 hours will be considered on condition that full-service records are provided.

### **3.2.2 EXCAVATOR**

3.2.2.1. The Excavator provided shall meet the following minimum requirements:

- A. TPT requires One (1) excavator with an operating weight of at least 50 tons with a dumping height of at least 8 meters.
- B. Bucket Size: minimum 3 tons to handle manganese lumpy with a density of  $\pm 2200\text{kg per m}^3$ .
- C. The excavator must be equipped with a boom capable of back stacking cargo to a height of 8 meters.
- D. Fitted with Lights (front and rear).
- E. Fitted with Air-conditioner.
- F. Fitted with track
- G. New or used equipment with a maximum of 10 000 hours will be considered on condition that full-service records are provided.

## **4. OPERATIONAL REQUIREMENTS**

TPT reserves the right to determine or establish better ways of improving operational efficiencies with or without informing the successful bidder. Should this occur, the successful bidder shall be engaged to review. This could include, but not be limited to, a change in the Terminal operating models. TPT will be responsible for re-fueling of the Front-End Loader and Excavator with Diesel fuel.

### **4.1. Equipment Availability**

- 4.1.1. The five (5) Front-End Loaders and one (1) Excavator must be readily available to commence work as per the agreed date after the LOA (Letter of Award). TPT requires a lead time not exceeding 60 days starting on the date of the LOA (Letter of Award).
- 4.1.2. In cases of non-availability any of the Equipment [Front-End Loaders and Excavator] is due to (mechanical or electrical) breakdown, it is the successful bidder's responsibility to ensure that this does not lead to production delays or deviations from the norms outlined above.
- 4.1.3. If the time to carry out repairs is or extends to longer than 24 hours on the respective equipment, the successful bidder shall ensure that replacement equipment is provided on the 24-hour mark. Thereby allowing operations to resume without further delay and will be liable for any losses incurred during the stoppage/delay. Lost time will be recorded and delays exceeding 24 hours will be pro-rata calculated (monthly cost translated to hourly rate per equipment) and deducted from the monthly invoice based on the penalty clause.



- 4.1.4. The Service Provider to ensure that the required Technicians/Artisans are qualified (diesel mech and auto electrician) and have the requisite knowledge of the equipment that will be supplied as part of this contract. OEM training is preferred, certification and CV's having a minimum experience of three years in the field must be made available to TPT post award. The equipment needs to be available the whole 24 hours for operations to use them and our operations is a 24/7 operation. Average working hours estimated at 672 hours per piece of equipment per month. Estimated hours is not firm and may fluctuate depending on operational needs.
- 4.1.5. TPT may conduct random inspections to verify the equipment condition at all times before offloading at TPT's own discretion without any prior consultation with the successful serviced provider.
- 4.1.6. The successful bidder's personnel must have the requisite knowledge, skill and experience required to perform the required maintenance work.

## **5. QUALITY AND SERVICE**

- 5.1. The service provider shall ensure that for the duration of the contract with TPT; the Equipment utilized are in a safe and operational condition and includes the service of fire extinguishers.
- 5.2. The Service Provider shall be required to ensure all service records relating to the maintenance of each equipment is readily available for internal and external audits as this is to ensure the equipment is complaint with the OHS Act of lifting equipment & Transnet COP 29.
- 5.3. Maintenance should be performed as per OEM prescribed recommendations and include services and breakdowns. All replacement spares and sundries will be for the service providers account and includes but not limited to tyres, oils, filters, lubrication, electrical, glass, buckets (windows and doors) and mechanical components. Maintenance must preferably be done on site as to minimize downtime. A Back up unit must be provided should maintenance take longer than 24 hours.
  - a) The Service provider shall be required to have a diagnostic tool in their premises required for the execution of breakdowns and repairs.
  - b) The successful bidder will provide response time with technical support on-site. TPT's preference is a response time of one (1) hour from call logging for technical onsite support.
  - c) If the Service Provider will be hiring or leasing the equipment from the equipment supplier, such Service Provider shall be responsible to ensure that the relevant equipment is certified and in a well-maintained condition. The Service Provider shall ensure that lease or hiring of the equipment is inclusive of the maintenance, service and repairs conditions or have a third-party agreement with a competent contractor for the maintenance equipment.



- d) Accidental damages or TPT negligence will be repaired by the service provider and repair costs claimed through TPT claims department, after the full investigation process has been completed.
- e) TPT reserves the right to allow its partners and or customers to utilize their own equipment where and if required.
- f) The Service Provider shall be fully responsible to TPT for the acts and omissions of its employees, permitted sub-contractors and agents. Furthermore, the service provider shall be solely liable for any damage caused to TPT property or injury caused to TPT Employees due to the negligence of its employees, permitted sub-contractors and agents.

## **6. GENERAL REQUIREMENTS**

- 6.1. The following documents must be submitted with the SHE file for approval by the TPT SHEQ department before any work commences:
  - 6.1.1. Annexure A: Section 37 Mandatary Agreement
  - 6.1.2. Annexure B: Contractor Questionnaire
  - 6.1.3. Annexure C: Contractor Compliance File Assessment Checklist
  - 6.1.4. The contractor must ensure safe working practices during work on site.
  - 6.1.5. Transnet Port Terminals cannot be held responsible for any injury that occurs on site.

## **7. SECURITY REQUIREMENTS**

The Contractor will need to comply with the following security requirements once the SHE file has been approved:

- 7.1. Copy of Identification Document (SAPS Certified)
- 7.2. Duration of permit required.
- 7.3. Name list of persons and list of vehicles
- 7.4. Copy of Safety Induction Register
- 7.5. Copy of Medical fitness certificates
- 7.6. Driver's licenses for all vehicles drivers (SAPS Certified) as and when required
- 7.7. Valid roadworthy certificate for all vehicles / copy of latest license renewal

## **8 TECHNICAL DOCUMENTATION FOR SCORING**

### **8.1. Equipment Conditions**

- 8.1.1. If the Bidder intends to provide used machines not exceeding a maximum of 10 000 hours the bidder must submit up-to-date maintenance records for the five (5) Front-End Loaders and one (1) Excavator. The service records should not be older than twelve (12) months. Bidder to submit OEM technical data sheet confirming equipment specification meets the SOW requirement. Maintenance records and technical data sheet must be attached to Returnable Schedule T1.
- 8.1.2. If the Bidder intends to provide new machines for this service, the Bidder must submit a signed letter of intent as proof of a purchase on the Supplier/OEM letterhead. The letter must include the service providers details and all equipment to be purchased with equipment information/specifications as per scope of work. Bidder to submit OEM technical data sheet confirming equipment specification meets the SOW requirement. Letter of intent or purchase document and technical data sheet must be attached to Returnable Schedule T1.
- 8.1.3. If the Bidder intends to provide leased equipment for this service, a letter of intent to lease must be submitted from the lessor signed by both parties OR a lease agreement for the equipment leased signed by both parties not exceeding 10 000 operational hours. The letter submitted must include all the equipment intended to be leased with the equipment specification adhering to the scope of work requirement. Bidder to submit OEM technical data sheet confirming equipment specification meets the SOW requirement. Letter or lease agreement and technical data sheet must be attached to Returnable Schedule T1.
- 8.2. The Bidder must submit proof of company experience for renting out Front-End Loaders and Excavators to three clients over a period of 3 years or current rental contract for similar equipment. Submit three (3) letters from previous clients on their company letterhead with contact person, contact number, and type of equipment rented out included on the letter. The service had to be rendered within the last 5 years in RSA (Transnet Operation Divisions (ODs) will be treated as separate clients. The letters must be attached to Returnable Schedule T2.
- 8.3. The successful Bidder will be required to provide dedicated technical support to cover required maintenance, defects, breakdowns as well as supervision on a 24/7 basis and to respond within sixty (60) minutes when called to site by TPT. The Bidder must submit historical data (Signed log sheets or Job cards or Client testimonials) of previous breakdowns as proof of response time being within sixty (60) minutes for callouts. Bidder to submit a minimum of five (5) signed log sheets or Job cards or Client testimonials and attach to Returnable Schedule T3.



## **9 ESSENTIAL RETURNABLE DOCUMENTATION NOT FOR SCORING**

### **9.1. Proof of availability of equipment in the form of a Fleet Inventory List:**

9.1.1. The Bidder shall be required to prove equipment availability by submitting the equipment fleet inventory list for used or new machines that is part of their fleet in the format of a fleet inventory management software for warehouses, manufacturers, or plant-hire business e.g. MRP, SAP, Megaventory, etc. TPT requires a lead time not exceeding 60 days starting on the date the LOA (Letter of Award) is sent to the successful Bidder. A Project Plan indicating activities and their timelines from receiving LOA to delivery at Transnet Lohatla Inland Terminal is required. The Project plan and Fleet Inventory List must be attached to Returnable Schedule T4.

9.1.2. Bidders who are leasing the Front-End Loaders and Excavator from the OEM (Original Equipment Manufacturer) or third-party supplier must submit a fleet inventory list from the OEM or third-party supplier. The fleet inventory list must align with the agreement letter in 8.1.3. TPT requires a lead time not exceeding 60 days starting on the date the LOA (Letter of Award) is sent to the successful Bidder. A Project Plan indicating activities and their timelines from receiving LOA to delivery at Transnet Lohatla Inland Terminal is required. The Project plan and Fleet Inventory List must be attached to Returnable Schedule T4.

9.2. The bidder must provide signed confirmation on company letterhead confirming compliance to the scope of work for all service rendered. The letter must be attached to SOW Compliance Returnable Schedule T5.

## **10 ANNEXURES**

10.1. Annexure A: Section 37 Mandatary Agreement

10.2. Annexure B: Contractor Questionnaire

10.3. Annexure C: Contractor Compliance File Assessment Checklist

10.4. Annexure D: Security Application Form



## **Mandatory Agreement**

OCCUPATIONAL HEALTH AND SAFETY ACT 85 of 1993 (AS AMENDED)

### **AGREEMENT WITH MANDATORY**

In terms of Section 37(1) & (2)

### **WRITTEN AGREEMENT ENTERED INTO AND BETWEEN**

#### **Transnet SOC Ltd**

(Hereinafter referred to as the Employer)

**AND**

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(Hereinafter referred to as Mandatory (Principal Contractor))

**Compensation Fund Number** :

**Project Name** :

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## PREAMBLE

**WHEREAS** section 37(1) & (2) of the Occupational Health and Safety Act No 85 of 1993 ("the Act") requires that parties have an agreement in writing to ensure compliance by a mandatory in line with the provisions of the Act.

**AND WHEREAS** Transnet SOC Ltd requires the services of the Contractors to execute certain projects within its workshops.

**AND WHEREAS** TRANSNET SOC LTD can be better served by Contractors who have the infrastructure, specialist employees and expertise to execute such projects at the highest level of efficiency on short notice.

**NOW THEREFORE the parties agree as follows;**

## 1. DEFINITIONS

For the purpose of this agreement, unless the context indicates otherwise, the following definitions are set out for the terms indicated:

- 1.1 **"Act"** means the Occupational Health and Safety Act No 85 of 1993;
- 1.2 **"Agreement"** means this Mandatory agreement;
- 1.3 **"Contractor "** means the Mandatory;
- 1.4 **"COID Act"** means the Compensation for Occupational Injuries and Diseases Act No 130 of 1993.
- 1.5 **"Effective Date"** means the date of signature of this Agreement by the last party signing hereto;
- 1.6 **"Employer"** refers to TRANSNET SOC LTD;
- 1.7 **"Mandatory"** means an agent, Contractor or sub-contractor for work, but without derogating from the status in his own right as an employer or user;
- 1.8 **"Parties"** means TRANSNET SOC LTD and the Contractor, and **"Party"** shall mean either one of them, as the context indicates;
- 1.9 **"Principal Contract"** means the appointed contractor whereby such contractor has to provide goods and or services to TRANSNET SOC LTD.
- 1.10 **"Regulations"** means regulations promulgated in terms of the relevant legislation.
- 1.11 **"Section"** means the relevant section of the Occupational Health and Safety Act No 85 of 1993
- 1.12 **"Services"** means the services to be provided by the Contractor to TRANSNET SOC LTD.
- 1.13 **"TRANSNET SOC LTD"** means Transnet Group and all its operating divisions and Specialist units with (Registration No. **1990/000900/06**), a public company incorporated in accordance with the company laws of the Republic of South Africa;

## 2. INTERPRETATION

- 2.1 Clause headings in this Agreement are included for ease of reference only and do not form part of this Agreement for the purposes of interpretation or for any other purpose. No provision shall be construed against or interpreted to the disadvantage of either Party hereto by reason of such Party having or being deemed to have structured or drafted such provision.

- 2.2 Any term, word or phrase used in this Agreement, other than those defined under the clause heading "Definitions" shall be given its plain English meaning, and those terms, words, acronyms, and phrases used in this Agreement will be interpreted in accordance with the generally accepted meanings accorded thereto.
- 2.3 A reference to the singular incorporates a reference to the plural and vice versa.
- 2.4 A reference to natural persons incorporates a reference to legal persons and vice versa.
- 2.5 A reference to a particular gender incorporates a reference to the other gender.

### **3. REPORTING**

- 3.1 The Mandatary and/or his designated person appointed in terms of Section 16(2) of the Occupational Health and Safety Act 85 of 1993 ("the OHS Act") shall report to the Risk Manager and/or a Project Manager and/or a representative designated by the Employer prior to commencing the work at the premises of the Employer.

### **4. WARRANTY OF COMPLIANCE**

- 4.1 In terms of this Agreement the Mandatary warrants that he agrees to any of the arrangements and procedures as prescribed by the Employer and as provided for in terms of Section 37(2) of the OHS Act for the purposes of compliance with the OHS Act.
- 4.2 The Mandatary further warrants that he and/or his employees undertake to maintain such compliance with the OHS Act. Without derogating from the generality of the above, nor from the provisions of the said Agreement, the Mandatary shall ensure that the clauses as hereunder described are at all times adhered to by himself and his employees.
- 4.3 The Mandatary hereby undertakes to ensure that the health and safety of any other person on the premises is not endangered by the conduct of his activities and that of his employees.

### **5. APPOINTMENTS AND TRAINING**

- 5.1 The Mandatary shall appoint competent persons as per Section 16(2) of the OHS Act. Any such appointed person shall be trained on any occupational health and safety matter and the OHS Act provisions pertinent to the work is to be performed under his responsibility. Copies of any appointments made by the Mandatary shall immediately be provided to the Employer.
- 5.2 The Mandatary shall further ensure that all his employees are trained on the health and safety aspects relating to the work to be done on the premises of the Employer and that they understand the hazards associated with such work being carried out on the premises. Without derogating from the foregoing, the Mandatary shall, in particular, ensure that all his users or operators of any materials, machinery or equipment are properly trained in the use of such materials, machinery or equipment.
- 5.3 Notwithstanding the provisions of the above, the Mandatary shall ensure that he, his appointed responsible persons and his employees are at all times familiar with the provisions of the OHS Act, and that they comply with the provisions of the Act.

### **6. SUPERVISION, DISCIPLINE AND REPORTING**

- 6.1 The Mandatary shall ensure that all work performed on the Employer's a premise is done under strict supervision and that no unsafe or unhealthy work practices are permitted. Discipline regarding health and safety matters shall be strictly enforced against any of his employees regarding non-compliance by such employee with any health and safety matters.

- 6.2 The Mandatary shall further ensure that his employees report to him all unsafe or unhealthy work situations immediately after they become aware of such conditions and that he in turn immediately reports these to the Employer and/or his representative.

## **7. ACCESS TO THE OHS ACT**

- 7.1 The Mandatary shall ensure that he has an updated copy of the OHS Act on site at all times and that this is accessible to his appointed responsible persons and employees, save that the parties may make arrangements for the Mandatary and his appointed responsible persons and employees to have access to the Employer's updated copy/copies of the Act.

## **8. COOPERATION**

- 8.1 The Mandatary and/or his responsible persons and employees shall provide full co-operation and information if and when the Employer or his representative inquires into any occupational health and safety issues concerning the Mandatary. It is hereby recorded that the Employer and his representative shall at all times be entitled to make such inquiry.
- 8.2 Without derogating from the generality of the above, the Mandatary and his responsible persons shall make available to the Employer and his representative, on request, all and/or any checklists and inspection registers required to be kept by him in respect of any of his materials, machinery or equipment.

## **9. WORK PROCEDURES**

- 9.1 The Mandatary shall, after having established the dangers associated with the work performed, develop and implement mitigation measures to minimize or eliminate such dangers for the purpose of ensuring a healthy and safe working environment. The Mandatary shall then ensure that his responsible persons and employees are familiar with such mitigation measures.
- 9.2 The Mandatary shall implement any other safe work practices as prescribed by the Employer and shall ensure that his responsible persons and employees are made conversant with such other safe work practices as prescribed by the Employer and that his responsible persons and employees adhere to such safe work practices.
- 9.3 The Mandatary shall ensure that work for which any permit is required by the Employer is not performed by his employees prior to the Employer obtaining such permit from the Mandatary.

## **10. HEALTH AND SAFETY MEETINGS**

- 10.1 If required in terms of the OHS Act, the Mandatary shall establish his own health and safety committee(s) and ensure that his employees, being the committee members, provide health and safety representatives to attend the Employer's health and safety committee meetings.

## **11. COMPENSATION REGISTRATION**

- 11.1 The Mandatary shall ensure that he has a valid proof of registration with the Compensation Commissioner, as required in terms of **COID Act**, and that all payments owing to the Commissioner are discharged. The Mandatary shall further ensure that the cover remain in force while any such employee is present on the premises.

## **12. MEDICAL EXAMINATIONS**

- 12.1 The Mandatary shall ensure that all his employees undergo routine medical examinations and that they are medically fit for the purposes of the work they are to perform.

## **13. INCIDENT REPORTING AND INVESTIGATION**

- 13.1 All incidents referred to in Section 24 of the OHS Act shall be reported by the Mandatary to the Department of Labour and to the Employer. The Employer shall further be provided with copies of any written documentation relating to any incident.
- 13.2 The Employer retains an interest in the reporting of any incident as described above as well as in any formal investigation and/or inquiry conducted in terms of section 32 of the OHS-Act into such incident.

#### **14. SUBCONTRACTORS**

- 14.1 The Mandatary shall notify the Employer of any subcontractor he may wish to perform work on his behalf on the Employer's premises. It is hereby recorded that all the terms and provisions contained in this clause shall be equally binding upon the subcontractor prior to the subcontractor commencing with the work. Without derogating from the generality of this paragraph:
  - 14.1.1 The Mandatary shall ensure that training as discussed under appointments and training, is provided prior to the subcontractor commencing work on the Employer's premises.
  - 14.1.2 The Mandatary shall ensure that work performed by the subcontractor is done under his strict supervision, discipline and reporting.
  - 14.1.3 The Mandatary shall inform the Employer of any health and safety hazards and/or issue that the subcontractor may have brought to his attention.
  - 14.1.4 The Mandatary shall inform the Employer of any difficulty encountered regarding compliance by the subcontractor with any health and safety instruction, procedure and/or legal provision applicable to the work the subcontractor performs on the Employer's premises.

#### **15. SECURITY AND ACCESS**

- 15.1 The Mandatary and his employees shall enter and leave the premises only through the main gate(s) and/or checkpoint(s) designated by the Employer. The Mandatary shall ensure that employees observe the security rules of the Employer at all times and shall not permit any person who is not directly associated with the work from entering the premises.
- 15.2 The Mandatary and his employees shall not enter any area of the premises that is not directly associated with their work.
- 15.3 The Mandatary shall ensure that all materials, machinery or equipment brought by him onto the premises are recorded at the main gate(s) and/or checkpoint(s). Failure to do this may result in a refusal by the Employer to allow the materials, machinery or equipment to be removed from the Employer's premises.

#### **16. FIRE PRECAUTIONS AND FACILITIES**

- 16.1 The Mandatary shall ensure that an adequate supply of fire-protection and first-aid facilities are provided for the work to be performed on the Employer's premises, save that the Parties may mutually make arrangements for the provision of such facilities.
- 16.2 The Mandatary shall further ensure that all his employees are familiar with fire precautions at the premises, which includes fire-alarm signals and emergency exits, and that such precautions are adhered to.

#### **17. ABLUTION FACILITIES**

- 17.1 The Mandatary shall ensure that an adequate supply of ablution facilities are provided for his employees performing work on the Employer's premises, save that the parties may mutually make arrangements for the provision of such facilities.

## **18. HYGIENE AND CLEANLINESS**

- 18.1 The Mandatary shall ensure that the work site and surround area is at all times maintained to the reasonably practicable level of hygiene and cleanliness. In this regard, no loose materials shall be left lying about unnecessarily and the work site shall be cleared of waste material regularly and on completion of the work.

## **19. NO NUISANCE**

- 19.1 The Mandatary shall ensure that neither he nor his employees undertake any activity that may cause environmental impairment or constitute any form of nuisance to the Employer and/or his surroundings.
- 19.2 The Mandatary shall ensure that no hindrance, hazard, annoyance or inconvenience is inflicted on the Employer, another Mandatary or any tenants. Where such situations are unavoidable, the Mandatary shall give prior notice to the Employer.

## **20. INTOXICATION NOT ALLOWED**

- 20.1 No intoxicating substance of any form shall be allowed on site. Any person suspected of being intoxicated shall not be allowed on the site. Any person required to take medication shall notify the relevant responsible person thereof, as well as the potential side effects of the medication.

## **21. PERSONAL PROTECTIVE EQUIPMENT**

- 21.1 The Mandatary shall ensure that his responsible persons and employees are provided with adequate personal protective equipment (PPE) for the work they may perform and in accordance with the requirements of General Safety Regulation 2 (1) of the OHS Act. The Mandatary shall further ensure that his responsible persons and employees wear the PPE issued to them at all material times.

## **22. PLANT, MACHINERY AND EQUIPMENT**

- 22.1 The Mandatary shall ensure that all the plant, machinery, equipment and/or vehicles he may wish to utilize on the Employer's premises is/are at all times of sound order and fit for the purpose for which it/they is/are attended to, and that it/they complies/comply with the requirements of Section 10 of the OHS Act.
- 22.2 In accordance with the provisions of Section 10(4) of the OHS Act, the Mandatary hereby assumes the liability for taking the necessary steps to ensure that any article or substance that it erects or installs at the premises, or manufactures, sells or supplies to or for the Employer, complies with all the prescribed requirements and will be safe and without risks in terms of health and safety when properly used.

## **23. NO USAGE OF THE EMPLOYER'S EQUIPMENT**

- 23.1 The Mandatary hereby acknowledges that his employees are not permitted to use any materials, machinery or equipment of the Employer unless the prior written consent of the Employer has been obtained, in which case the Mandatary shall ensure that only those persons authorized to make use of such materials, machinery or equipment, have access thereto.

## **24. TRANSPORT**

- 24.1 The Mandatary shall ensure that all road vehicles used on the premises are in a roadworthy condition and are licensed and insured. The Mandatary shall ensure that all drivers shall have relevant and valid driving licenses and the Mandatary shall ensure that no vehicle/s shall carry passengers unless it is



specifically designed to do and that all drivers shall adhere to the speed limits and road signs on the premises at all times.

- 24.2 In the event that any hazardous substances are to be transported on the premises, the Mandatory shall ensure that the requirements of the Hazardous Substances Act 15 of 1973 are complied with fully all times.

## **25. CLARIFICATION**

- 25.1 In the event that the Mandatory requires clarification of any of the terms or provisions of this Agreement, he should take the necessary steps to contact the Risk Manager of the Employer to obtain such clarification.

## **26. DURATION OF AGREEMENT**

- 26.1 This Agreement shall remain in force for the duration of the work to be performed by the Mandatory and/or while any of the Mandatory's employees are present on the Employer's premises.

## **27. NON COMPLIANCE WITH THE AGREEMENT**

- 27.1 If the Mandatory fails to comply with any provisions of this Agreement, the Employer shall be entitled to give the mandatory 7 (seven) days written notice to remedy such non-compliance and if the Mandatory fails to comply with such notice, then the Employer shall forthwith be entitled but not obliged, without prejudice to any other rights or remedies which the mandatory may have in law,

271.1 to suspend the main Agreement; or

27.1.2 To claim immediate performance and/or payment of such obligations.

- 27.2 Should mandatory continue to breach the contract on three occasions, then the Employer is authorised to suspend the main contract without complying with the condition stated in the clause above.

## **28. HEADINGS**

The headings as contained in this Agreement are for reference purposes only and shall not be construed as having any interpretative value in them or as giving any indication as to the meaning of the contents of the paragraphs contained in this Agreement.

**Thus done and signed**

at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
**For and on behalf of the Employer**

**Witnesses:**

1. \_\_\_\_\_

2. \_\_\_\_\_

at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
**for and on behalf of the Mandatary**

**Witnesses:**

3. \_\_\_\_\_

4. \_\_\_\_\_



## Contractor Questionnaire

CONTRACTOR QUESTIONNAIRE				
1.	POLICY, ORGANISATION AND MANAGEMENT INVOLVEMENT	YES	NO	N/A
1.1	Does your company have a SHEQ Policy?			
1.2	Has a copy signed by the Chief Executive Officer / Managing Director been supplied?			
	Provide company organogram.			
1.3	Company Certified? i.e. ISO 14001, ISO 9001, OHSAS 18001 etc.			
	If yes, provide proof of periodical work area inspections and Regular Health and Safety meetings with personnel			
1.4	Does the company have OHSAct 16.2 Appointee?			
1.5	Is your company registered with the Compensation Commissioner (COID Act) or licenses compensation insurer? If so, please provide registration number.			
1.6	Do you have a copy of good standing certificate, confirming that your registration is paid up? If so, please provide copy thereof			
1.7	Does the company comply with the relevant legal appointees for this project i.e. Representatives, Environmental Control Officer, First Aiders, Risk Assessors, etc.?			
2.	ACCREDITATION	YES	NO	
2.1	Does the company have the auditable Management Systems in place?			
	If so, please provide proof of certificate issued by a credible external Assurance Auditor.			
3.	TRAINING	YES	NO	
3.1	Has the training based on risks/hazards that has been identified been done?			
3.2	Is training provided to employees at the following stages?			
	▪ When joining the company			
	▪ When changing jobs within the company			
	▪ When new plant or equipment needs to be operated			
	▪ As a result of experience of and feedback from an accident/incident reports			
3.3	Provide proof of specialist training provided such as training analysis, Certificates, Job Specific Training or Induction Training program?			
3.4	What legal or compliance training is provided specifically to			
	▪ First line supervisors?			
	▪ Middle and top management?			
3.5	Are all employees (including sub-contractors) instructed as to the application of rules and regulations within your organization?			
3.6	Does this training include the selection, use and care of personal protective equipment?			
3.7	What refresher training is provided and at what intervals?			
	Please list examples			
4.	PURCHASE OF GOODS, MATERIALS AND SERVICES	YES	NO	



## Contractor Questionnaire

4.1	Do you have a system which ensures that all statutory inspections of plant and equipment are carried out?			
	Give examples of plant/equipment covered:			
4.2	Is there a record of inspections conducted above?			
4.3	Do you carry out plant and equipment inspections prior to work commencing to ensure the hazards are identified?			
	Please provide copies of these inspection reports.			
4.4	Do you evaluate the competence of all sub-contractors?			
	Please describe how this is achieved and how the results are monitored.			
<b>5.</b>	<b>INSPECTIONS</b>	<b>YES</b>	<b>NO</b>	
5.1	Are periodic work inspections carried out by first line supervisors?			
5.2	Are unsafe acts and conditions reported and remedial actions formally monitored?			
<b>6.</b>	<b>RULES AND REGULATIONS</b>	<b>YES</b>	<b>NO</b>	
6.1	Do organisational rules and regulations exist for personnel and subcontractors?			
	Do these cover			
	▪ General rules			
	▪ Project rules			
	▪ Specific task rules			
6.2	Do these rules include a permit to work system (as applicable)?			
6.3	Do you have experience of contractor execution plans?			
	Give examples of where these have been used			
6.4	Do you have a formal company guideline for holding pre-contract progress meetings with the client?			
<b>7.</b>	<b>RISK MANAGEMENT</b>	<b>YES</b>	<b>NO</b>	
7.1	Have you performed assessment of the risks involved in the execution of contract work?			
7.2	Do you have safe work procedure for all high risk/hazards identified?			
7.3	Are employees trained on Safe Work Procedures?			
7.4	Do you have a copy of the PPE needs analysis done and issue records kept?			
<b>8.</b>	<b>BUSINESS CONTINUITY AND EMERGENCY ARRANGEMENTS</b>	<b>YES</b>	<b>NO</b>	
8.1	Do you have an emergency plan AND business continuity plan in place?			
8.2	Are provision made for Trained First Aiders?			
8.3	Are employees trained on the emergency plan/procedure and business continuity plan?			
<b>9.</b>	<b>FALL PROTECTION</b>	<b>YES</b>	<b>NO</b>	
9.1	Are you able to demonstrate that work at heights undertaken under competent supervision, carried out by employees who are trained and medically fit?			
9.2	Does your fall protection plan include rescue plan, risk assessment, inspection, testing and maintenance of fall protection equipment?			
<b>10.</b>	<b>PROJECT SECURITY</b>	<b>YES</b>	<b>NO</b>	
10.1	Has the security assessment for the site been done?			
10.2	Are measures put in place to ensure security of the project personnel and equipment?			
<b>11.</b>	<b>RECRUITMENT OF PERSONNEL</b>	<b>YES</b>	<b>NO</b>	
11.2	Are medical examinations carried prior to employment, in all cases?			



## Contractor Questionnaire

11.3	Are exit medicals conducted on staff once they have resigned? e.g. via trade testing, reference checks, etc.			
11.4	How do you assess the competence of staff before an appointment is made?			
11.5	Is the substance abuse policy and testing procedure in place?			
<b>12.</b>	<b>REPORTING AND INVESTIGATION OF ACCIDENTS, INCIDENTS AND DANGEROUS CONDITIONS</b>	<b>YES</b>	<b>NO</b>	
12.1	Do you have a procedure for reporting, investigating and recording accidents and incidents?			
	Supply copy of this procedure and incident register including first aid and medical cases.			
12.2	Is there a standard report/investigation form used? If yes, supply copy.			
12.3	Do you have a formal system for reporting situations/near misses etc.? If yes, provide copy.			
		<b>YEAR-1</b>	<b>YEAR-2</b>	<b>YEAR-3</b>
		<b>YEAR-4</b>	<b>YEAR-5</b>	
	<b>Lost time accidents per 100 employees</b>			
	<b>Major/Reportable injuries per 100 employees</b>			
	<b>Number of dangerous occurrences</b>			
	<b>Lost man days due to accidents</b>			
<b>13.</b>	<b>COMMUNICATION AND CONSULTATION</b>	<b>YES</b>	<b>NO</b>	
13.1	Are progress and other legal meetings held?			
13.2	Are minutes of the meetings recorded and results of these meetings communicated to all employees? If yes, please describe method			
13.3	Are daily talks meetings conducted to discuss hazards on site, incident recall, performance?			
<b>14.</b>	<b>COSTS</b>	<b>YES</b>	<b>NO</b>	
14.1	Has the Contractor made provision for the cost for IMS requirements for the project? Refer to Pricing Schedule Requirements (Annexure 8.4, TRN-IMS-GRP-PROC-014-8.4)			
<b>Name of Transnet Contract Manager/Designated Transnet Person:</b>				
<b>Signature of Transnet Contract Manager/Designated Transnet Person:</b>				
<b>Date of Receipt of Documentation:</b>				
<b>Comments:</b>				
<b>Date of Endorsement of Documentation:</b>				

## CONTRACTOR COMPLIANCE FILE ASSESSMENT CHECKLIST

Date of inspection/ Evaluation: \_\_\_\_\_

Client	
Employer (Principal contractor)	
Registered name of the enterprise	
Trade name of the Enterprise	
Company Registration No	
SARS registration No(PAYE)	
UIF registration No	
COIDA registration no	
Relevant SETA for EEA purpose	
Industry sector	
Bargaining Council	
Contact person & position	
Contact number	
Site Address	
Postal Address	
Chief Executive Officer	
Chief Executive officer's email and contact number	
Construction Manager	
Health and Safety Representative	
Activities/ Service rendered	
Commencement date	
Completion date	
Site Phone	
Total number of employees on site:	
Female	
Male	
People with disabilities	



CONTRACTOR	Complying	Not Complying (i.e. Comments)	Not Applicable
1. Site Specific Organogram of reporting structure. This document must provide all persons appointed in terms of OHS Act No. 85 of 1993 including contact details. (rev, date, approval)			
2. Contractor scope of work information (Company Profile)			
3. Notification of Construction Work to the Department of Labour: Document to display required information as per OHS Act No.85 of 1993 – Construction Regulations Annexure A, Must carry the stamp of acceptance from the Department of Labour ( <i>if applicable</i> )			
4. Application for a permit to do construction work ( <i>if applicable</i> )			
5. Valid Letter of Good Standing with FEM/WCA: And proof of relevant insurances to carry out work.			
<b>MANAGEMENT PLANS</b>			
6. Copy of reference documents: Health & Safety, Security, Quality, Environmental, and other applicable Specifications Including a signed register of communication to Managers, Supervisors & Safety Officers			
7. Approved Contractor Execution Plan correlating with Specification provided by Transnet (i.e. Approved health and safety plan, environmental plan, security plan etc.)			
8. Contractors Health and Safety Policy			
9. Site Specific Emergency Plan			
10. Contractors Traffic Management Plan (if applicable)			
11. Procedure for handling Hazardous Chemical Substance's and Applicable Safety Data Sheet ( <i>if applicable</i> ).			
<b>APPOINTMENTS</b>			
12. Fully completed appointments of the following (depends on the scope of work) but not limited to:			
• Sec. 16(2) – Delegated Authority (Assistant to the CEO)			
• CR 8(1) – Construction Manager			
• CR 8(7) – Construction Supervisor			
• CR 8(8) – Assistant Construction Supervisor			
• CR 8(5) – Construction Safety Officer			
• CR 9(1) – Risk assessment			
• CR 10. (1)(a) – Fall Prevention Planner ( <i>if applicable</i> )			
• CR 10.(2)(b) (fall risk) Physical & Psychological fitness			
• CR 23.(d)(k) – Vehicle operator and Inspector			
• GSR 3.4 – First aider			
• CR 29 (h) – Fire Fighter			
• Sec 24, GAR 9(2) – Incident Investigator			
• CR 13(1)(a) – Excavation Supervisor			
• CR 28(a) – Stacking and Storage Supervisor			
• CR 12(1) – Temporary works designer			



• CR 14(1) – Demolition work supervisor			
• CR 16(1) – Scaffolding work supervisor			
• CR 17 (1) – Suspended platform work supervisor			
• CR 18(1)(a) – Rope access supervisor			
• CR 19(8)(a) – Material host Inspector			
• CR 20(1) – Bulk mixing plant supervisor			
• CR 21(2) – Explosive actuated fastening devices inspector			
• Sec 17(1) – SHE Rep (more than 20 employees)			
• GSR 13(a) – Ladder Inspector An abbreviated CV of the above appointed persons shall be attached to the appointment. Competency certificates will also be attached as required in specifications			
<b>13.</b> Elevated work training (Rescue/ Safety harnesses) – accredited Training ( <i>If applicable</i> )			
<b>14.</b> Fall Protection Plan by competent person / Rescue Plan ( <i>If applicable</i> )			
<b>15.</b> Contract/Project Specific Risk Assessment indicating the full scope of work and risk profile – High risk task inventory registers to be attached.			
<b>16.</b> Risk Assessment (HIRA), Method Statement, Safe Work Procedure to be generated for each specific task to be performed on the contract/project i.e. Site establishment, confined spaces, working at heights, working near water, excavations etc. Note: before establishment they can supply what they will start with – site establishment, fencing, clear & grub...so only request what is relevant at the time.			
<b>17.</b> PPE Policy and most recent issue register.			
<b>INDUCTION</b>			
<b>18.</b> Induction application forms completed for every employee of the contractor performing work on site; The following shall be attached:			
• Employee Dossier with applicable documentation;			
• Proof of site specific induction;			
• Copy of ID Document;			
• Legal Letter of Appointment;			
• Proof of competence i.e.: Artisans, drivers, operators etc.;			
• Valid medical certificate of fitness done by an Occupational Health Practitioner (i.e. Annexure 3 for construction work)			
<b>REGISTERS</b>			
<b>19.</b> Copy of equipment registers to be used with copy of each item's inspection checklist. The registers are not limited to the following, depends on the scope of work:			
• Site visitors register			
• Excavation Inspection Register			
• Hand tools Inspection register			
• Barricading Inspection Register			
• Traffic Inspection Register			
• Mobile Toilet Inspection Register			
• Daily Risk Assessment and Toolbox Talk			
• PPE Inspection Register			





• First Aid kit Inspection Register			
• Fire Fighting Equipment Register			
• Portable electrical Equipment Register			
• Pneumatic Tool Register			
• Compressor Checklist			
• Ladder Inspection Register			
• Vehicle Inspection Register			
• Working at Height Equipment Register			
<b>INCIDENT/ACCIDENT MANAGEMENT</b>			
<b>20.</b> Incident /Accident Management Procedure including reporting, recording and investigation of incidents and accidents			
<b>21.</b> Register of first aid injuries			
<b>22.</b> Register of reportable injuries to the Provincial Director			
<b>OTHERS</b>			
<b>23.</b> Section 37(2) mandatory agreement between client - contractor and contractor - sub contractor. As well as:			
• CR 5.1(k) Principal Contractor appointment			
• CR 7(1)(c)(v) Sub Contractor appointment			
<b>24.</b> Training Matrix (Management, Supervisors and Employees)			
<b>25.</b> Copy of the OHS act and its Regulations , COID Act Regulations			

CONTRACTOR'S COMPLIANCE FILE REVIEW			
Date	Print Full Name	Designation	Signature
<b>Status</b>			
Approved			
Not Approved			
<b>Reasons for not approving</b>			

## **ACCESS PERMIT APPLICATION FORM**

Name & Surname: \_\_\_\_\_

Identity / Passport No: \_\_\_\_\_

TPT SAP NO (if applicable): \_\_\_\_\_

Company Name: \_\_\_\_\_

Vehicle Registration No: \_\_\_\_\_

Area of operation: 

CONTAINER	CAR	B/Bulk	BULK	ALL
-----------	-----	--------	------	-----

Application Date: \_\_\_\_\_ Contact No: \_\_\_\_\_

### **1. PERMANANT PERMIT APPLICANTS TO SUBMIT**

**Motivational letter from End user**  
**Valid roadworthy certificate for all vehicles / copy of latest license renewal**  
**Proof that all vehicles are Clearly marked on (both sides) with permit holder's logo**  
**Driver's licences for all vehicles drivers (SAPS Certified)**  
**Copy of Safety Induction Register**  
**Copy of Identification Document (SAPS Certified)**  
**Copy of the medical fitness certificate**  
**Approved employee name list**  
**Approve name list for utilising the vehicle**  
**Each vehicle must have its own application with supporting documents.**

### **2. TEMPORAL PERMIT APPLICANTS TO SUBMIT**

**Application letter detailing the following:**

**Motivation letter from End user (Transnet)**  
**Copy of Identification Document (SAPS Certified)**  
**Duration of permit required**  
**Name list of persons and list of vehicles**  
**Copy of Safety Induction Register**  
**Copy of Medical fitness certificates**  
**Driver's licences for all vehicles drivers (SAPS Certified)**  
**Valid roadworthy certificate for all vehicles / copy of latest license renewal**  
**Hired vehicle – Proof of Lease agreement**

### **CONDITIONS**

This permit is not transferable and is issued subject to the provisions of the regulation of the harbours of the Republic of South Africa and such other relevant regulations as may be published from time to time.

### **ENTRY CONDITIONS:**

- . No firearm or ammunition permitted
- . No drugs &/or alcohol permitted
- . No explosives &/or explosive devices permitted
- . No cameras permitted

### **GENERAL RULES:**

1. Personal protective clothing must be worn at all times.
2. Obey speed limit (30 KPH) & all traffic rules.
3. Do not enter the operational, stacking and cargo areas.
4. ID tags (if applicable) should be worn at all times.
5. All OHS & Environment legislation must be adhered to.
6. Do not walk &/or drive underneath suspended loads.
7. Park in designated areas only.
8. No animals allowed in the terminals.
9. No minors allowed in the terminals.
10. No motorcycle/s allowed in the terminals.

*NB: 1. Failure to comply with the conditions as set out here above will result to immediate withdrawal of this permit by TPT.*

*2. An application should be accompanied by a copy of an applicant's ID and/or driver's License.*

## **ACCESS PERMIT APPLICATION FORM**

### **For Office Use Only (TPT)**

#### **Recommended By (Head of Department)**

Init & Surname : \_\_\_\_\_

Signature : \_\_\_\_\_ Date: \_\_\_\_\_

#### **Processed By (Security Supervisor / CCTV Operator)**

Init & Surname : \_\_\_\_\_

Signature : \_\_\_\_\_ Date: \_\_\_\_\_

#### **Approved By (Security Manager) / delegated person**

Init & Surname : \_\_\_\_\_

Signature : \_\_\_\_\_ Date: \_\_\_\_\_

Permit Valid Period : \_\_\_\_\_ to \_\_\_\_\_

*I am hereby declare that, the above / attached information given by me (applicant) is true and accurate*

#### **RECEIVED BY (PERMIT HOLDER):**

Init & Surname: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## **MASTER AGREEMENT**

entered into by and between

**TRANSNET SOC LTD**

and

.....

**FOR THE PROVISION OF :**

**EQUIPMENT (FRONT END LOADERS AND EXCAVATOR) ON A FULL  
MAINTENANCE LEASE FOR TRANSNET SOC LTD (REGISTRATION NO.  
1990/000900/30) OPERATING AS TRANSNET PORT TERMINALS  
(HEREINAFTER REFERRED TO AS "TPT"), AT THE LOHATLHA TERMINAL FOR  
A PERIOD OF 3 YEARS (36 MONTHS)**

**Agreement Number:** iCLM PE 705/TPT

**Commencement Date:**

**Expiry Date:**

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## 1 INTRODUCTION

This Agreement is entered into by and between:

**Transnet SOC Ltd** [Registration Number 1990/000900/30] whose registered address is **202 Anton Lambede Street, Durban, 4000** Republic of South Africa [**Transnet**]

and

.....[Registration Number .....] whose registered address is  
..... [**the Supplier**].

### NOW THEREFORE, IT IS AGREED:

- 1.1 Transnet hereby appoints the Supplier to provide, and Transnet undertakes to accept the provision of Goods provided for herein, as formally agreed between the Parties and in accordance with the Schedule of Requirements issued as a schedule to this Agreement; and
- 1.2 the Supplier hereby undertakes to provide the Goods provided for herein, as formally agreed between the Parties and in accordance with the Schedule of Requirements issued as a schedule to this Agreement.

## 2 DEFINITIONS

Where the following words or phrases are used in this Agreement, such words or phrases shall have the meaning assigned thereto in this clause, except where the context clearly requires otherwise:

- 2.1 **AFSA** means the Arbitration Foundation of South Africa;
- 2.2 **Agreement** means this Agreement and its associated schedules and/or annexures and/or appendices, and/or schedules, including the Schedule of Requirements, the technical specifications for the Goods and such special conditions as shall apply to this Agreement, together with the General Tender Conditions and any additional provisions in the associated bid documents tendered by the Supplier [as agreed, in writing, between the Parties], which collectively and exclusively govern the provision of Services and provision of ancillary Services by the Supplier to Transnet;
- 2.3 **Assignment** refers to the transfer of rights and obligations in a contract from an assigner to an assignee.
- 2.4 **Background Intellectual Property** means all Intellectual Property introduced and required by either Party to give effect to their obligations under this Agreement owned in whole or in part by or licensed to either Party or their affiliates prior to the Commencement Date or developed after the Commencement Date otherwise pursuant to this Agreement;
- 2.5 **Business Day(s)** means Mondays to Fridays between 07:30 and 16:00, excluding public holidays as proclaimed in South Africa;
- 2.6 **Cession** refers to the transfer of only the rights a Supplier has in terms of a contract from it to a third party.
- 2.7 **Commencement Date** means....., notwithstanding the signature date of this Agreement;

- 2.8 **Confidential Information** means any information or other data, whether in written, oral, graphic or in any other form such as in documents, papers, memoranda, correspondence, notebooks, reports, drawings, diagrams, discs, articles, samples, test results, prototypes, designs, plans, formulae, patents, or inventor's certificates, which a Party discloses or provides to the other Party [intentionally or unintentionally, or as a result of one Party permitting the representative of the other Party to visit any of its premises], or which otherwise becomes known to a Party, and which is not in the public domain and includes, without limiting the generality of the term:
- a) information relating to methods of operation, data and plans of the disclosing Party;
  - b) the contents of this Agreement;
  - c) private and personal details of employees or clients of the disclosing Party or any other person where an onus rests on the disclosing Party to maintain the confidentiality of such information;
  - d) any information disclosed by either Party and which is clearly marked as being confidential or secret;
  - e) information relating to the strategic objectives and planning of the disclosing Party relating to its existing and planned future business activities;
  - f) information relating to the past, present and future research and development of the disclosing Party;
  - g) information relating to the business activities, business relationships, products, services, customers, clients and Subcontractors of the disclosing Party where an onus rests on the disclosing Party to maintain the confidentiality of such information;
  - h) information contained in the software and associated material and documentation belonging to the disclosing Party;
  - i) technical and scientific information, Know-How and trade secrets of a disclosing Party including inventions, applications and processes;
  - j) Copyright works;
  - k) commercial, financial and marketing information;
  - l) data concerning architecture, demonstrations, tools and techniques, processes, machinery and equipment of the disclosing Party;
  - m) plans, designs, concepts, drawings, functional and technical requirements and specifications of the disclosing Party;
  - n) information concerning faults or defects in Goods, equipment, hardware or software or the incidence of such faults or defects; and
  - o) information concerning the charges, fees and/or costs of the disclosing Party or its authorised Subcontractors, or their methods, practices or service performance levels actually achieved;
- 2.9 **Copyright** means the right in expressions, procedures, methods of operations or mathematical concepts, computer program codes, compilations of data or other material, literary works, musical works, artistic works, sound recordings, broadcasts, program carrying signals, published editions, photographic works, or cinematographic works of the copyright owner to do or to authorise the doing of certain acts specified in respect of the different categories of works;

- 2.10 **Data** means all data, databases, documents, information, graphics, text or other material in an electronic or tangible medium which the Parties to this Agreement generate, collect, process, store or transmit in relation to their business;
- 2.11 **Designs** mean registered Designs and/or Design applications and will include the monopoly right granted for the protection of an independently created industrial design including designs dictated essentially by technical or functional considerations as well as topographies of integrated circuits and integrated circuits;
- 2.12 **Expiry Date** means .....;
- 2.13 **Foreground Intellectual Property** means all Intellectual Property developed by either Party pursuant to this Agreement;
- 2.14 **Goods** means the provision of equipment (front end loaders and excavator) on a full maintenance lease for Transnet SOC Ltd (Registration no. 1990/000900/30) operating as Transnet Port Terminals (hereinafter referred to as "TPT"), at the Lohatlha Terminal for a period of 3 years (36 months), the material / products specified in the Schedule of Requirements appended as Schedule 1 hereto;
- 2.15 **ICC Incoterms** means the the latest version of commercial trade terms as published by the International Chamber of Commerce, Paris [ICC], which are otherwise referred to as purchase terms and which define precisely the responsibilities, costs and risks of the buyer [**Transnet**] and the seller [**the Supplier**]. Incoterms are only applicable to contracts involving the import or export of Goods from one country to another and for the purpose of this Agreement, if applicable, shall mean the designated Incoterm as stipulated in Schedule 1 hereto. Further details of the Incoterm [purchase terms] for this Agreement, if applicable, can be viewed at the International Business Training website - <http://www.i-b-t.net/incoterms.html>;
- 2.16 **Intellectual Property** means Patents, Designs, Know-How, Copyright and Trade Marks and all rights having equivalent or similar effect which may exist anywhere in the world and includes all future additions and improvements to the Intellectual Property;
- 2.17 **Know-How** means all Confidential Information of whatever nature relating to the Intellectual Property and its exploitation as well as all other Confidential Information generally relating to Transnet's field of technology, including technical information, processing or manufacturing techniques, Designs, specifications, formulae, systems, processes, information concerning materials and marketing and business information in general;
- 2.18 **Parties** mean the Parties to this Agreement together with their subsidiaries, divisions, business units, successors-in-title and assigns;
- 2.19 **Party** means either one of these Parties;
- 2.20 **Patents** mean registered Patents and Patent applications, once the latter have proceeded to grant, and includes a right granted for any inventions, products or processes in all fields of technology;
- 2.21 **Permitted Purpose** means any activity or process to be undertaken or supervised by a Staff member of one Party during the term of this Agreement, for which purpose authorised disclosure of the other Party's Confidential Information or Intellectual Property is a prerequisite in order to enable such activity or process to be accomplished;
- 2.22 **Price(s)** means the agreed Price(s) for the Goods to be purchased from the Supplier by Transnet, as detailed in the Schedule of Requirements, issued in accordance with this Agreement, as amended



by mutual agreement between the Parties and in accordance with the terms and conditions in this Agreement from time to time;

- 2.23 **Purchase Order(s)** means official orders issued by an operating division of Transnet to the Supplier for the supply of Goods;
- 2.24 **Staff** means any partner, employee, agent, consultant, independent associate or contractor, Subcontractor and the staff of such Subcontractor, or other authorised representative of either Party;
- 2.25 **Schedule of Requirements** means Schedule 1 hereto;
- 2.26 **Subcontract** means any contract or agreement or proposed contract or agreement between the Supplier and any third party whereby that third party agrees to provide to the Supplier the Goods or related Services or any part thereof or material used in the manufacture of the Goods or any part thereof;
- 2.27 **Subcontractor** means the third party with whom the Supplier enters into a Subcontract;
- 2.28 **Tax Invoice** means the document as required by Section 20 of the VAT Act, as may be amended from time to time;
- 2.29 **Trade Marks** mean registered Trade Marks and Trade Mark applications and include any sign or logo, or combination of signs and/or logos capable of distinguishing the goods of one undertaking from those of another undertaking;
- 2.30 **VAT** means Value-Added Tax chargeable in terms of the VAT Act, 89 of 1991, as may be amended from time to time; and
- 2.31 **VAT Act** means the Value Added Tax Act, No 89 of 1991, as may be amended from time to time.

### 3 INTERPRETATION

- 3.1 Clause headings in this Agreement are included for ease of reference only and do not form part of this Agreement for the purposes of interpretation or for any other purpose. No provision shall be construed against or interpreted to the disadvantage of either Party hereto by reason of such Party having or being deemed to have structured or drafted such provision.
- 3.2 Any term, word or phrase used in this Agreement, other than those defined under the clause heading "*Definitions*" shall be given its plain English meaning, and those terms, words, acronyms, and phrases used in this Agreement will be interpreted in accordance with the generally accepted meanings accorded thereto.
- 3.3 A reference to the singular incorporates a reference to the plural and *vice versa*.
- 3.4 A reference to natural persons incorporates a reference to legal persons and *vice versa*.
- 3.5 A reference to a particular gender incorporates a reference to the other gender.

### 4 NATURE AND SCOPE

- 4.1 This Agreement is an agreement under the terms and conditions of which the Supplier will arrange for the supply/provision to Transnet of the Goods which meet the requirements and specifications of Transnet, the delivery of which is controlled by means of Purchase Orders to be issued by Transnet and executed by the Supplier in accordance with this Agreement.

- 4.2 Such Purchase Orders and deliveries to Transnet shall be agreed between the Parties from time to time, subject to the terms of the Schedule of Requirements.
- 4.3 Each properly executed Purchase Order forms an inseparable part of this Agreement as if it were fully incorporated into the body of this Agreement.
- 4.4 During the period of this Agreement, both Parties can make written suggestions for amendments to the Schedule of Requirements in accordance with procedures set out in clause 34.2 [*Amendment and Change Control*]. A Party will advise the other Party within 14 [fourteen] Business Days, or such other period as mutually agreed, whether the amendment is acceptable.
- 4.5 Insofar as any term, provision or condition in the Schedule of Requirements conflicts with a like term, provision or condition in this Agreement and/or a Purchase Order, the term or provision or condition in this Master Agreement shall prevail, unless such term or provision or condition in this Master Agreement has been specifically revoked or amended by mutual written agreement between the Parties.
- 4.6 Time will be of the essence and the Supplier will perform its obligations under this Agreement in accordance with the timeframe(s) [if any] set out in the relevant schedule, save that the Supplier will not be liable under this clause if it is unable to meet such obligation within the time required as a direct result of any act or omission by Transnet and it has used its best endeavours to advise Transnet of such act or omission. In the event of such delay, any time deadlines detailed in the relevant schedule shall be extended by a period equal to the period of that delay.

## **5 AUTHORITY OF PARTIES**

- 5.1 Nothing in this Agreement will constitute or be deemed to constitute a partnership between the Parties, or constitute or be deemed to constitute the Parties as agents or employees of one another for any purpose or in any form whatsoever.
- 5.2 Neither Party shall be entitled to, or have the power or authority to:
  - a) enter into an agreement in the name of the other; or
  - b) give any warranty, representation or undertaking on the other's behalf; or
  - c) create any liability against the other or bind the other's credit in any way or for any purpose whatsoever.

## **6 DURATION/TERM AND CANCELLATION**

- 6.1 Notwithstanding the date of signature hereof, the Commencement Date for this Agreement is ..... and the duration shall be for a thirty six [36] month period, expiring on ....., unless:
  - a) this Agreement is terminated by either Party in accordance with the provisions incorporated herein or in any schedules or annexures appended hereto, or otherwise in accordance with law or equity; or
  - b) this Agreement is extended at Transnet's option for a further period to be agreed by the Parties.
  - c) the allocated maximum contract value is depleted before the contract expiry date
- 6.2 Notwithstanding clause 21 [*Breach and Termination*], either Party may cancel this Agreement without cause by giving 30 [thirty] calendar days prior written notice thereof to the other Party,

provided that in such instance, this Agreement will nevertheless be applicable in respect of all Purchase Orders which have been placed prior to the date of such cancellation.

## **7 RISK MANAGEMENT**

- 7.1 Where Transnet determines appropriate, within 2 weeks from the date of contract signature, the Parties are to meet to prepare and maintain a contract Risk Register. The Risk Register shall include a description of the risks and a description of the actions which are to be taken to avoid or reduce these risks which both Parties shall jointly determine.
- 7.2 Contract progress meetings shall be held monthly, or unless otherwise agreed between the Parties in writing. The purposes of these progress meetings shall be to capture the number of late deliverables against agreed milestones, actual costs against payment plans, performance issues or concerns, contract requirements not achieved, the status of previous corrective actions and risk management. Minutes of meetings shall be maintained and signed off between the Parties throughout the contract period

## **8 TRANSNET'S OBLIGATIONS**

- 8.1 Transnet undertakes to promptly comply with any reasonable request by the Supplier for information, including information concerning Transnet's operations and activities, that relates to the Goods as may be necessary for the Supplier to provide the Goods, but for no other purpose. However, Transnet's compliance with any request for information is subject to any internal security rules and requirements and subject to the observance by the Supplier of its confidentiality obligations under this Agreement.
- 8.2 The Supplier shall give Transnet reasonable notice of any information it requires.
- 8.3 Transnet agrees to provide the Supplier or its Personnel such access to and use of its facilities as is necessary to allow the Supplier to perform its obligations under this Agreement.

## **9 GENERAL OBLIGATIONS OF THE SUPPLIER**

- 9.1 The Supplier shall:
  - a) respond promptly to all complaints and enquiries from Transnet;
  - b) inform Transnet immediately of any dispute or complaint arising in relation to the storage or delivery of the Goods;
  - c) conduct its business in a professional manner which will reflect positively upon the Supplier and the Supplier's products;
  - d) keep full records clearly indicating all transactions concluded by the Supplier relating to the delivery of the Goods and keep such records for at least 5 [five] years from the date of each such transaction;
  - e) obtain, and at all times maintain in full force and effect, any and all licences, permits and the like required under applicable laws for the provision of the Goods and ancillary Services and the conduct of the business and activities of the Supplier;
  - f) observe and ensure compliance with all requirements and obligations as set out in the labour and related legislation of South Africa, including the Occupational Health and Safety Act, 85 of 1993, as may be amended from time to time;

- g) observe and ensure compliance with all requirements and objectives of the Transnet Supplier Integrity Pact as agreed to in response to the RFP. The general purpose of the Supplier Integrity Pact is to agree to avoid all forms of dishonesty, fraud and corruption by following a system that is fair, transparent and free from any undue influence prior to, during and subsequent to the currency of the procurement event leading to this Agreement and this Agreement itself;
- h) comply with all applicable environmental legislation and regulations, demonstrate sound environmental performance and have an environmental management policy which ensures that its products, including the Goods or ancillary Services are procured, produced, packaged, delivered and are capable of being used and ultimately disposed of in a way that is environmentally appropriate; and
- i) ensure the validity of all renewable certifications, including but not limited to its B-BBEE Verification Certificate, throughout the entire term of this Agreement. Should the Supplier fail to present Transnet with such renewals as they become due, Transnet shall be entitled, in addition to any other rights and remedies that it may have in terms of the Agreement, to terminate this Agreement forthwith without any liability and without prejudice to any claims which Transnet may have for damages against the Supplier.

9.2 The Supplier acknowledges and agrees that it shall at all times:

- a) render the supply of the Goods and ancillary Services (if applicable) and perform all its duties with honesty and integrity;
- b) communicate openly and honestly with Transnet regarding the supply and performance of the Goods and demonstrate a commitment to effecting the supply and performing ancillary Services timeously, efficiently and at least to the required standards;
- c) endeavour to provide the highest possible standards of service and workmanship, with a reasonable degree of care and diligence;
- d) use its best endeavours and make every diligent effort to meet agreed deadlines;
- e) treat its own Staff, as well as all Transnet's Staff, with fairness and courtesy and respect for their human rights;
- f) practice and promote its own internal policies aimed at prohibiting and preventing unfair discrimination;
- g) treat all enquiries from Transnet in connection with the supply of the Goods and/or ancillary Services with courtesy and respond to all enquiries promptly and efficiently. Where the Supplier is unable to comply with the provisions of this clause, the Supplier will advise Transnet of the delay and the reasons therefor and will keep Transnet informed of progress made regarding the enquiry;
- h) when requested by Transnet, provide clear and accurate information regarding the Supplier's policies and procedures, excluding Know-How and other Confidential Information, except where a non-disclosure undertaking has been entered into between the Parties;
- i) not allow a conflict of interest to develop between its own interests [or the interests of any of its other customers] and the interests of Transnet;

- j) not accept or offer, nor allow, induce or promote the acceptance or offering of any gratuity, enticement, incentive or gift that could reasonably be regarded as bribery or an attempt to otherwise exert undue influence over the recipient;
  - k) not mislead Transnet or its officers, employees and stakeholders, whether by act or omission;
  - l) not otherwise act in an unethical manner or do anything which could reasonably be expected to damage or tarnish Transnet's reputation or business image;
  - m) immediately report to Transnet any unethical, fraudulent or otherwise unlawful conduct of which it becomes aware in connection with Transnet or the supply of Goods or ancillary Services to Transnet;
  - n) ensure that at all times, during the currency of this Agreement, it complies with all obligations and commitments in terms of the provisions of the Income Tax Act, No 58 of 1962, the VAT Act or any other tax legislation relating to their liability for Income Tax, VAT, Pay as You Earn or any other tax. The Supplier shall further ensure Tax Clearance Compliance, for the duration of this Agreement;
  - o) not victimise, harass or discriminate against any employee of either Party to this Agreement or any applicant for employment with either Party to this Agreement due to their gender, race, disability, age, religious belief, sexual orientation or part-time status. This provision applies, but is not limited to employment, upgrading, work environment, demotion, transfer, recruitment, recruitment advertising, termination of employment, rates of pay or other forms of compensation and selection for training.
  - p) shall ensure that its employees, agents and Subcontractors will not breach any applicable discrimination legislation and any amendments and re-enactments thereof.
- 9.3 In compliance with the National Railway Safety Regulator Act, 16 of 2002, as may be amended from time to time, the Supplier shall ensure that the Goods and ancillary Services, to be supplied to Transnet under the terms and conditions of this Agreement, comply fully with the Specifications as set forth in Schedule 1 hereto, and shall thereby adhere [as applicable] to railway safety requirements and/or regulations. Permission for the engagement of a Subcontractor by the Supplier, as applicable, shall be subject to a review of the capability of the proposed Subcontractor to comply with the specified railway safety requirements and/or regulations. The Supplier and/or its Subcontractor shall grant Transnet access, during the term of this Agreement, to review any safety-related activities, including the coordination of such activities across all parts of its organisation.

## **10 SUBCONTRACTING**

- 10.1 The Supplier may only enter into a subcontracting arrangement or replace a subcontractor with the approval of Transnet.
- 10.2 If the Supplier subcontracts a portion of the contract to another person without declaring it to Transnet reserves the right to penalise the Supplier up to 10% of the value of the contract.
- 10.3 Where the Supplier seeks to replace a subcontractor Transnet shall be entitled to obtain representations or input from the initial subcontractor who was part of the tender process whose credentials were used in the Supplier tender submission. Transnet shall consider input from all parties concerned, in order to take a decision on the proposed replacement of the subcontractor. The

subcontracting arrangement or contract remains between the Supplier (main contractor) and the subcontractor.

- 10.4 Should Transnet approve the Supplier's subcontracting arrangement, the Supplier and not the Sub-contractor will at all times be held liable for performance in terms of its contractual obligations.
- 10.5 The Supplier may not subcontract in such a manner that the the overall value of the contract is reduced to below the stipulated minimum threshold.
- 10.6 The Supplier may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the Supplier, unless the contract is subcontracted to an Exempted Micro Enterprise (EME) that has the capability and ability to execute the Subcontract.

## **11 PAYMENT TO SUB-CONTRACTORS**

- 11.1 Transnet reserves the right, in its sole discretion, to make payment directly to the sub-contractor of the Supplier, subject to the following conditions:
  - a) Receipt of an undisputed invoice from the sub-contractor; and
  - b) Receipt of written confirmation from the Supplier that the amounts claimed by the sub-contractor are correct and that the services for which the sub-contractor has requested payment were rendered to the satisfaction of the Supplier, against the required standards.
- 11.2 Nothing contained in this clause must be interpreted as bestowing on any sub-contractor a right or legitimate expectation to be paid directly by Transnet. Furthermore, this clause does not bestow any right or legitimate expectation on the Supplier to demand that Transnet pay its sub-contractor directly. The decision to pay any sub-contractor directly, remains that of Transnet alone.
- 11.3 The Supplier remains liable for its contractual obligations under the Agreement, including all services rendered by the sub-contractor.
- 11.4 This clause does not establish any contractual relationship between Transnet and any sub-contractor of the Supplier, whatsoever.

## **12 B-BBEE AND SOCIO-ECONOMIC OBLIGATIONS**

### **12.1 B-BBEE Scorecard**

- a) Transnet fully endorses and supports the Broad-Based Black Economic Empowerment Programme and is strongly of the opinion that all South African business enterprises have an equal obligation to redress the imbalances of the past.
- b) In response to this requirement, the Supplier shall submit to Transnet's Contract Manager or such other designated person details of its B-BBEE status in terms of the latest Codes of Good Practice issued in terms of the B-BBEE Act and proof thereof at the beginning of March each year during the currency of this Agreement.
- c) The Supplier undertakes to notify and provide full details to Transnet in the event there is:
  - (i) a change in the Supplier's B-BBEE status which is less than what it was at the time of its appointment including the impact thereof; and
  - (ii) a corporate or internal restructure or change in control of the Supplier which has or likely to impact negatively on the Supplier's B-BBEE status.

- d) Notwithstanding any other reporting requirement in terms hereof, the Supplier undertakes to provide any B-BBEE data (underlying data relating to the Supplier which has been relied upon or utilised by a verification agency or auditor for the purposes of issuing a verification certificate in respect of the Supplier B-BBEE status) which Transnet may request on written notice within 30 (thirty) calendar days of such request. A failure to provide such data shall constitute a Supplier Default and may be dealt with in accordance with the provisions of clause 21.
- e) In the event there is a change in the Supplier's B-BBEE status, then the provisions of clause 21 shall apply.

#### 12.2 **Green Economy/Carbon Footprint**

- a) The Supplier has in its bid provided Transnet with an understanding of the Supplier's position with regard to issues such as waste disposal, recycling and energy conservation.

### 13 **PENALTIES**

#### 13.1 **Penalties for Non-compliance to call outs**

The following penalty shall be levied upon the Supplier for non-compliance as set out below:

In the event that the Supplier gets called out to attend a breakdown and arrives late for more than 120 minutes from time of call-out, a penalty of 5% will be applied on the monthly invoice amount for every occurrence. **(If it can be proved that, the late coming was due to a reason outside the control of the Supplier– no penalty will be raised).**

- 13.2 Where the Supplier fails to deliver the Goods/Services within the agreed and accepted delivery timelines, provided that the cause of the delay was not due to a fault of Transnet, a penalty shall be imposed at 5% of the monthly invoice amount due to the supplier, in which the occurrence took place.

- 13.3 If the Supplier does not achieve the target of 90% [ninety per cent] service level as an average over each quarter, Transnet will receive a 1.5% [one and a half per cent] rebate on quarterly invoices payable in the next quarter

### 14 **INVOICES AND PAYMENT**

- 14.1 Transnet shall pay the Supplier the amounts stipulated in each Purchase Order/Work Order, subject to the terms and conditions of this Agreement.
- 14.2 Transnet shall pay such amounts to the Supplier upon receipt of a valid and undisputed Tax Invoice together with the supporting documentation, as specified in the Schedule of Requirements appended hereto, once the valid and undisputed Tax Invoices or such portions of the Tax Invoices which are valid and undisputed become due and payable to the Supplier for the delivery of the Goods ordered, in terms of clause 14.5 below.
- 14.3 Transnet may, pending an investigation, withhold any payments to the Supplier, in the case where irregular expenditure has been identified in the particular contract and that there is reasonable suspicion that the Supplier is involved or was aware that the contract transgressed any legislation.
- 14.4 All Prices set out in this Agreement and the Schedule of Requirements hereto are to be indicated inclusive and exclusive of VAT, which will be payable at the applicable rate in ZAR.

- 14.5 Unless otherwise provided for in the Schedule of Requirements appended to this Agreement, Tax Invoices shall be submitted together with a month-end statement. Payment against such month-end statement shall be made by Transnet within 30 [thirty] calendar days after date of receipt by Transnet of the Supplier's statement together with the relevant valid and undisputed Tax Invoice(s) and supporting documentation.
- 14.6 Where the payment of any Tax Invoice, or any part of a Tax Invoice which is not in dispute, is not made in accordance with this clause, the Supplier shall be entitled to charge interest on the outstanding amount, at The Standard Bank of South Africa's prime rate of interest in force, for the period from the due date of payment until the outstanding amount is paid.
- 14.7 The Supplier shall remain the owner of all plant, material, machinery, equipment and the like [collectively, **the Supplier's Goods**] provided to Transnet until Transnet has paid in full for the Supplier's Goods, it being specifically agreed that Transnet shall acquire no rights [including liens] of whatsoever nature in such Supplier's Goods until date of final payment by Transnet.

## **15 PRICE ADJUSTMENTS**

- 15.1 Prices for Goods supplied in terms of this Agreement shall not be subject to review as indicated in the Schedule of Requirements annexed hereto.

## **16 WARRANTIES APPLICABLE TO GOODS**

The Supplier warrants that:

- 16.1 pursuant to clause 9.3 [General Obligations of the Supplier], the Goods will be supplied in accordance with the specifications appended hereto at Schedule 1, or the manufacturer's specifications, as agreed in writing by both Parties;
- 16.2 the execution and performance of this Agreement by the Supplier does not infringe any rights of a third party or breach any obligation of the Supplier to any third party; and
- 16.3 it has taken all reasonable precautions to ensure that, in the event of a disaster, the impact of such disaster on the ability of the Supplier to comply with its obligations under this Agreement will be reduced to the greatest extent possible, and that the Supplier shall ensure that it has appropriate, tested and documented recovery arrangements in place.

## **17 THIRD PARTY INDEMNITY**

The Supplier hereby indemnifies and shall hold Transnet harmless against any direct damages suffered by or claims arising against Transnet in respect of clause 16.2 above.

## **18 TOTAL OR PARTIAL FAILURE TO PERFORM**

- 18.1 In the case of Goods to be specially manufactured for it, if Transnet at any time ascertains that:
- a) no manufacturing of the Goods specified in a Purchase Order has commenced and there is little or no prospect, in Transnet's opinion, that manufacturing will commence within a reasonable time; or
  - b) delivery of any of the Goods is being or is likely to be delayed beyond the promised delivery date(s), and there is little or no prospect of the Purchase Order(s) being carried out within reasonable adherence to the promised delivery rate(s) or time(s),



then Transnet may, irrespective of the cause of the delay, by notice to the Supplier, cancel as from a future date specified in such notice the whole or any part of this Agreement or Purchase Order in respect of which the Goods to be supplied have not been completed by that date, without incurring any liability by reason of such cancellation except as provided in this clause.

18.2 The Supplier shall thereupon, as soon as possible after such date, deliver to Transnet the Goods [if any] already completed, and payment for the part performance shall be made on a pro rata basis, provided the uncompleted part is not an integral or essential part of the completed Goods. Where an integral or essential part of the work has not been completed, the amount to be paid to the Supplier will be calculated on the basis of Transnet's enrichment. The Supplier shall, wherever practicable, supply Transnet with the necessary drawings and/or specifications to enable it to complete the work.

18.3 Whenever, in any case not covered by clause 18.1 above, the Supplier fails or neglects to execute the work or to deliver any portion of the Goods as required by the terms of this Agreement or Purchase Order, or if any Goods are rejected on any of the grounds mentioned in clause 19 [*Non Conformance of Goods Procured*], Transnet may cancel this Agreement or Purchase Order in so far as it relates to the unexecuted work or the undelivered or rejected portion of the Goods, and in such event, the supply of the remaining portion shall remain subject in all respects to these conditions.

## **19 NON CONFORMANCE OF GOODS PROCURED**

19.1 *In the case of Goods manufactured for and procured by Transnet from the Supplier in terms of this Agreement, being found not to conform to the Transnet standards, specifications and requirements, Transnet at any time may be entitled to raise a Non Conformance Report (NCR) against a Supplier whose Goods do not conform to Transnet standards, specifications and requirements directing the Supplier to investigate and remedy the non-conformance within the stipulated time frame as may be determined by Transnet at its discretion.*

19.2 *Failure by the Supplier to fully comply with NCR within the period stated in sub-clause 19.1 above, shall entitle Transnet to further conditions to which the Supplier must discharge in order to close the NCR or to terminate the order without giving the Supplier written notice of termination in terms of this Agreement.*

## **20 RIGHTS ON CANCELLATION**

20.1 If this Agreement or Purchase Order is cancelled in whole or in part in terms of clause 18 [*Total or Partial Failure to Perform*], Transnet may execute or complete this Agreement with any other entity and do so on such terms as it may deem proper, or may procure other comparable Goods in substitution for those neglected to be manufactured or supplied or rejected as aforesaid, and may recover from the Supplier the difference between the cost of such Goods and the Price [if the latter was lower] as well as any costs and expenses [including any additional transport costs] which Transnet may have had to incur in consequence of the Supplier's default.

20.2 Any amount which may be recoverable from the Supplier in terms of clause 20.1 above, without prejudice to any other legal remedies available to Transnet, may be deducted in whole or in part from any monies in the hands of Transnet and due for payment to the Supplier.

## 21 BREACH AND TERMINATION

- 21.1 Termination in accordance with clause 6 [Term and Cancellation] shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to either Party and all provisions which are to survive this Agreement or impliedly do so shall remain in force and in effect.
- 21.2 On termination of this Agreement or a Work Order, the Supplier will immediately deliver up, and procure that its Personnel will immediately deliver up to Transnet, all Deliverables and property belonging to Transnet [or, in the event of termination of a Work Order, such as is relevant to that Work Order] which may be in the possession of, or under the control of the Supplier, and certify to Transnet in writing that this has been done.
- 21.3 To the extent that any of the Deliverables and property referred to in clause 21.2 above are in electronic form and contained on non-detachable storage devices, the Supplier will provide Transnet with unencrypted copies of the same on magnetic media and will irretrievably destroy and delete copies so held.
- 21.4 In the event that this Agreement is terminated by the Supplier under clause 6 [Term and Cancellation], or in the event that a Work Order is terminated by Transnet under clause 21 [Breach and Consequences of Termination], Transnet will pay to the Supplier all outstanding Fees [apportioned on a pro rata basis] relating to the work undertaken by the Supplier up until the date of such termination. Transnet will also pay the costs of any goods and materials ordered by the Supplier in relation to the such work for which the Supplier has paid or is legally obliged to pay, in which case, on delivery of such goods or materials, the Supplier will promptly deliver such goods and materials to Transnet or as it may direct.
- 21.5 If either Party [**the Defaulting Party**] commits a material breach of this Agreement and fails to remedy such breach within 30 [thirty] calendar days of written notice thereof, the other Party [hereinafter **the Aggrieved Party**], shall be entitled, in addition to any other rights and remedies that it may have in terms of this Agreement, to terminate this Agreement forthwith without any liability and without prejudice to any claims which the Aggrieved Party may have for damages against the Defaulting Party.
- 21.6 Either Party may terminate this Agreement forthwith by notice in writing to the other Party when the other Party is unable to pay its debts as they fall due or commits any act or omission which would be an act of insolvency in terms of the Insolvency Act, 24 of 1936 [as amended from time to time], or if any action, application or proceeding is made with regard to it for:
- a voluntary arrangement or composition or reconstruction of its debts;
  - its winding-up or dissolution;
  - the appointment of a liquidator, trustee, receiver, administrative receiver or similar officer;
  - any similar action, application or proceeding in any jurisdiction to which it is subject.
- 21.7 Transnet may terminate this Agreement at any time within 2 [two] months of becoming aware of a change of control of the Supplier by notice in writing to the Supplier. For the purposes of this clause, **control** means the right to direct the affairs of a company whether by ownership of shares, membership of the board of directors, agreement or otherwise.
- 21.8 Notwithstanding this clause 21, Transnet may cancel this Agreement without cause by giving 30 [thirty] calendar days prior written notice thereof to the Supplier, or

21.9 The provisions of clauses 2 [Definitions], 16 [Warranties], 20 [Rights on Cancellation], 25 [Confidentiality], 27 [Limitation of Liability], 28 [Intellectual Property Rights], 31 [Dispute Resolution] and 35 [Governing Law] shall survive termination or expiry of this Agreement.

## **22 CESSIONS AND ASSIGNMENTS AS PER NT INSTRUCTION NOTE 08 OF 2022/2023**

22.1 The Supplier is not allowed to cede its rights for payment in terms of this Agreement without prior written approval from Transnet. Cession shall only be applicable as follows:

- a) Cession must only be applicable to the transfer of right to payment for goods delivered/rendered by a Supplier to an FSP or State Institutions;
- b) The written request for cession must be by the Supplier and not a third party; and
- c) The written request by the Supplier must be accompanied by the cession agreement.

22.2 The Supplier is prohibited from transferring its rights and obligations to perform under this contract. Assignments are against the principles of section 217 of the Constitution mainly, fairness, transparency and competitiveness.

## **23 FORCE MAJEURE**

23.1 Neither Party shall have any claim against the other Party arising from any failure or delay in the performance of any obligation of either Party under this Agreement caused by an act of force majeure such as acts of God, fire, flood, war, lockout, government action, laws or regulations, terrorism or civil disturbance, defaults or other circumstances or factors beyond the reasonable control of either Party, and to the extent that the performance of obligations of either Party hereunder is delayed by virtue of the foregoing, any period stipulated for any such performance shall be reasonably extended. Transnet may however rely on strikes, industrial dispute and riots as a ground of force majeure.

23.2 Each Party will take all reasonable steps by whatever lawful means that are available to resume full performance as soon as practicable and will seek agreement to modification of the relevant provisions of this Agreement in order to accommodate the new circumstances caused by the act of *force majeure*. If a Party fails to agree with such modifications proposed by the other Party within 90 [ninety] calendar days of the act of *force majeure* first occurring, either Party may thereafter terminate this Agreement with immediate notice.

## **24 PROTECTION OF PERSONAL INFORMATION**

a) The following terms shall bear the same meaning as contemplated in Section 1 of the Protection of Personal Information Act 4 of 2013 ("POPIA"):

consent; person; personal information; processing; record; Regulator as well as any terms derived from these terms of the POPIA

b) Transnet will process all information by the Respondent in terms of the requirements contemplated in Section 4(1) of the POPIA:

Accountability; Processing limitation; Purpose specification; Further processing limitation; Information quality; Openness; Security safeguards and Data subject participation.

c) Transnet agrees that in submitting any information or documentation requested in the RFP and in this Agreement, the Supplier consents to the processing of their personal information for the purpose of,

but not limited to, risk assessment, contract award, contract management, auditing, legal opinions/litigation, investigations (if applicable), document storage for the legislatively required period, destruction, de-identification and publishing of personal information by Transnet and/or its authorised appointed third parties.

- d) The Parties agree that they may obtain and have access to personal information for the fulfilment of the rights and obligations contained herein. In performing the obligations as set out in this Agreement, the Parties shall at all times ensure that:
- i. they process personal information only for the express purpose for which it was obtained;
  - ii. once processed for the purposes for which it was obtained, all personal information will be destroyed to an extent that it cannot be reconstructed to its original form, subject to any legal retention requirements;
  - iii. Personal information is provided only to authorised personnel who strictly require the personal information to carry out the Parties' respective obligations under this Agreement;
  - iv. they do not disclose personal information of the other Party, other than in terms of this Agreement;
  - v. they have all reasonable technical and organisational measures in place to protect all personal information from unauthorised access and/or use;
  - vi. they have appropriate technical and organisational measures in place to safeguard the security, integrity and authenticity of all information in their possession or under their control in terms of this Agreement;
  - vii. they identify all reasonably foreseeable internal and external risks to personal information in their possession or under their control; establish and maintain appropriate safeguards against the risks identified; regularly verify that the safeguards are effectively implemented; and ensure that the safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards;
  - viii. such personal information is protected against unauthorised or unlawful processing, accidental loss, destruction or damage, alteration, disclosure or access.
- 24.1 The Parties agree that if personal information will be processed for additional purposes beyond the original purpose for which it was obtained, explicit consent must be obtained beforehand from those persons whose information will be subject to such processing.
- 24.2 Should it be necessary for either Party to disclose or otherwise make available the personal information to any third party (including sub-contractors and employees) that is not already consented to, it may do so only with the prior written consent of the other Party. The Party requiring such consent shall require of all such third parties, appropriate written undertakings to be provided, containing similar terms to that set forth in this clause, and dealing with that third party's obligations in respect of its processing of the personal information. Following approval by the other Party, the Party requiring consent agrees that the provisions of this clause shall *mutatis mutandis* apply to all authorised third parties who process personal information.
- 24.3 The Parties shall ensure that any persons authorized to process information on their behalf (including employees and third parties) will safeguard the security, integrity and authenticity of all

information. Where necessary to meet this requirement, the Parties shall keep all personal information and any analyses, profiles, or documents derived therefrom logically separated from all other information and documentation held by it.

24.4 The Parties shall carry out regular assessments to identify all reasonably foreseeable internal and external risks to the personal information in its possession or under its control. The Parties shall implement and maintain appropriate safeguards against the risks which it identifies and shall also regularly verify that the safeguards which it has in place have been effectively implemented.

24.5 The Parties agree that they will promptly return, destroy or de-identify any personal information in their possession or control which belongs to the other Party once it no longer serves the purpose for which it was collected in relation to this Agreement, subject to any legal retention requirements. This may be at the request of the other Party and includes circumstances where a person has requested the Parties to delete all instances of their personal information. The information will be destroyed or de-identified in such a manner that it cannot be reconstructed to its original form, linking it to any particular individual or organisation.

24.6 Personal Information security breach:

- a) Each Party shall notify the other party in writing as soon as possible after it becomes aware of or suspects any loss, unauthorised access or unlawful use of any personal information and shall, at its own cost, take all necessary remedial steps to mitigate the extent of the loss or compromise of personal information and to restore the integrity of the affected personal information as quickly as is possible. The Parties shall also be required to provide each other with details of the persons affected by the compromise and the nature and extent of the compromise, including details of the identity of the unauthorised person who may have accessed or acquired the personal information.
- b) The Parties shall provide on-going updates on the progress in resolving the compromise at reasonable intervals until such time as the compromise is resolved.
- c) Where required, the Parties must notify the South African Police Service; and/or the State Security Agency and the Information Regulator and the affected persons of the security breach. Any such notification shall always include sufficient information to allow the persons to take protective measures against the potential consequences of the compromise.
- d) The Parties undertake to co-operate in any investigations relating to security which is carried out by or on behalf of the other including providing any information or material in its possession or control and implementing new security measures.

## **25 CONFIDENTIALITY**

25.1 The Parties hereby undertake the following with regard to Confidential Information:

- a) not to divulge or disclose to any person whomsoever in any form or manner whatsoever, either directly or indirectly, any Confidential Information of the other without the prior written consent of such other Party, other than when called upon to do so in accordance with a statute, or by a court having jurisdiction, or by any other duly authorised and empowered authority or official, in which event the Party concerned shall do what is reasonably possible to inform the other of such a demand and each shall assist the other in

seeking appropriate relief or the instituting of a defensive action to protect the Confidential Information concerned;

- b) not to use, exploit, permit the use of, directly or indirectly, or in any other manner whatsoever apply the Confidential Information disclosed to it as a result of this Agreement, for any purpose whatsoever other than for the purpose for which it is disclosed or otherwise than in strict compliance with the provisions in this Agreement;
- c) not to make any notes, sketches, drawings, photographs or copies of any kind of any part of the disclosed Confidential Information without the prior written consent of such other Party, except when reasonably necessary for the purpose of this Agreement, in which case such copies shall be regarded as Confidential Information;
- d) not to de-compile, disassemble or reverse engineer any composition, compilation, concept application, item, component de-compilation, including software or hardware disclosed and shall not analyse any sample provided by Transnet, or otherwise determine the composition or structure or cause to permit these tasks to be carried out except in the performance of its obligations pursuant to this Agreement;
- e) not to exercise less care to safeguard Transnet Confidential Information than the Party exercises in safeguarding its own competitive, sensitive or Confidential Information;
- f) Confidential Information disclosed by either Party to the other or by either Party to any other party used by such party in the performance of this Agreement, shall be dealt with as "restricted" or shall be dealt with according to any other appropriate level of confidentiality relevant to the nature of the information concerned, agreed between the Parties concerned and stipulated in writing for such information in such cases;
- g) the Parties shall not make or permit to be made by any other person subject to their control, any public statements or issue press releases or disclose Confidential Information with regard to any matter related to this Agreement, unless written authorisation to do so has first been obtained from the Party first disclosing such information;
- h) each Party shall be entitled to disclose such aspects of Confidential Information as may be relevant to one or more technically qualified employees or consultants of the Party who are required in the course of their duties to receive the Confidential Information for the Permitted Purpose provided that the employee or consultant concerned has a legitimate interest therein, and then only to the extent necessary for the Permitted Purpose, and is informed by the Party of the confidential nature of the Confidential Information and the obligations of the confidentiality to which such disclosure is subject and the Party shall ensure such employees or consultants honour such obligations;
- i) each Party shall notify the other Party of the name of each person or entity to whom any Confidential Information has been disclosed as soon as practicable after such disclosure;
- j) each Party shall ensure that any person or entity to which it discloses Confidential Information shall observe and perform all of the covenants the Party has accepted in this Agreement as if such person or entity has signed this Agreement. The Party disclosing the Confidential Information shall be responsible for any breach of the provisions of this Agreement by such person or entity; and

- k) each Party may by written notice to the other Party specify which of the Party's employees, officers or agents are required to sign a non-disclosure undertaking.
- 25.2 The duties and obligations with regard to Confidential Information in this clause 25 shall not apply where:
- a) a Party can demonstrate that such information is already in the public domain or becomes available to the public through no breach of this Agreement by that Party, or its Staff; or
  - b) was rightfully in a Party's possession prior to receipt from the other Party, as proven by the first-mentioned Party's written records, without an infringement of an obligation or duty of confidentiality; or
  - c) can be proved to have been rightfully received by a Party from a third party without a breach of a duty or obligation of confidentiality; or
  - d) is independently developed by a Party as proven by its written records.
- 25.3 This clause 25 shall survive termination for any reason of this Agreement and shall remain in force and effect from the Commencement Date of this Agreement and 5 [five] years after the termination of this Agreement. Upon termination of this Agreement, all documentation furnished to the Supplier by Transnet pursuant to this Agreement shall be returned to Transnet including, without limitation, all corporate identity equipment including dyes, blocks, labels, advertising matter, printing matter and the like.

## **26 INSURANCES**

- 26.1 Without limiting the liability of the Supplier under this Agreement, the Supplier shall take out insurance in respect of all risks for which it is prudent for the Supplier to insure against, including any liability it may have as a result of its activities under this Agreement for theft, destruction, death or injury to any person and damage to property. The level of insurance will be kept under review by Transnet, on an annual basis, to ensure its adequacy, provided that any variation to the level of such insurance shall be entirely at the discretion of the Supplier.
- 26.2 The Supplier shall arrange insurance with reputable insurers and will produce to Transnet evidence of the existence of the policies on an annual basis within 30 [thirty] calendar days after date of policy renewals.
- 26.3 Subject to clause 26.4 below, if the Supplier fails to effect adequate insurance under this clause 26.4, it shall notify Transnet in writing as soon as it becomes aware of the reduction or inadequate cover and Transnet may arrange or purchase such insurance on behalf of the Supplier. The Supplier shall promptly reimburse Transnet for any premiums paid provided such insurance protects the Supplier liability. Transnet assumes no responsibility for such insurance being adequate to protect all of the Supplier liability.
- 26.4 In the event that the Supplier receives written notice from its insurers advising of the termination of its insurance cover referred to in clause 26.1 above or if the insurance ceases to be available upon commercially reasonable terms, the Supplier shall immediately notify Transnet in writing of such termination and/or unavailability, whereafter either the Supplier or Transnet may terminate this Agreement on giving the other Party not less than 30 [thirty] calendar days prior written notice to that effect.

## **27 LIMITATION OF LIABILITY**

- 27.1 The Supplier liability under this clause 27 shall be in addition to any warranty or condition of any kind, express or implied by law or otherwise, relating to the Goods or ancillary Services, including the quality of the Goods or ancillary Services or any materials delivered pursuant to this Agreement.
- 27.2 Neither Party excludes or limits liability to the other Party for:
- a) death or personal injury caused by its negligence, [including its employees', agents' or Subcontractors' negligence]; or
  - b) fraud or theft.
- 27.3 The Supplier shall indemnify and keep Transnet indemnified from and against liability for damage to any Transnet property [whether tangible or intangible] or any other loss, costs or damage suffered by Transnet to the extent that it results from any act of or omission by the Supplier or its Personnel in connection with this Agreement. The Supplier liability arising out of this clause 27.3 shall be limited to direct damages.
- 27.4 Subject always to clauses 27.1 and 27.2 above, the liability of either the Supplier or Transnet under or in connection with this Agreement, whether for negligence, misrepresentation, breach of contract or otherwise, for direct loss or damage arising out of each Default or series of related Defaults shall not exceed 100% [one hundred per cent] of the Fees paid under the schedule to which the Default(s) relates.
- 27.5 Subject to clauses 27.1 to 27.4 above, in no event shall either Party be liable to the other for indirect or consequential loss or damage or including indirect or consequential loss of profits, business, revenue, goodwill or anticipated savings of an indirect nature or loss or damage incurred by the other Party as a result of third party claims.
- 27.6 If for any reason the exclusion of liability in clause 27.5 above is void or unenforceable, either Party's total liability for all loss or damage under this Agreement shall be as provided in clause 27.3 above.
- 27.7 Nothing in this clause 27.5 shall be taken as limiting the liability of the Parties in respect of clauses 25.3 [*Confidentiality*] and 28 [*Intellectual Property Rights*].

## **28 INTELLECTUAL PROPERTY RIGHTS**

### **28.1 Title to Confidential Information**

- a) Transnet will retain all right, title and interest in and to its Confidential Information and Background Intellectual Property and the Supplier Provider acknowledges that it has no claim of any nature in and to the Confidential Information and Background Intellectual Property that is proprietary to Transnet. For the avoidance of doubt all the Supplier's Background Intellectual Property shall remain vested in the Supplier.
- b) Transnet shall grant to the Supplier an irrevocable, royalty free, non-exclusive licence to use Transnet's Background Intellectual Property only for the Permitted Purpose. This licence shall not permit the Supplier to sub-license to other parties.
- c) The Supplier shall grant to Transnet an irrevocable, royalty free, non-exclusive licence to use the Supplier's Background Intellectual Property for the Permitted Purpose. This licence shall not permit Transnet to sub-license to other parties.



- d) The Supplier shall grant Transnet access to the Supplier's Background Intellectual Property on terms which shall be *bona fide* negotiated between the Parties for the purpose of commercially exploiting the Foreground Intellectual Property, to the extent that such access is required.
- e) The above shall not pertain to any software licenses procured by the Supplier from third parties and used in the supply of the Goods.

#### 28.2 Title to Intellectual Property

- a) All right, title and interest in and to Foreground Intellectual Property prepared, conceived or developed by the Supplier, its researchers, agents and employees shall vest in Transnet and the Supplier acknowledges that it has no claim of any nature in and to the Foreground Intellectual Property. The Supplier shall not at any time during or after the termination or cancellation of this Agreement dispute the validity or enforceability of such Foreground Intellectual Property, or cause to be done any act or anything contesting or in any way impairing or tending to impair any part of that right, title and interest to any of the Foreground Intellectual Property and shall not counsel or assist any person to do so.
- b) Transnet shall be entitled to seek protection in respect of the Foreground Intellectual Property anywhere in the world as it shall decide in its own absolute discretion and the Supplier shall reasonably assist Transnet in attaining and maintaining protection of the Foreground Intellectual Property.
- c) Where the Foreground Intellectual Property was created by the Supplier or its researchers, agents and employees and where Transnet elects not to exercise its option to seek protection or decides to discontinue the financial support of the prosecution or maintenance of any such protection, Transnet shall notify the Supplier who shall have the right of first refusal to file or continue prosecution or maintain any such applications and to maintain any protection issuing on the Foreground Intellectual Property.
- d) No consideration shall be paid by Transnet to the Supplier for the assignment of any Foreground Intellectual Property from the Supplier to Transnet, over and above the sums payable in terms of this Agreement. The Supplier undertakes to sign all documents and do all things as may be necessary to effect, record and perfect the assignment of the Foreground Intellectual Property to Transnet.
- e) Subject to anything contrary contained in this Agreement and/or the prior written consent of Transnet [which consent shall not be unreasonably withheld], the Supplier shall under no circumstances be entitled as of right, or to claim the right, to use Transnet's Background Intellectual Property and/or Foreground Intellectual Property.

#### 28.3 Title to Improvements

Any improvements, developments, adaptations and/or modifications to the Foreground Intellectual Property, and any and all new inventions or discoveries, based on or resulting from the use of Transnet's Background Intellectual Property and/or Confidential Information shall be exclusively owned by Transnet. The Supplier shall disclose promptly to Transnet all such improvements, developments, adaptations and/or modifications, inventions or discoveries. The Supplier hereby undertakes to sign all documents and do all things as may be necessary to effect, record and perfect the assignment of such improvements, developments, adaptations and/or modifications,

inventions or discoveries to Transnet and the Supplier shall reasonably assist Transnet in attaining, maintaining or documenting ownership and/or protection of the improved Foreground Intellectual Property.

#### **28.4 Unauthorised Use of Confidential Information**

The Supplier shall not authorise any party to act on or use in any way any Confidential Information belonging to Transnet whether or not such party is aware of such Confidential Information, and shall promptly notify Transnet of the information if it becomes aware of any party so acting, and shall provide Transnet the information with such assistance as Transnet reasonably requires, at Transnet's cost and expense, to prevent such third party from so acting.

#### **28.5 Unauthorised Use of Intellectual Property**

- a) The Supplier agrees to notify Transnet in writing of any conflicting uses of, and applications of registrations of Patents, Designs and Trade Marks or any act of infringement, unfair competition or passing off involving the Intellectual Property of Transnet of which the Supplier acquires knowledge and Transnet shall have the right, as its own option, to proceed against any party infringing its Intellectual Property.
- b) It shall be within the sole and absolute discretion of Transnet to determine what steps shall be taken against the infringer and the Supplier shall co-operate fully with Transnet, at Transnet's cost, in whatever measure including legal action to bring any infringement of illegal use to an end.
- c) The Supplier shall cooperate to provide Transnet promptly with all relevant ascertainable facts.
- d) If proceedings are commenced by Transnet alone, Transnet shall be responsible for all expenses but shall be entitled to all damages or other awards arising out of such proceedings. If proceedings are commenced by both Parties, both Parties will be responsible for the expenses and both Parties shall be entitled to damages or other awards arising out of proceedings.

### **29 NON-WAIVER**

- 29.1 Failure or neglect by either Party, at any time, to enforce any of the provisions of this Agreement, shall not in any manner be construed to be a waiver of any of that Party's rights in that regard and in terms of this Agreement.
- 29.2 Such failure or neglect shall not in any manner affect the continued, unaltered validity of this Agreement, or prejudice the right of that Party to institute subsequent action.

### **30 PARTIAL INVALIDITY**

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, or shall be required to be modified, the validity, legality and enforceability of the remaining provisions shall not be affected thereby.

### **31 DISPUTE RESOLUTION**

- 31.1 Should any dispute of whatsoever nature arise between the Parties concerning this Agreement, the Parties shall try to resolve the dispute by negotiation within 10 [ten] Business Days of such dispute arising.

- 31.2 If the dispute has not been resolved by such negotiation, either of the Parties may refer the dispute to AFSA and notify the other Party accordingly, which proceedings shall be held in Johannesburg.
- 31.3 Such dispute shall be finally resolved in accordance with the rules of AFSA by an arbitrator or arbitrators appointed by AFSA.
- 31.4 This clause constitutes an irrevocable consent by the Parties to any proceedings in terms hereof, and neither of the Parties shall be entitled to withdraw from the provisions of this clause or claim at any such proceedings that it is not bound by this clause 31.
- 31.5 This clause 31 is severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated for any reason.
- 31.6 This clause 31 shall not preclude either Party from seeking urgent relief in a court of appropriate jurisdiction, where grounds for urgency exist.

## 32 ADDRESSES FOR NOTICES

- 32.1 The Parties to this Agreement select the physical addresses and fax numbers, as detailed hereafter, as their respective addresses for giving or sending any notice provided for or required in terms of this Agreement, provided that either Party shall be entitled to substitute such other address or fax number, as may be, by written notice to the other:

- a) **Transnet**

- (i) For legal notices: Transnet Port Terminals  
202 Anton Lambede Street  
Durban, 4023  
Email: samantha.subiah@transnet.net  
Attention: Legal, Risk and Compliance
  - (ii) For commercial notices: Transnet Port Terminals  
1 Neptune Road  
Port of Ngqura  
Email: Granville.vandermerwe@transnet.net  
Attention: Granville van der Merwe

- b) **The Supplier**

- (i) For legal notices:
  - (ii) For commercial notices:

- 32.2 Any notice shall be addressed to a Party at its physical address, or delivered by hand, or sent by fax or email.
- 32.3 Any notice shall be deemed to have been given:

- a) if hand delivered, on the day of delivery;
- b) if faxed, on the date and time of sending of such fax, as evidenced by a fax confirmation printout, provided that such notice shall be confirmed by prepaid registered post on the date of dispatch of such fax, or, should no postal facilities be available on that date, on the next Business Day; or
- c) if sent by email, on the date and time received, provided that such notice shall be confirmed by prepaid registered post on the date of dispatch of such email, or, should no postal facilities be available on that date, on the next Business Day.

### **33 WHOLE AND ONLY AGREEMENT**

- 33.1 The Parties hereby confirm that this Agreement constitutes the whole and only agreement between them with regard to the subject matter of this Agreement.
- 33.2 The Parties hereby confirm that this Agreement replaces all other agreements which exist or may have existed in any form whatsoever between them, with regard to the subject matter dealt with in this Agreement, any annexures appended hereto and the Schedule of Requirements.

### **34 AMENDMENT AND CHANGE CONTROL**

- 34.1 Any amendment or change of any nature made to this Agreement and the Schedule of Requirements thereof shall only be valid if it is in writing, signed by both Parties and added to this Agreement as an addendum hereto. In this regard a Change Notice must first be defined and issued by the requesting Party. A Change Notice Response must then be issued by responding Party. A formal approval of the Change Request will then trigger the issue of the addendum to this Agreement.
- 34.2 In the event the Parties cannot agree upon changes, the Parties shall in good faith seek to agree any proposed changes using the dispute resolution procedures in clause 31 [*Dispute Resolution*].

### **35 GENERAL**

#### **35.1 Governing Law**

This Agreement is exclusively governed by and construed in accordance with the laws of the Republic of South Africa and is subject to the jurisdiction of the courts of the Republic of South Africa.

#### **35.2 Change of Law**

In this Agreement, unless the context otherwise requires, references to a statutory provision include references to that statutory provision as from time to time amended, extended or re-enacted and any regulations made under it, provided that in the event that the amendment, extension or re-enactment of any statutory provision or introduction of any new statutory provision has a material impact on the obligations of either Party, the Parties will negotiate in good faith to agree such amendments to this Agreement as may be appropriate in the circumstances. If, within a reasonable period of time, the Supplier and Transnet cannot reach agreement on the nature of the changes required or on modification of Prices, delivery schedules, warranties, or other terms and conditions, either Party may seek to have the matter determined in accordance with clause 31 [*Dispute Resolution*] above.

### **35.3 Counterparts**

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either Party may enter into this Agreement by signing any such counterpart.

## **36 DATABASE OF RESTRICTED SUPPLIER**

The process of restriction is used to exclude a company/person from conducting future business with Transnet and other organs of state for a specified period. No Bid shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Transnet reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been restricted with National Treasury by another government institution.

**Thus signed by the Parties and witnessed on the following dates and at the following places:**

For and on behalf of <b>TRANSNET SOC LTD</b> duly authorised hereto	For and on behalf of  duly authorised hereto
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	Date:
Place:	Place:

Name:	<b>AS WITNESS:</b> Name:  Signature:  Date: Place:
Position:	
Signature:	
Date:	
Place:	

Name:	<b>AS WITNESS:</b> Name:  Signature:  Date: Place:
Position:	
Signature:	
Date:	
Place:	

<b>AS WITNESS:</b> Name:
Signature:

<b>AS WITNESS:</b> Name:
Signature:

## **SCHEDULE 1 – SCHEDULE OF REQUIREMENTS**

<b>DESCRIPTION</b>	<b>PROVISION OF EQUIPMENT (FRONT END LOADERS AND EXCAVATOR) ON A FULL MAINTENANCE LEASE FOR TRANSNET SOC LTD (REGISTRATION NO. 1990/000900/30) OPERATING AS TRANSNET PORT TERMINALS (HEREINAFTER REFERRED TO AS "TPT"), AT THE LOHATLHA TERMINAL FOR A PERIOD OF 3 YEARS (36 MONTHS)</b>
<b>SUPPLIER</b>	
<b>CONTRACT NUMBER</b>	<b>ICLM PE 705/TPT</b>
<b>DURATION</b>	<b>3 YEARS (36 MONTHS)</b>
<b>COMMENCEMENT DATE</b>	
<b>EXPIRY DATE</b>	

With reference to the Master Agreement, Reference Number iCLM PE 705/TPT dated ..... , ("Contract") between Transnet SOC Ltd ("Transnet") and ..... (the "Supplier") pursuant to which you have agreed to supply certain goods to and on behalf of Transnet subject to such Contract.

The defined terms in the Contract will, unless otherwise indicated, have the same meaning in this Schedule of Requirements. In consideration of the mutual covenant and agreements contained in the Contract and in this Schedule of Requirements, it is agreed as follows:

**1. Description of the Goods**

The goods to be supplied by the supplier is the provision of equipment (front end loaders and excavator) on a full maintenance lease for Transnet SOC Ltd (Registration no. 1990/000900/30) operating as Transnet Port Terminals (hereinafter referred to as "TPT"), at the Lohatlha Terminal for a period of 3 years (36 months). The details for the goods to be supplied is as stipulated in clause 2 below:

**2. Scope of Goods**

**2.1 Deliverables**

The supplier shall:

1. Supply of five (5) Front-End Loaders and one (1) Excavator on a full (36) months maintenance lease with the following requirements:
  - The service provider shall ensure that for the duration of the contract with TPT; the Equipment utilized are in a safe and operational condition and includes the service of fire extinguishers.
  - The Service Provider shall be required to ensure all service records relating to the maintenance of each equipment is readily available for internal and external audits as this is to ensure the equipment is compliant with the OHS Act of lifting equipment & Transnet COP 29.
  - Maintenance should be performed as per OEM prescribed recommendations and include services and breakdowns. All replacement spares and sundries will be for the service providers account and includes but not limited to tyres, oils, filters, lubrication, electrical, glass, buckets (windows and doors) and mechanical components. Maintenance must preferably be done on site as to minimize downtime. A Back up unit must be provided should maintenance take longer than 24 hours.
  - The Service provider shall be required to have a diagnostic tool in their premises required for the execution of breakdowns and repairs.
  - The successful bidder will provide response time with technical support on-site. TPT's preference is a response time of one (1) hour from call logging for technical onsite support.
  - If the Service Provider will be hiring or leasing the equipment from the equipment supplier, such Service Provider shall be responsible to ensure that the relevant equipment is certified and in a well-maintained condition. The Service Provider shall ensure that lease or hiring of the equipment is inclusive of the maintenance, service and repairs conditions or have a third-party agreement with a competent contractor for the maintenance equipment
2. Refer to Annexure A for full scope of works.



### 3. Contract Manager/s & Personnel to provide the Goods/Services

<b>Transnet Contract Manager</b>	<b>Caroline Allen</b>
<b>Transnet Project Manager</b>	<b>Mkhululi Mtshiselwa</b>
Operating Division	Transnet Port Terminals (TPT)
Address	Port of Port Elizabeth, Green Street, 6001
Telephone	041 – 507 2127 or cell: 063 6575 285
Email	<a href="mailto:mkhululi.mtshiselwa@transnet.net">mkhululi.mtshiselwa@transnet.net</a>
<b>Service Provider's Account Manager</b>	
Designation	
Address	
Telephone	
Email	

### 4. Performance Review Meetings

Contract management and performance review meetings will be held as required by Transnet's Contract Manager and Project Manager.

### 5. Fees & Disbursements

5.1 In consideration of the supply of the Goods by the Supplier pursuant to this Work Order, Transnet will pay to it an amount not exceeding R ..... (including VAT) over a period of 36 months.

### 6. Penalties for Non-Compliance to project completion date

The following penalty shall be levied upon the Supplier for non-compliance as set out below:

6.1 In the event that the Supplier gets called out to attend a breakdown and arrives late for more than 120 minutes from time of call-out, a penalty of 5% will be applied on the monthly invoice amount for every occurrence. **(If it can be proved that the late coming was due to a reason outside the control of the Supplier– no penalty will be raised).**

6.2 Where the Supplier fails to deliver the Goods/Services within the agreed and accepted delivery timelines and service level milestones, provided that the cause of the delay was not due to a fault of Transnet, a penalty shall be imposed at 5% of the monthly invoice amount due to the supplier, in which the occurrence took place.

6.3 If the Supplier does not achieve the target of 90% [ninety per cent] service level as an average over each quarter, Transnet will receive a 1.5% [one and a half per cent] rebate on quarterly invoices payable in the next quarter

**IN WITNESS** of which this Schedule of Requirements has been duly executed by the parties.

**SIGNED** for and on behalf of

**SIGNED** for and on behalf of

**Transnet SOC Ltd**

Signature.....

Signature.....

Name.....

Name.....

Position.....

Position.....

Date.....

Date.....

DRAFT

## APPENDIX 1

### Address for Notices

Any notice or communications between the parties to be given under this Agreement shall be deemed to have been received at the following times:

- i. by email transmission – when the sender receives confirmation of receipt;
- ii. by hand delivery - immediately upon receipt by the recipient.

Any notice or communications between the parties shall be delivered to the addresses set out below:

#### **The Service Provider**

Addressee:

Attention:

Physical Address:

Postal Address:

email:

[vnemukula@shumani-industrial.co.za](mailto:vnemukula@shumani-industrial.co.za)

#### **Transnet**

Addressee:

Transnet Port Terminals

Attention: Legal, Risk and Compliance

Physical Address:

202 Anton Lambede Street  
Durban  
4000

Postal Address:

P.O. Box 10124  
Marine Parade  
Durban, 4056

email:

[samantha.subiah@transnet.net](mailto:samantha.subiah@transnet.net)

Either party may, by a notice given in accordance with this Schedule 1, change its address or email address for the purpose of this Schedule 1.

## APPENDIX 2

### Non- Disclosure Agreement

Date: ..... 2024

I (*name*) .....

Of (*address*) .....  
.....  
.....

Undertake to Transnet SOC Ltd ("Transnet") that:

1. I shall keep confidential and not to disclose or make available to any third party, except with the express prior written consent of Transnet, any Confidential Information relating to Transnet business, assets, customers or staff which is disclosed to me or to which I may have access during the course of providing Goods to Transnet ("my assignment"); and
2. Upon termination of my assignment, I shall return to Transnet all documents, books, discs, tapes or other records (in whatever medium) which I may have in my possession, custody or control and which are the property of Transnet, its customers, staff or agents and any copies thereof.

For the purposes of this Confidentiality Agreement, "Confidential Information" shall mean any information in whatever form including, without limitation, any information relating to systems, operations, plans, intentions, market opportunities, know-how, trade secrets and business affairs of the Transnet Group or its customers, whether in writing, conveyed orally or by machine-readable medium.

I understand that this Confidentiality Agreement shall survive the termination of my assignment.

SIGNED at ..... on ..... 2024

(*Signature*) .....

in the presence of:-

Witness name: .....

Witness Signature: .....

Witness address: .....

.....

SCHEDULE 2 : SERVICE LEVEL AGREEMENT (SLA)										
PROVISION OF EQUIPMENT (FRONT END LOADERS AND EXCAVATOR) ON A FULL MAINTENANCE LEASE FOR TRANSNET SOC LTD (REGISTRATION NO. 1990/000900/30) OPERATING AS TRANSNET PORT TERMINALS (HEREIN-AFTER REFERRED TO AS “TPT”), AT THE LOHATLHA TERMINAL FOR A PERIOD OF 3 YEARS (36 MONTHS)										
No.			PARTY		WHEN	FREQUENCY	KPI	MEASUREMENT	SENT TO	MEASUREMENT
			SUPPLIER	TPT						WEIGHT QUARTERLY RATING
1	Planning	a) Purchase order to be placed in time		X	one week before delivery	As and when required	Timeous order placement	one week before delivery	Supplier	5
		b) Provide confirmation to TPT that the required Equipment will be delivered	X		3 days before the delivery	As and when required	Timeous and accurate confirmation of required quantities of equipment to be delivered	100% adherence to order schedule	TPT Procurement	5
2	Delivery of Equipment	a) Deliver according to PO (with delivery note)	X		At time of delivery	As and when required	Equipment in good condition (licensed and roadworthy) and correct quantities	100% on time delivery	TPT Operations Manager	8
		b) Inspection and handover of equipment	X	X	At time of delivery	At time of delivery	Equipment in good condition (licensed and roadworthy) and correct quantities	zero percent defect	TPT Operations Manager	8
		c) Training of TPT equipment operators	X		Before shift start	At commencement of contract	SP to provide operator training at commencement of the contract	TPT equipment operator certified at the commencement of the contract	TPT Operations Manager	8
3	Maintenance of Equipment	a) Scheduled or Preventative Maintenance	X		As per OEM specification	As per OEM specification	SP to notify TPT a week in advance	100% compliance to scheduled maintenance plan	TPT Operations Manager	8
		b) Unscheduled maintenance/breakdowns	X	X	As and when required	As and when required	Breakdowns attended to within one (1) hour from call-out. Log book to be kept.	100% timeous and efficient repair of all equipment	TPT Operations Manager	8
		c) Replacement equipment	X		As and when required	As and when required	Replacement equipment available on the six (6) hour mark, in the event that breakdown repairs are envisaged to take longer than six (6) hours.	Minimum stoppage/lost time recorded	TPT Operations Manager	8
		d) Daily inspection sheets for each equipment	X	X	Before shift start	Before shift start	Daily inspection sheets available for each equipment, signed by both parties	100% compliance	TPT Operations Manager	8
4	Invoicing and payment	a) Invoice TPT and submit with supporting documentation for all activities undertaken to execute agreed services	X		When required	When required	Submit accurate invoice(s) with clear item details, and supporting documentation. Provide a monthly statement to reflect all payments made and outstanding.	100% on time submission of invoices with accurate and reconciled supporting documents. Monthly statement to support invoices.	Relevant Finance Department	6
		b) Receive and check documentation, arrange electronic payment, and TPT Finance to advise SP via remittance advice of payment details.		X	Documents submitted during the month will be paid, 30 days from date of statement	Monthly	Authorisation of invoices for payment within 30 days.	Monthly statement to confirm payment of invoices.	Relevant Finance Department	6
5	Documentation	a) Safety File kept up-to-date	X		Annually	at the expiry of mandatory documents	Safety File up-to-date	COIDA, BEE, tax compliance, medicals, insurance etc, valid and up-to-date	SHEQ Manager	6
		b) Ensure that all employees have completed the induction and safety awareness training	X		All new employees must be inducted prior to working on TPT's premises	As and when required	All SP employees that are on site, are inducted (at the commencement of the contract) and have undergone safety awareness training (every six months)	100% compliance	SHEQ Manager	6
6	Continuous Improvement	a) Provide Maintenance Best Practice Ideas and seek approval before implementation	X		Ongoing	Ongoing	Implement all ideas once approval has been sought from Delegated Powers	100% timeous and accurate implementation of all ideas	TPT Contract Manager	5
										100
Legends :			1 = Poor	2 = Not Acceptable	3 = Acceptable	4 = Excellent				

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20

Transnet Port Terminals

Supplier

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Witness: \_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **GENERAL BID CONDITIONS**

**[June 2022]**

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## 1 DEFINITIONS

Where the following words or phrases are used in this Agreement, such words or phrases shall have the meaning assigned thereto in this clause, except where the context clearly requires otherwise:

- 1.1 **Bid** shall mean a Respondent's tendered response / proposal to a Transnet RFP or RFQ;
- 1.2 **Bid Document(s)** shall mean a reference to a Request for Proposal or Request for Quotation;
- 1.3 **Business Day** shall mean any day other than a Saturday, Sunday or public holiday;
- 1.4 **Goods** shall mean the goods required by Transnet as specified in its Bid Document;
- 1.5 **Parties** shall mean Transnet and the Respondents to a Bid Document;
- 1.6 **Respondent(s)** shall mean a respondent/bidder to a Bid Document;
- 1.7 **RFP** shall mean Request for Proposal;
- 1.8 **RFQ** shall mean Request for Quotation;
- 1.9 **RFX** shall mean RFP or RFQ, as the case may be;
- 1.10 **Services** shall mean the services required by Transnet as specified in its Bid Document;
- 1.11 **Supplier** shall mean the successful Respondent;
- 1.12 **Tax Invoice** shall mean the document as required by Section 20 of the Value-Added Tax Act, 89 of 1991, as may be amended from time to time;
- 1.13 **Transnet** shall mean Transnet SOC Ltd, a State Owned Company; and
- 1.14 **VAT** shall mean Value-Added Tax in terms of the Value-Added Tax Act, 89 of 1991, as may be amended from time to time.

## 2 GENERAL

All Bid Documents and subsequent contracts and orders shall be subject to the following general conditions as laid down by Transnet and are to be strictly adhered to by any Respondent to this RFX.

## 3 SUBMITTING OF BID DOCUMENTS

- 3.1 A Bid, which shall hereinafter include reference to an RFP or RFQ, shall be submitted to Transnet no later than the closing date and time specified in accordance with the directions issued in the Bid Documents. Late Bids will not be considered.
- 3.2 The Bid Documents must be completed in their entirety and Respondents are required to complete and submit their Bid submissions by uploading them into the system against each tender selected. The bidder guide can be found on the Transnet Portal [transnetetenders.azurewebsites.net](https://transnetetenders.azurewebsites.net).

## 4 USE OF BID FORMS

- 4.1 Where special forms and/or formats are issued by Transnet for the submission of Bids, Respondents are required to submit their Bids by completion of the appropriate sections on such official forms and/or formats and not in other forms and/or formats or documents bearing their own terms and conditions of contract. Non-compliance with this condition may result in the rejection of a Bid.
- 4.2 Respondents must note that the original Bid forms and/or formats must be completed for submission.
- 4.3 Only if insufficient space has been allocated to a particular response may a Respondent submit additional information under separate cover using the Company's letterhead. This must be duly cross-referenced in the RFX.



## **5 BID FEES**

A bid fee is not applicable. The Bid Documents may be downloaded directly from National Treasury's e-Tender Publication Portal at [www.etenders.gov.za](http://www.etenders.gov.za) and may also be downloaded from the Transnet website at [www.transnet.net](http://www.transnet.net) free of charge.

## **6 VALIDITY PERIOD**

- 6.1 The Respondents must hold their Bid valid for acceptance by Transnet at any time within the requested validity period after the closing date of the bid.
- 6.2 Respondents may be requested to extend their validity period for a specified additional period. In such instances, Respondents will not be allowed to change any aspect of their Bid, unless they are able to demonstrate that the proposed change/s is as a direct and unavoidable consequence of Transnet's extension of the validity period.

## **7 SITE VISITS / BRIEFING SESSIONS**

Respondents may be requested to attend a site visit or briefing session where it is necessary to view the site in order to prepare their Bids, or where Transnet deems it necessary to provide Respondents with further information to allow them to complete their Bids properly. Where such visits or sessions are indicated as compulsory in the RFX Document, Respondents are obliged to attend these meetings as failure to do so will result in their disqualification.

## **8 CLARIFICATION BEFORE THE CLOSING DATE**

Should clarification be required on any aspect of the Bid before the closing date, the Respondent must upload questions onto the Transnet e-Tender Submission Portal or direct such queries to the contact person listed in the RFX Document in the stipulated manner.

## **9 COMMUNICATION AFTER THE CLOSING DATE**

After the closing date of a Bid (i.e. during the evaluation period) the Respondent may only communicate with the contact person listed in the RFX Document.

## **10 UNAUTHORISED COMMUNICATION ABOUT BIDS**

Respondents may at any time communicate with the contact person listed in the RFX Document on any matter relating to its Bid but, in the absence of written authority from the delegated individual (BEC chairperson), no communication on a question affecting the subject of a Bid shall take place between Respondents or other potential Supplier or any member of the Bid Adjudication Committee or official of Transnet during the period between the closing date for the receipt of the Bid and the date of the notification of the successful Respondent(s). A Bid, in respect of which any such unauthorised communication has occurred, may be disqualified.

## **11 RETURNABLE DOCUMENTS**

All returnable documents listed in the RFX Documents must be submitted with Respondent's Bid. Failure to submit mandatory returnable schedules / documents will result in disqualification. Failure to submit other schedules / documents may result in disqualification.

## **12 DEFAULTS BY RESPONDENTS**

If the Respondent, after it has been notified of the acceptance of its Bid fails to:

- 12.1 enter into a formal contract when called upon to do so within such period as Transnet may specify; or
- 12.2 accept an order in terms of the Bid;
- 12.3 furnish satisfactory security when called upon to do so for the fulfilment of the contract; or
- 12.4 comply with any condition imposed by Transnet,

Transnet may, in any such case, without prejudice to any other legal remedy which it may have, proceed to accept any other Bid or, if it is necessary to do so, call for Bids afresh, and may recover from the defaulting Respondent any additional expense incurred by Transnet in calling for new offers or in accepting a less favourable offer.

### **13 CURRENCY**

All monetary amounts referred to in a Bid response must be in Rand, the currency of the Republic of South Africa [**ZAR**], save to the extent specifically permitted in the RFP.

### **14 PRICES SUBJECT TO CONFIRMATION**

Prices which are quoted subject to confirmation will not be considered.

### **15 ALTERATIONS MADE BY THE RESPONDENT TO BID PRICES**

All alterations made by the Respondent to its Bid price(s) prior to the submission of its Bid Documents must be done by deleting the incorrect figures and words where required and by inserting the correct figures and words against the items concerned. All such alterations must be initialled by the person who signs the Bid Documents. Failure to observe this requirement may result in the particular item(s) concerned being excluded in the matter of the award of the business.

### **16 EXCHANGE AND REMITTANCE**

- 16.1 The Respondent should note that where the whole or a portion of the contract or order value is to be remitted overseas, Transnet shall, if requested to do so by the Supplier, effect payment overseas directly to the foreign principal or manufacturer of such percentage of the contract or order value as may be stipulated by the Respondent in its Bid Documents.
- 16.2 It is Transnet's preference to enter into Rand-based agreements. Transnet would request, therefore, that the Respondent give favourable consideration to obtaining forward exchange cover on the foreign currency portion of the Agreement at a cost that is acceptable to Transnet to protect itself against any currency rate fluctuation risks for the duration of any resulting contract or order.
- 16.3 The Respondent who desires to avail itself of the aforementioned facility must at the time of bidding furnish the information called for in the Exchange and Remittance section of the Bid Documents and also furnish full details of the principals or manufacturer to whom payment is to be made.
- 16.4 The South African Reserve Bank's approval is required before any foreign currency payments can be made to or on behalf of Respondents.
- 16.5 Transnet will not recognise any claim for adjustment of the order and/or contract price if the increase in price arises after the date on which the Goods were to be delivered, as set out in the order and/or contract, or any subsequent agreement between the parties.
- 16.6 Transnet reserves the right to request a pro-forma invoice/tax invoice in order to ensure compliance with the contract and Value-Added Tax Act no. 89 of 1991 [VAT Act].

## **17 ACCEPTANCE OF BID**

- 17.1 Upon the acceptance of a Bid by Transnet, the parties shall be bound by these General Bid Conditions and any contractual terms and/or any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.
- 17.2 Where the Respondent has been informed by Transnet of the acceptance of its Bid, an email communication that has been successfully sent to the Respondent shall be regarded as proof of delivery to the Respondent 1 day after the date of submission.

## **18 NOTICE TO UNSUCCESSFUL RESPONDENTS**

- 18.1 Unsuccessful Respondents shall be advised in writing that their Bids have not been accepted as soon as possible after the closing date of the Bid. On award of business to the successful Respondent all unsuccessful Respondents must be informed of the name of the successful Respondent and of the reason as to why their Bids had been unsuccessful.

## **19 TERMS AND CONDITIONS OF CONTRACT**

- 19.1 The Supplier shall adhere to the Terms and Conditions of Contract issued with the Bid Documents, together with any schedule of "Special Conditions" or otherwise which form part of the Bid Documents.
- 19.2 Should the Respondent find any conditions unacceptable, it should indicate which conditions are unacceptable and offer amendments/ alternatives by written submission on a company letterhead. Any such submission shall be subject to review by Transnet's Legal Counsel who shall determine whether the proposed amendments /alternative(s) are acceptable or otherwise, as the case may be. Respondents will be afforded an opportunity to withdraw an unacceptable deviation, failing which the respondent will be disqualified.

## **20 CONTRACT DOCUMENTS**

- 20.1 The contract documents will comprise these General Bid Conditions, the Terms and Conditions of Contract and any schedule of "Special Conditions" which form part of the Bid Documents.
- 20.2 The abovementioned documents together with the Respondent's Bid response will constitute the contract between the parties upon receipt by the Respondent of Transnet's letter of acceptance, subject to all additional amendments and/or special conditions thereto as agreed to by the parties.
- 20.3 Should Transnet inform the Respondent that a formal contract will be signed, the abovementioned documents together with the Respondent's Bid response [and, if any, its covering letter and any subsequent exchange of correspondence] as well as Transnet's Letter of Acceptance, shall constitute a binding contract until the final contract is signed.

## **21 LAW GOVERNING CONTRACT**

The law of the Republic of South Africa shall govern the contract created by the acceptance of a Bid. The *domicilium citandi et executandi* shall be a place in the Republic of South Africa to be specified by the Respondent in its Bid at which all legal documents may be served on the Respondent who shall agree to submit to the jurisdiction of the courts of the Republic of South Africa. A foreign Respondent shall, therefore, state in its Bid the name of its authorised representative in the Republic of South Africa who is empowered to sign any contract which may be entered into in the event of its Bid being accepted and to act on its behalf in all matters relating to the contract.

## **22 IDENTIFICATION**

If the Respondent is a company, the full names of the directors shall be stated in the Bid. If the Respondent is a close corporation, the full names of the members shall be stated in the Bid. If the Respondent is a partnership or an individual trading under a trade name, the full names of the partners or of such individual, as the case may be, shall be furnished.

## **23 RESPONDENT'S SAMPLES**

- 23.1 If samples are required from Respondents, such samples shall be suitably marked with the Respondent's name and address, the Bid number and the Bid item number and must be despatched in time to reach the addressee as stipulated in the Bid Documents on or before the closing date of the Bid. Failure to submit samples by the due date may result in the rejection of a Bid.
- 23.2 Transnet reserves the right to retain samples furnished by Respondents in compliance with Bid conditions.
- 23.3 Payment will not be made for a successful Respondent's samples that may be retained by Transnet for the purpose of checking the quality and workmanship of Goods delivered in execution of a contract.
- 23.4 If Transnet does not wish to retain unsuccessful Respondents' samples and the Respondents require their return, such samples may be collected by the Respondents at their own risk and cost.

## **24 SECURITIES**

- 24.1 The successful Respondent, when called upon to do so, shall provide security to the satisfaction of Transnet for the due fulfilment of a contract or order. Such security shall be in the form of a Deed of Suretyship [Deed of Suretyship] furnished by an approved bank, building society, insurance or guarantee corporation carrying on business in South Africa.
- 24.2 The security may be applied in whole or part at the discretion of Transnet to make good any loss or damage which Transnet may incur in consequence of a breach of the contract or any part thereof.
- 24.3 Such security, if required, shall be an amount which will be stipulated in the Bid Documents.
- 24.4 For the purpose of clause 24.124.1 above, Transnet will supply a Deed of Suretyship form to the successful Respondent for completion and no guarantee in any other form will be accepted. A copy of such form will be supplied to Respondents on request. For this purpose a Deed of Suretyship form will be provided which shall be completed and returned to Transnet or a designated official by the successful Respondent within 30 [thirty] calendar days from the date of the letter of acceptance. No payment will be made until the form, duly completed, is delivered to Transnet. Failure to return the Deed of Suretyship within the prescribed time shall, save where prior extension has been granted, entitle Transnet without notice to the Supplier to cancel the contract with immediate effect.
- 24.5 Additional costs incurred by Transnet necessitated by reason of default on the part of the Supplier in relation to the conditions of this clause 244 will be for the account of the Supplier.

## **25 PRICE AND DELIVERY BASIS FOR GOODS**

- 25.1 Unless otherwise specified in the Bid Documents, the prices quoted for Goods must be on a Delivered Duty Paid [latest ICC Incoterms] price basis in accordance with the terms and at the delivery point or points specified in Transnet's Bid Documents. Bids for supply on any other basis of delivery are liable to disqualification. The lead time for delivery stated by the Respondent must be inclusive of all non-

working days or holidays, and of periods occupied in stocktaking or in effecting repairs to or overhauling plant, which would ordinarily occur within the delivery period given by the Respondent.

25.2 Respondents must furnish their Bid prices in the Price Schedule of the Bid Documents on the following basis:

- a) Local Supplies - Prices for Goods to be manufactured, produced or assembled in the Republic of South Africa, or imported supplies held in South Africa, to be quoted on a Delivered RSA named destination basis.
- b) Imported Supplies - Prices for Goods to be imported from all sources to be quoted on a Delivered Duty Paid [latest ICC Incoterms] basis, to end destination in South Africa, unless otherwise specified in the Bid Price Schedule.

## **26 EXPORT LICENCE**

The award of a Bid for Goods to be imported may be subject to the issue of an export licence in the country of origin or supply. If required, the Supplier's manufacturer or forwarding agent shall be required to apply for such licence.

## **27 QUALITY OF MATERIAL**

Unless otherwise stipulated, the Goods offered shall be NEW i.e. in unused condition, neither second-hand nor reconditioned.

## **28 VALUE-ADDED TAX**

28.1 In respect of local supplies, i.e. Goods to be manufactured, produced or assembled in the Republic of South Africa, or imported supplies held or already in transit to South Africa, the prices quoted by the Respondent are to be inclusive of VAT which must be shown separately at the standard rate on the Tax Invoice.

28.2 In respect of foreign Services rendered:

- a) the invoicing by a South African supplier on behalf of its foreign principal rendering such Service represents a Service rendered by the principal; and
- b) the Supplier's Tax Invoice(s) for the local portion only [i.e. the "commission" for the Services rendered locally] must show the VAT separately.

## **29 IMPORTANT NOTICE TO RESPONDENTS REGARDING PAYMENT**

29.1 Method of Payment

- a) The attention of the Respondent is directed to the Terms and Conditions of Contract which set out the conditions of payment on which Bid price(s) shall be based.
- b) However, in addition to the foregoing the Respondent is invited to submit offers based on alternative methods of payment and/or financing proposals.
- c) The Respondent is required to give full particulars of the terms that will be applicable to its alternative offer(s) and the financial merits thereof will be evaluated and taken into consideration when the Bid is adjudicated.
- d) The Respondent must, therefore, in the first instance, tender strictly in accordance with clause 29.1 (a) above. Failure to comply with clause 29.1 (a) above may preclude a Bid from further consideration.

NOTE: The successful Respondent [the **Supplier**] shall, where applicable, be required to furnish a guarantee covering any advance payments.

#### 29.2 Conditional Discount

Respondents offering prices which are subject to a conditional discount applicable for payment within a specific period are to note that the conditional period will be calculated as from the date of receipt by Transnet of the Supplier's month-end statement reflecting the relevant Tax Invoice(s) for payment purposes, provided the conditions of the order or contract have been fulfilled and the Tax Invoice is correct in all respects as referred to in the contract or order. Incomplete and/or incorrect Tax Invoices shall be returned and the conditional period will be recalculated from the date of receipt of the correct documentation.

### 30 CONTRACT QUANTITIES AND DELIVERY REQUIREMENTS

#### 30.1 Contract Quantities

- a) It must be clearly understood that although Transnet does not bind itself to purchase a definitive quantity under any contract which may be entered into pursuant to this Bid, the successful Respondent nevertheless undertakes to supply against the contract such quantities as may be ordered against the contract, which orders are posted or delivered by hand or transmitted electronically on or before the expiry date of such contract.
- b) It is furthermore a condition that Transnet will not accept liability for any material/stocks specially ordered or carried by the Respondent with a view to meeting the requirements under any such contract.
- c) The estimated planned quantities likely to be ordered by Transnet per annum are furnished in relevant section of the Bid Documents. For avoidance of doubt the estimated quantities are estimates and Transnet reserves the right to order only those quantities sufficient for its operational requirements.

#### 30.2 Delivery Period

- a) Period Contracts and Fixed Quantity Requirements  
It will be a condition of any resulting contract/order that the delivery period embodied therein will be governed by the provisions of the Terms and Conditions of Contract.
- b) Progress Reports  
The Supplier may be required to submit periodical progress reports with regard to the delivery of the Goods
- c) Emergency Demands as and when required  
If, due to unforeseen circumstances, supplies of the Goods covered by the Bid are required at short notice for immediate delivery, the Supplier will be given first right of refusal for such business. If it is unable to meet the desired critical delivery period, Transnet reserves the right to purchase such supplies as may be required to meet the emergency outside the contract if immediate delivery can be offered from any other source. The *Total or Partial Failure to Perform the Scope of Supply* section in the Terms and Conditions of Contract will not be applicable in these circumstances.

### 31 PLANS, DRAWINGS, DIAGRAMS, SPECIFICATIONS AND DOCUMENTS

#### 31.1 Copyright

Copyright in plans, drawings, diagrams, specifications and documents compiled by the Supplier for the purpose of contract work shall be governed by the Intellectual Property Rights section in the Terms and Conditions of Contract.

**31.2 Drawings and specifications**

In addition to what may be stated in any Bid Document, the Respondent should note that, unless notified to the contrary by Transnet or a designated official by means of an official amendment to the Bid Documents, it is required to tender for Goods strictly in accordance with the drawings and/or specifications supplied by Transnet, notwithstanding that it may be aware that alterations or amendments to such drawings or specifications are contemplated by Transnet.

**31.3 Respondent's drawings**

Drawings required to be submitted by the Respondent must be furnished before the closing time and date of the Bid. The non-receipt of such drawings by the appointed time may disqualify the Bid.

**31.4 Foreign specifications**

The Respondent quoting for Goods in accordance with foreign specifications, other than British and American standards, is to submit translated copies of such specifications with the Bid. In the event of any departures or variations between the foreign specification(s) quoted in the Bid Documents, full details regarding such departures or variations must be furnished by the Respondent in a covering letter attached to the Bid. Non-compliance with this condition may result in disqualification.

**32 BIDS BY OR ON BEHALF OF FOREIGN RESPONDENTS**

32.1 Bids submitted by foreign principals may be forwarded directly by the principals or by its South African representative or agent to the designated official of Transnet according to whichever officer is specified in the Bid Documents.

32.2 In the case of a representative or agent, written proof must be submitted to the effect that such representative or agent has been duly authorised to act in that capacity by the principal. Failure to submit such authorisation by the representative or agent shall disqualify the Bid.

32.3 When legally authorised to prepare and submit Bids on behalf of their principals not domiciled in the Republic of South Africa, representatives or agents must compile the Bids in the names of such principals and sign them on behalf of the latter.

32.4 South African representatives or agents of a successful foreign Respondent must when so required enter into a formal contract in the name of their principals and must sign such contract on behalf of the latter. In every such case a legal Power of Attorney from their principals must be furnished to Transnet by the South African representative or agents authorising them to enter into and sign such contract.

- a) Such Power of Attorney must comply with Rule 63 (Authentication of documents executed outside the Republic for use within the Republic) of the Uniform Rules of Court: Rules regulating the conduct of the proceedings of the several provincial and local divisions of the Supreme Court of South Africa.
- b) The Power of Attorney must be signed by the principal under the same title as used in the Bid Documents.
- c) If a Power of Attorney held by the South African representative or agent includes matters of a general nature besides provision for the entering into and signing of a contract with Transnet, a certified copy thereof should be furnished.

- d) The Power of Attorney must authorise the South African representative or agent to choose the *domicilium citandi et executandi*.
- 32.5 If payment is to be made in South Africa, the foreign Supplier [i.e. the principal, or its South African agent or representative], must notify Transnet in writing whether, for payment by electronic funds transfer [EFT]:
- a) funds are to be transferred to the credit of the foreign Supplier's account at a bank in South Africa, in which case the name and branch of such bank shall be furnished; or
  - b) funds are to be transferred to the credit of its South African agent or representative, in which case the name and branch of such bank shall be furnished.
- 32.6 The attention of the Respondent is directed to clause 24 above [Securities] regarding the provision of security for the fulfilment of contracts and orders and the manner and form in which such security is to be furnished.

### **33 DATABASE OF RESTRICTED SUPPLIERS**

The process of restriction is used to exclude a company/person from conducting future business with Transnet and other organs of state for a specified period. No Bid shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Transnet reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been restricted with National Treasury by another government institution.

### **34 CONFLICT WITH ISSUED RFX DOCUMENT**

- 34.1 Should a conflict arise between these General Bid Conditions and the issued RFX document, the conditions stated in the RFX document shall prevail.

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**Important Note: All potential bidders must read this document and certify in the RFX Declaration Form that they have acquainted themselves with, and agree with the content. The contract with the successful bidder will automatically incorporate this Integrity Pact as part of the final concluded contract.**

## **INTEGRITY PACT**

Between

**TRANSNET SOC LTD**

Registration Number: 1990/000900/30

("Transnet")

And The Bidder / Supplier/ Service Provider / Contractor (hereinafter referred to as the "Bidder / Supplier")

## **PREAMBLE**

Transnet values full compliance with all relevant laws and regulations, ethical standards and the principles of economical use of resources, fairness and transparency in its relations with its Bidders / Suppliers.

In order to achieve these goals, Transnet and the Bidder / Supplier hereby enter into this agreement hereinafter referred to as the "Integrity Pact" which will form part of the Bidder's / Supplier's application for registration with Transnet as a vendor.

The general purpose of this Integrity Pact is to agree on avoiding all forms of dishonesty, fraud and corruption by following a system that is fair, transparent and free from any undue influence prior to, during and subsequent to the currency of any procurement and / or reverse logistics event and any further contract to be entered into between the Parties, relating to such event.

All Bidders / Suppliers will be required to sign and comply with undertakings contained in this Integrity Pact, should they want to be registered as a Transnet vendor.

## **1 OBJECTIVES**

- 1.1 Transnet and the Bidder / Supplier agree to enter into this Integrity Pact, to avoid all forms of dishonesty, fraud and corruption including practices that are anti-competitive in nature, negotiations made in bad faith and under-pricing by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:
  - a) Enable Transnet to obtain the desired contract at a reasonable and competitive price in conformity to the defined specifications of the works, goods and services; and
  - b) Enable Bidders / Suppliers to abstain from bribing or participating in any corrupt practice in order to secure the contract.

## **2 COMMITMENTS OF TRANSNET**

Transnet commits to take all measures necessary to prevent dishonesty, fraud and corruption and to observe the following principles:

- 2.1 Transnet hereby undertakes that no employee of Transnet connected directly or indirectly with the sourcing event and ensuing contract, will demand, take a promise for or accept directly or through intermediaries any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to any contract.
- 2.2 Transnet will, during the registration and bidding process treat all Bidders / Suppliers with equity, transparency and fairness. Transnet will in particular, before and during the registration process, provide to all Bidders / Suppliers the same information and will not provide to any Bidders / Suppliers confidential / additional information through which the Bidders / Suppliers could obtain an advantage in relation to any bidding process.
- 2.3 Transnet further confirms that its employees will not favour any prospective bidder in any form that could afford an undue advantage to a particular bidder during the tendering stage, and will further treat all Bidders / Supplier participating in the bidding process in a fair manner.
- 2.4 Transnet will exclude from the bidding process such employees who have any personal interest in the Bidders / Suppliers participating in the bidding process.

### 3 OBLIGATIONS OF THE BIDDER / SUPPLIER

- 3.1 Transnet has a '**Zero Gifts**' Policy. No employee is allowed to accept gifts, favours or benefits.
- a) Transnet officials and employees **shall not** solicit, give or accept, or from agreeing to solicit, give, accept or receive directly or indirectly, any gift, gratuity, favour, entertainment, loan, or anything of monetary value, from any person or juridical entities in the course of official duties or in connection with any operation being managed by, or any transaction which may be affected by the functions of their office.
  - b) Transnet officials and employees **shall not** solicit or accept gifts of any kind, from vendors, suppliers, customers, potential employees, potential vendors, and suppliers, or any other individual or organisation irrespective of the value.
  - c) Under **no circumstances** should gifts, business courtesies or hospitality packages be accepted from or given to prospective suppliers participating in a tender process at the respective employee's Operating Division, regardless of retail value.
  - d) Gratuities, bribes or kickbacks of any kind must never be solicited, accepted or offered, either directly or indirectly. This includes money, loans, equity, special privileges, personal favours, benefit or services. Such favours will be considered to constitute corruption.
- 3.2 The Bidder / Supplier commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any ensuing contract stage in order to secure the contract or in furtherance to secure it and in particular the Bidder / Supplier commits to the following:
- a) The Bidder / Supplier will not, directly or through any other person or firm, offer, promise or give to Transnet or to any of Transnet's employees involved in the bidding process or to any third person any material or other benefit or payment, in order to obtain in exchange an advantage during the bidding process; and
  - b) The Bidder / Supplier will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any employee of Transnet, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
- 3.3 The Bidder / Supplier will not collude with other parties interested in the contract to preclude a competitive bid price, impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract. The Bidder / Supplier further commits itself to delivering against all agreed upon conditions as stipulated within the contract.
- 3.4 The Bidder / Supplier will not enter into any illegal or dishonest agreement or understanding, whether formal or informal with other Bidders / Suppliers. This applies in particular to certifications, submissions or non-submission of documents or actions that are restrictive or to introduce cartels into the bidding process.
- 3.5 The Bidder / Supplier will not commit any criminal offence under the relevant anti-corruption laws of South Africa or any other country. Furthermore, the Bidder /Supplier will not use for illegitimate purposes or for restrictive purposes or personal gain, or pass on to others, any information provided by Transnet as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- 3.6 A Bidder / Supplier of foreign origin shall disclose the name and address of its agents or representatives in South Africa, if any, involved directly or indirectly in the registration or bidding process. Similarly, the Bidder / Supplier of South African nationality shall furnish the name and address of the foreign principals, if any, involved directly or indirectly in the registration or bidding process.
- 3.7 The Bidder / Supplier will not misrepresent facts or furnish false or forged documents or information in order to influence the bidding process to the advantage of the Bidder / Supplier or detriment of Transnet or other competitors.

- 3.8 Transnet may require the Bidder / Supplier to furnish Transnet with a copy of its code of conduct. Such code of conduct must address the compliance programme for the implementation of the code of conduct and reject the use of bribes and other dishonest and unethical conduct.
- 3.9 The Bidder / Supplier will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 3.10 The Bidder/Supplier confirms that they will uphold the ten principles of the United Nations Global Compact (UNGC) in the fields of Human Rights, Labour, Anti-Corruption and the Environment when undertaking business with Transnet as follows:
- a) Human Rights
    - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
    - Principle 2: make sure that they are not complicit in human rights abuses.
  - b) Labour
    - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
    - Principle 4: the elimination of all forms of forced and compulsory labour;
    - Principle 5: the effective abolition of child labour; and
    - Principle 6: the elimination of discrimination in respect of employment and occupation.
  - c) Environment
    - Principle 7: Businesses should support a precautionary approach to environmental challenges;
    - Principle 8: undertake initiatives to promote greater environmental responsibility; and
    - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
  - d) Anti-Corruption
    - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

#### **4 INDEPENDENT BIDDING**

- 4.1 For the purposes of this undertaking in relation to any submitted Bid, the Bidder declares to fully understand that the word "competitor" shall include any individual or organisation, other than the Bidder, whether or not affiliated with the Bidder, who:
- a) has been requested to submit a Bid in response to this Bid invitation;
  - b) could potentially submit a Bid in response to this Bid invitation, based on their qualifications, abilities or experience; and
  - c) provides the same Goods and Services as the Bidder and/or is in the same line of business as the Bidder.
- 4.2 The Bidder has arrived at his submitted Bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium will not be construed as collusive bidding.
- 4.3 In particular, without limiting the generality of paragraph 4.2 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- a) prices;
  - b) geographical area where Goods or Services will be rendered [market allocation];
  - c) methods, factors or formulas used to calculate prices;
  - d) the intention or decision to submit or not to submit, a Bid;

- e) the submission of a Bid which does not meet the specifications and conditions of the RFP; or
  - f) bidding with the intention of not winning the Bid.
- 4.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the Goods or Services to which his/her Bid relates.
- 4.5 The terms of the Bid as submitted have not been, and will not be, disclosed by the Bidder, directly or indirectly, to any competitor, prior to the date and time of the official Bid opening or of the awarding of the contract.
- 4.6 Bidders are aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, Bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and/or may be reported to the National Prosecuting Authority **[NPA]** for criminal investigation and/or may be restricted from conducting business with the public sector for a period not exceeding 10 [ten] years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

## **5 DISQUALIFICATION FROM BIDDING PROCESS**

- 5.1 If the Bidder / Supplier has committed a transgression through a violation of paragraph 3 of this Integrity Pact or in any other form such as to put its reliability or credibility as a Bidder / Supplier into question, Transnet may reject the Bidder's / Supplier's application from the registration or bidding process and remove the Bidder / Supplier from its database, if already registered.
- 5.2 If the Bidder / Supplier has committed a transgression through a violation of paragraph 3, or any material violation, such as to put its reliability or credibility into question, Transnet may after following due procedures and at its own discretion also exclude the Bidder / Supplier from future bidding processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, which will include amongst others the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder / Supplier and the amount of the damage. The exclusion will be imposed for up to a maximum of 10 (ten) years. However, Transnet reserves the right to impose a longer period of exclusion, depending on the gravity of the misconduct.
- 5.3 If the Bidder / Supplier can prove that it has restored the damage caused by it and has installed a suitable corruption prevention system, or taken other remedial measures as the circumstances of the case may require, Transnet may at its own discretion revoke the exclusion or suspend the imposed penalty.

## **6 DATABASE OF RESTRICTED SUPPLIERS**

- 6.1 The process of restriction is used to exclude a company/person from conducting future business with Transnet and other organs of state for a specified period. No Bid shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Transnet reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been restricted with National Treasury by another government institution.
- 6.2 All the stipulations on Transnet's restriction process as laid down in Transnet's Supply Chain Policy and Procurement Procedures Manual are included herein by way of reference. Below follows a condensed summary of this restriction procedure.
- 6.3 On completion of the restriction procedure, Transnet will submit the restricted entity's details (including the identity number of the individuals and registration number of the entity) to National Treasury for placement on National Treasury's Database of Restricted Suppliers for the specified period of exclusion. National

Treasury will make the final decision on whether to restrict an entity from doing business with any organ of state for a period not exceeding 10 years and place the entity concerned on the Database of Restricted Suppliers published on its official website.

- 6.4 The decision to restrict is based on one of the grounds for restriction. The standard of proof to commence the restriction process is whether a "*prima facie*" (i.e. on the face of it) case has been established.
- 6.5 Depending on the seriousness of the misconduct and the strategic importance of the Goods/Services, in addition to restricting a company/person from future business, Transnet may decide to terminate some or all existing contracts with the company/person as well.
- 6.6 A supplier or contractor to Transnet may not subcontract any portion of the contract to a restricted company.
- 6.7 Grounds for restriction include: If any person/Enterprise which has submitted a Bid, concluded a contract, or, in the capacity of agent or subcontractor, has been associated with such Bid or contract:
  - a) Has, in bad faith, withdrawn such Bid after the advertised closing date and time for the receipt of Bids;
  - b) has, after being notified of the acceptance of his Bid, failed or refused to sign a contract when called upon to do so in terms of any condition forming part of the bid documents;
  - c) has carried out any contract resulting from such bid in an unsatisfactory manner or has breached any condition of the contract;
  - d) has offered, promised or given a bribe in relation to the obtaining or execution of the contract;
  - e) has acted in a fraudulent or improper manner or in bad faith towards Transnet or any Government Department or towards any public body, Enterprise or person;
  - f) has made any incorrect statement in a certificate or other communication with regard to the Local Content of his Goods or his B-BBEE status and is unable to prove to the satisfaction of Transnet that:
    - (i) he made the statement in good faith honestly believing it to be correct; and
    - (ii) before making such statement he took all reasonable steps to satisfy himself of its correctness;
  - g) has submitted false information regarding any other matter required in terms of the Preferential Procurement Regulations, 2017 issued in terms of the Preferential Procurement Policy Framework Act which will affect the evaluation of a Bid or where a Bidder has failed to declare any subcontracting arrangements;
  - h) caused Transnet damage, or to incur costs in order to meet the contractor's requirements and which could not be recovered from the contractor;
  - i) has litigated against Transnet in bad faith.

## **7 PREVIOUS TRANSGRESSIONS**

- 7.1 The Bidder / Supplier hereby declares that no previous transgressions resulting in a serious breach of any law, including but not limited to, corruption, fraud, theft, extortion and contraventions of the Competition Act 89 of 1998, which occurred in the last 5 (five) years with any other public sector undertaking, government department or private sector company that could justify its exclusion from its registration on the Bidder's / Supplier's database or any bidding process.
- 7.2 If it is found to be that the Bidder / Supplier made an incorrect statement on this subject, the Bidder / Supplier can be rejected from the registration process or removed from the Bidder / Supplier database, if already registered, for such reason (refer to the Breach of Law Form contained in the applicable RFX document.)

## 8 SANCTIONS FOR VIOLATIONS

8.1 Transnet shall also take all or any one of the following actions, wherever required to:

- a) Immediately exclude the Bidder / Supplier from the bidding process or call off the pre-contract negotiations without giving any compensation to the Bidder / Supplier. However, the proceedings with the other Bidders / Suppliers may continue;
- b) Immediately cancel the contract, if already awarded or signed, without giving any compensation to the Bidder / Supplier;
- c) Recover all sums already paid by Transnet;
- d) Encash the advance bank guarantee and performance bond or warranty bond, if furnished by the Bidder / Supplier, in order to recover the payments, already made by Transnet, along with interest;
- e) Cancel all or any other contracts with the Bidder / Supplier;
- f) Exclude the Bidder / Supplier from entering into any bid with Transnet and other organs of state in future for a specified period; and
- g) If the Supplier subcontracted a portion of the bid to another person without declaring it to Transnet, Transnet must penalise the Supplier up to 10% of the value of the contract.

## 9 CONFLICTS OF INTEREST

9.1 A conflict of interest includes, inter alia, a situation in which:

- a) A Transnet employee has a personal financial interest in a bidding / supplying entity; and
- b) A Transnet employee has private interests or personal considerations or has an affiliation or a relationship which affects, or may affect, or may be perceived to affect his / her judgment in action in the best interest of Transnet, or could affect the employee's motivations for acting in a particular manner, or which could result in, or be perceived as favouritism or nepotism.

9.2 A Transnet employee uses his / her position, or privileges or information obtained while acting in the capacity as an employee for:

- a) Private gain or advancement; or
- b) The expectation of private gain, or advancement, or any other advantage accruing to the employee must be declared in a prescribed form.

Thus, conflicts of interest of any bid committee member or any person involved in the sourcing process must be declared in a prescribed form.

9.3 If a Bidder / Supplier has or becomes aware of a conflict of interest i.e. a family, business and / or social relationship between its owner(s) / member(s) / director(s) / partner(s) / shareholder(s) and a Transnet employee / member of Transnet's Board of Directors in respect of a bid which will be considered for the bid process, the Bidder / Supplier:

- a) must disclose the interest and its general nature, in the Request for Proposal ("RFX") declaration form; or
- b) must notify Transnet immediately in writing once the circumstances has arisen.

9.4 The Bidder / Supplier shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any committee member or any person involved in the sourcing process, where this is done, Transnet shall be entitled forthwith to rescind the contract and all other contracts with the Bidder / Supplier.

## 10 DISPUTE RESOLUTION

10.1 Transnet recognises that trust and good faith are pivotal to its relationship with its Bidders / Suppliers. When a dispute arises between Transnet and its Bidder / Supplier, the parties should use their best endeavours to resolve the dispute in an amicable manner, whenever possible. Litigation in bad faith negates the principles of trust and good faith on which commercial relationships are based. Accordingly, following a restriction process as mentioned in paragraph 6 above, Transnet will not do business with a company that litigates against it in bad faith or is involved in any action that reflects bad faith on its part. Litigation in bad faith includes, but is not limited to the following instances:

- a) **Vexatious proceedings:** these are frivolous proceedings which have been instituted without proper grounds;
- b) **Perjury:** where a supplier make a false statement either in giving evidence or on an affidavit;
- c) **Scurrilous allegations:** where a supplier makes allegations regarding a senior Transnet employee which are without proper foundation, scandalous, abusive or defamatory; and
- d) **Abuse of court process:** when a supplier abuses the court process in order to gain a competitive advantage during a bid process.

## 11 GENERAL

- 11.1 This Integrity Pact is governed by and interpreted in accordance with the laws of the Republic of South Africa.
- 11.2 The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the law relating to any civil or criminal proceedings.
- 11.3 The validity of this Integrity Pact shall cover all the bidding processes and will be valid for an indefinite period unless cancelled by either Party.
- 11.4 Should one or several provisions of this Integrity Pact turn out to be invalid the remainder of this Integrity Pact remains valid.
- 11.5 Should a Bidder / Supplier be confronted with dishonest, fraudulent or corruptive behaviour of one or more Transnet employees, Transnet expects its Bidders / Suppliers to report this behaviour directly to a senior Transnet official / employee or alternatively by using Transnet's "Tip-Off Anonymous" hotline number 0800 003 056, whereby your confidentiality is guaranteed.

The Parties hereby declare that each of them has read and understood the clauses of this Integrity Pact and shall abide by it. To the best of the Parties' knowledge and belief, the information provided in this Integrity Pact is true and correct.

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## **NON DISCLOSURE AGREEMENT**

**[April 2020]**

**THIS AGREEMENT is made between**

**Transnet SOC Ltd [Transnet]** [Registration No. 1990/000900/30]

whose registered office is at 49<sup>th</sup> Floor, Carlton Centre, 150 Commissioner Street, Johannesburg 2001,

**and**

**the Company as indicated in the RFP bid response hereto**

**WHEREAS**

Transnet and the Company wish to exchange Information [as defined below] and it is envisaged that each party may from time to time receive Information relating to the other in respect thereof. In consideration of each party making available to the other such Information, the parties jointly agree that any dealings between them shall be subject to the terms and conditions of this Agreement which themselves will be subject to the parameters of the Bid Document.

**IT IS HEREBY AGREED**

**1. INTERPRETATION**

In this Agreement:

- 1.1 **Agents** mean directors, officers, employees, agents, professional advisers, contractors or sub-contractors, or any Group member;
- 1.2 **Bid or Bid Document** means Transnet's Request for Information [**RFI**] Request for Proposal [**RFP**] or Request for Quotation [**RFQ**], as the case may be;
- 1.3 **Confidential Information** means any information or other data relating to one party [the **Disclosing Party**] and/or the business carried on or proposed or intended to be carried on by that party and which is made available for the purposes of the Bid to the other party [the **Receiving Party**] or its Agents by the Disclosing Party or its Agents or recorded in agreed minutes following oral disclosure and any other information otherwise made available by the Disclosing Party or its Agents to the Receiving Party or its Agents, whether before, on or after the date of this Agreement, and whether in writing or otherwise, including any information, analysis or specifications derived from, containing or reflecting such information but excluding information which:
  - 1.3.1 is publicly available at the time of its disclosure or becomes publicly available [other than as a result of disclosure by the Receiving Party or any of its Agents contrary to the terms of this Agreement]; or
  - 1.3.2 was lawfully in the possession of the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] free of any restriction as to its use or disclosure prior to its being so disclosed; or

- 1.3.3 following such disclosure, becomes available to the Receiving Party or its Agents [as can be demonstrated by its written records or other reasonable evidence] from a source other than the Disclosing Party or its Agents, which source is not bound by any duty of confidentiality owed, directly or indirectly, to the Disclosing Party in relation to such information;
- 1.4 **Group** means any subsidiary, any holding company and any subsidiary of any holding company of either party; and
- 1.5 **Information** means all information in whatever form including, without limitation, any information relating to systems, operations, plans, intentions, market opportunities, know-how, trade secrets and business affairs whether in writing, conveyed orally or by machine-readable medium.

## 2. CONFIDENTIAL INFORMATION

- 2.1 All Confidential Information given by one party to this Agreement [the **Disclosing Party**] to the other party [the **Receiving Party**] will be treated by the Receiving Party as secret and confidential and will not, without the Disclosing Party's written consent, directly or indirectly communicate or disclose [whether in writing or orally or in any other manner] Confidential Information to any other person other than in accordance with the terms of this Agreement.
- 2.2 The Receiving Party will only use the Confidential Information for the sole purpose of technical and commercial discussions between the parties in relation to the Bid or for the subsequent performance of any contract between the parties in relation to the Bid.
- 2.3 Notwithstanding clause 2.1 above, the Receiving Party may disclose Confidential Information:
- 2.3.1 to those of its Agents who strictly need to know the Confidential Information for the sole purpose set out in clause 2.2 above, provided that the Receiving Party shall ensure that such Agents are made aware prior to the disclosure of any part of the Confidential Information that the same is confidential and that they owe a duty of confidence to the Disclosing Party. The Receiving Party shall at all times remain liable for any actions of such Agents that would constitute a breach of this Agreement; or
- 2.3.2 to the extent required by law or the rules of any applicable regulatory authority, subject to clause 2.4 below.
- 2.4 In the event that the Receiving Party is required to disclose any Confidential Information in accordance with clause 2.3.2 above, it shall promptly notify the Disclosing Party and cooperate with the Disclosing Party regarding the form, nature, content and purpose of such disclosure or any action which the Disclosing Party may reasonably take to challenge the validity of such requirement.
- 2.5 In the event that any Confidential Information shall be copied, disclosed or used otherwise than as permitted under this Agreement then, upon becoming aware of the same, without prejudice to any rights or remedies of the Disclosing Party, the Receiving Party shall as soon as practicable notify the Disclosing Party of such event and if requested take such steps [including the institution of legal proceedings] as shall be necessary to remedy [if capable of remedy] the default and/or to prevent further unauthorised copying, disclosure or use.
- 2.6 All Confidential Information shall remain the property of the Disclosing Party and its disclosure shall not confer on the Receiving Party any rights, including intellectual property rights over the Confidential Information whatsoever, beyond those contained in this Agreement.

### **3. RECORDS AND RETURN OF INFORMATION**

- 3.1 The Receiving Party agrees to ensure proper and secure storage of all Information and any copies thereof.
- 3.2 The Receiving Party shall keep a written record, to be supplied to the Disclosing Party upon request, of the Confidential Information provided and any copies made thereof and, so far as is reasonably practicable, of the location of such Confidential Information and any copies thereof.
- 3.3 The Company shall, within 7 [seven] days of receipt of a written demand from Transnet:
  - 3.3.1 return all written Confidential Information [including all copies]; and
  - 3.3.2 expunge or destroy any Confidential Information from any computer, word processor or other device whatsoever into which it was copied, read or programmed by the Company or on its behalf.
- 3.4 The Company shall on request supply a certificate signed by a director as to its full compliance with the requirements of clause 3.3.2 above.

### **4. ANNOUNCEMENTS**

- 4.1 Neither party will make or permit to be made any announcement or disclosure of its prospective interest in the Bid without the prior written consent of the other party.
- 4.2 Neither party shall make use of the other party's name or any information acquired through its dealings with the other party for publicity or marketing purposes without the prior written consent of the other party.

### **5. DURATION**

The obligations of each party and its Agents under this Agreement shall survive the termination of any discussions or negotiations between the parties regarding the Bid and continue thereafter for a period of 5 [five] years.

### **6. PRINCIPAL**

Each party confirms that it is acting as principal and not as nominee, agent or broker for any other person and that it will be responsible for any costs incurred by it or its advisers in considering or pursuing the Bid and in complying with the terms of this Agreement.

### **7. ADEQUACY OF DAMAGES**

Nothing contained in this Agreement shall be construed as prohibiting the Disclosing Party from pursuing any other remedies available to it, either at law or in equity, for any such threatened or actual breach of this Agreement, including specific performance, recovery of damages or otherwise.

### **8. PRIVACY AND DATA PROTECTION**

- 8.1 The Receiving Party undertakes to comply with South Africa's general privacy protection in terms Section 14 of the Bill of Rights in connection with this Bid and shall procure that its personnel shall observe the provisions of such Act [as applicable] or any amendments and re-enactments thereof and any regulations made pursuant thereto.
- 8.2 The Receiving Party warrants that it and its Agents have the appropriate technical and organisational measures in place against unauthorised or unlawful processing of data relating to the Bid and against accidental loss or destruction of, or damage to such data held or processed by them.

**9. GENERAL**

- 9.1 Neither party may assign the benefit of this Agreement, or any interest hereunder, except with the prior written consent of the other, save that Transnet may assign this Agreement at any time to any member of the Transnet Group.
- 9.2 No failure or delay in exercising any right, power or privilege under this Agreement will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power or privilege under this Agreement or otherwise.
- 9.3 The provisions of this Agreement shall be severable in the event that any of its provisions are held by a court of competent jurisdiction or other applicable authority to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.
- 9.4 This Agreement may only be modified by a written agreement duly signed by persons authorised on behalf of each party.
- 9.5 Nothing in this Agreement shall constitute the creation of a partnership, joint venture or agency between the parties.
- 9.6 This Agreement will be governed by and construed in accordance with South African law and the parties irrevocably submit to the exclusive jurisdiction of the South African courts.

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