



NEC3 Term Service Contract (TSC3)

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

and _____
(Reg No. _____)

for **SUPPLY AND INSTALLATION OF WEAR RESISTING
MATERIAL KNOWN AS TILING ON AN "AS- AND- WHEN"
REQUIRED BASIS FOR THE PERIOD OF 60 MONTHS**

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CONTRACT No. [Insert at award stage]

PART C1: AGREEMENTS & CONTRACT DATA

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C1.1 Form of Offer & Acceptance

Offer

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

SUPPLY AND INSTALLATION OF WEAR RESISTING MATERIAL KNOWN AS TILING ON AN "AS- AND- WHEN" REQUIRED BASIS FOR THE PERIOD OF 60 MONTHS.

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

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

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

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

Signature(s) _____

Name(s) _____

Capacity _____

**For the
tenderer:**

(Insert name and address of organisation)

Name &
signature of
witness

Date

Tenderer's CIDB registration number:

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the Schedule of Deviations (if any).

Signature(s) _____

Name(s) _____

Capacity _____

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness _____

Date _____

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

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

Note:

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

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

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

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

For the tenderer:**For the Employer**

Signature _____

Name _____

Capacity _____
(Insert name and address of organisation)

On behalf
of _____
Name &
signature
of witness _____

Date _____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

| Clause | Statement | Data |
|---------|---|---|
| 1 | General | |
| | The <i>conditions of contract</i> are the core clauses and the clauses for main Option: | |
| | | A: Priced contract with price list |
| | dispute resolution Option | W1: Dispute resolution procedure |
| | and secondary Options | |
| | | X1: Price adjustment for inflation |
| | | X2 Changes in the law |
| | | X18: Limitation of liability |
| | | X19: Task Order |
| | | X20: Key performance indicators |
| | | Z: Additional conditions of contract |
| | of the NEC3 Term Service Contract (June 2005) ¹ | |
| 10.1 | The <i>Employer</i> is (name): | Eskom Holdings SOC Limited (Reg No: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa |
| | Address | Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg |
| | Tel No. | [•] |
| | Fax No. | [•] |
| 10.1 | The <i>Service Manager</i> is (name): | |
| | Address | Arnot power Station |
| | Tel | |
| | Fax | |
| | e-mail | |
| 11.2(2) | The Affected Property is | N/A |

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

| | | | |
|----------|--|--|---|
| 11.2(13) | The <i>service</i> is | SUPPLY AND INSTALLATION OF WEAR RESISTING MATERIAL KNOWN AS TILING ON AN "AS- AND- WHEN" REQUIRED BASIS FOR THE PERIOD OF 60 MONTHS. | |
| 11.2(14) | The following matters will be included in the Risk Register | See risk register | |
| 11.2(15) | The Service Information is in | Part 3: Scope of Work and all documents and drawings to which it makes reference. | |
| 12.2 | The <i>law of the contract</i> is the law of | the Republic of South Africa | |
| 13.1 | The <i>language of this contract</i> is | English | |
| 13.3 | The <i>period for reply</i> is | 24 hours | |
| 2 | The Contractor's main responsibilities | the Contractor's liability for defects due to his workmanship that are not listed on the defect certificate is limited to: See overall limitation of liability in Option Z | |
| 21.1 | The <i>Contractor</i> submits a first plan for acceptance within | Within 24 after task order issued | |
| 3 | Time | | |
| 30.1 | The <i>starting date</i> is. | TBA | |
| 30.1 | The <i>service period</i> is | 5 Years | |
| 4 | Testing and defects | Defect date is 52 weeks after completion of each Task Order. The defect correction is 24 hours. | |
| 5 | Payment | | |
| 50.1 | The <i>assessment interval</i> is | Monthly on the last working day of each month | |
| 51.1 | The <i>currency of this contract</i> is the | South African Rand | |
| 51.2 | The period within which payments are made is | 30 days from the day of assessment | |
| 51.4 | The <i>interest rate</i> is | (i) zero percent above the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and | |
| 6 | Compensation events | According to the TSC conditions | |
| | These are additional compensation events: | 61.1 | The unforeseen scope that could suffice and result as emergent work which was not covered in the scope will be treated as a compensation event. |
| | | 61.2 | Re-works due to poor quality controls or workmanships will constitute a compensation event against contractor. |

| | | |
|------|---|--|
| | | <p>61.3 If the service manager decided that and event notified by the contractor :</p> <ul style="list-style-type: none"> - Arises from a fault of the contractor - Has no effect on defined costs or is not one of the compensation events mentioned on this contract. <p>-He notifies the contractor of his decision that prices are not to be changed, if the service manager decides otherwise, he notifies the contractor and ask him to submit quotations.</p> |
| 7 | Use of Equipment Plant and Materials | <ul style="list-style-type: none"> - Cranes will be supplied by the employer; request must be made 24hrs in advanced. - Compressed air up to 6bar will be provided in the plant (contractors to bring their own moisture trap). - 380 v and 220 V power points are provided in the plant. - Scaffolding will be provided by the employer and must be requested 24hrs in advance |
| 8 | Risks and insurance | |
| 80.1 | These are additional <i>Employer's</i> risks | None |
| 83.1 | The <i>Employer</i> provides these insurances from the Insurance Table | as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance). |
| 83.1 | The <i>Employer</i> provides these additional insurances | as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance) |
| 83.1 | The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is | the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| 83.1 | The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is: | the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| 83.1 | The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is: | Whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i>. |

| | | |
|-----------|--|--|
| 83.1 | The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is: | As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands).. |
| 9 | Termination | 90.2 The contractor may terminate only for a reason identified in the termination table. The employer may terminate for any reason. The procedures followed and amounts due on termination are in accordance with the termination table |
| 10 | Data for main Option clause | |
| A | Priced contract with price list | |
| 20.5 | The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than | Based on urgency, impact and criticality of the task and/or as stated in each Task Order or agreed between parties |
| 11 | Data for Option W1 | |
| W1.1 | The <i>Adjudicator</i> is (Name) | All disputes shall in the first instance be directed at the Site outage manager and the Contractor site manager on site. If the dispute is not settled it would be referred to the site Senior Management and the <i>Contractor's</i> Main Representatives. Should they be unable to settle the dispute it would be referred to senior management of each organisation. Should they fail to reach an agreement, it will be referred to the person/s selected from the Eskom panel of Adjudicators by the Party intending to refer a dispute to him. |
| W1.2(3) | The <i>Adjudicator nominating body</i> is: | The Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za) |
| W1.4(2) | The <i>tribunal</i> is: | Arbitration |
| W1.4(5) | The <i>arbitration procedure</i> is | the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body. |
| | The place where arbitration is to be held is | South Africa |
| | The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is | The Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body. |

| | | | | |
|-------|--|---|---------------------|-------------------|
| 12 | Data for secondary Option clauses | | | |
| X1 | Price adjustment for inflation | | | |
| X1.1 | The <i>base date</i> for indices is | [•] | | |
| | The proportions used to calculate the Price Adjustment Factor are: | Proportion | linked to index for | Index prepared by |
| | | 0. | [•] | [•] |
| | | 0. | [•] | [•] |
| | | 0. | [•] | [•] |
| X2 | Changes in the law | No Contract Data required for this section of conditions of Contract | | |
| X18 | Limitation of liability | | | |
| X18.1 | The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to | R0.0 (zero Rand) | | |
| X18.2 | For any one event, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to | The total of the task order per unit http://www.eskom.co.za/live/content.php?Item_ID=9248 | | |
| X18.3 | The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to | <ul style="list-style-type: none">the total of the Prices at the Contract Datethe amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on http://www.eskom.co.za/live/content.php?Item_ID=9248 | | |
| X18.4 | The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to | <p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <ul style="list-style-type: none">Defects due to manufacture and fabrication outside the Affected Property,loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials),death of or injury to a person andInfringement of an intellectual property right. | | |
| X18.5 | The <i>end of liability date</i> is | 12 months after the end of the <i>service period</i> . | | |

| | | |
|------------|---|--|
| X19 | Task Order | |
| X19.5 | The <i>Contractor</i> submits a Task Order programme and Qcp to the <i>Service Manager</i> within | Within 24 hours after receipt of task order |
| X20 | Key Performance | - As agreed between the employer and the contractor |
| X20.1 | The <i>incentive schedule</i> for Key Performance Indicators is in | The Parties to identify agree KPI's and measure these during the 1st year of the contract. From year two the Parties should agree these and determine the incentive basis. |
| X20.2 | A report of performance against each Key Performance Indicator is provided at intervals of | monthly |

Z The additional conditions of contract are

Z1 to Z11 always apply.

Z1 Cession delegation and assignment

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

Z2 Joint ventures

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

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

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Works.
- Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Ethics

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

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

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

Z5 Confidentiality

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

Z6 Waiver and estoppel: Add to core clause 12.3:

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

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

- Z7.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2003 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and

- undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

Z7.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

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

Z8.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.

Z8.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.

Z8.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

Z9 Notifying compensation events

Z9.1 Delete from the last sentence in core clause 61.3, "unless the *Service Manager* should have notified the event to the *Contractor* but did not".

Z10 Employer's limitation of liability

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

Z10.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for under the compensation events stated in this contract.

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

Z11.1 or had a judicial management order granted against it.

Annexure A: Insurance provided by the Employer

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

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

http://www.eskom.co.za/live/content.php?Item_ID=9248

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

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

| Name | Location | Contact details (phone & e mail) |
|------------------------|----------|---|
| Nigel ANDREWS | Gauteng | +27 11 836-6760 nigela@quoin.net |
| Andrew BAIRD | Gauteng | +27 11 803 3008 andrewbaird@ecsconsult.co.za |
| Christopher BINNINGTON | Gauteng | +27 11 888-6141 cdb@bca.co.za |
| Peter HIGGINS | UK | +44 1293 873 868 peterhiggins@pdconsult.co.uk |
| Bruce LEECH | Gauteng | +27 11 290 4000 leech@counsel.co.za |
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Information about the Panel and appointment of the selected *Adjudicator* is available from Eskom Supply Chain Operations management, by contacting Leighton Itholeng (Tel.: +27 (0)11 800 4031) (Fax :+27 (0)86 668 0419) E-mail: Leighton.Itholeng@eskom.co.za

C1.2 Contract Data

Part two - Data provided by the Contractor

[Instructions to the contract compiler: (delete this notes before issue to tenderers with an enquiry)

Whenever a cell is shaded in the left hand column it denotes this data is optional and would be required in relation to the option selected. In the event that the option is not required select and delete the whole row.]

Notes to a tendering contractor:

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

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

| Clause | Statement | Data |
|----------|---|---|
| 10.1 | The <i>Contractor</i> is (Name): Address Tel No. Fax No. E-mail Address | |
| 11.2(8) | The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is | % % |
| 11.2(14) | The following matters will be included in the Risk Register | As agreed upon by site (Hendrina Power Station) |
| 11.2(15) | The Service Information for the Contractor's plan is in: | The Service Information and in each Task Order as applicable |
| 21.1 | The plan identified in the Contract Data is contained in: | As stated in each Task Order |
| 24.1 | The key persons are: 1 Name: Job: Responsibilities: Qualifications: | |

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

Experience:

2 Name:

Job

Responsibilities:

Qualifications:

Experience:

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

.

| | | |
|----------|-------------------------------------|---------------------|
| A | Priced contract with price list | |
| 11.2(12) | The <i>price list</i> is in | Part 2 pricing data |
| 11.2(19) | The tendered total of the Prices is | R |

PART 2: PRICING DATA

TSC3 Option A

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

PART 2: PRICING DATA

TSC3 Option A

| Document reference | Title | No of pages |
|--------------------|-------------------------------|-------------|
| C2.1 | Pricing assumptions: Option A | 2 |
| C2.2 | The <i>price list</i> | 3 |

C2.1 Pricing assumptions: Option A

How work is priced and assessed for payment

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

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

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

Function of the Price List

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

Link to the *Contractor's* plan

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

Preparing the *price list*

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

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

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;
- Has listed and priced items in the *price list* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

Format of the *price list*

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

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

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

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

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

C2.2 the *price list*

| Item No. | Description | Unit Of Measure | Expected Quantity For 5 years | Rate | Price |
|----------|--|-----------------|-------------------------------|------|-------|
| | | | | | |
| | Site establishment/ outage | ea | | | |
| | Site de-establishment/outage | ea | | | |
| | Safety file/outage | ea | | | |
| | | | | | |
| | PF feed tubes & PF pipes | | | | |
| | | | | | |
| | Remove old tiles and retile the PF feedtube with 92 interlocking Alumina ceramic tiles 12 X 25 X 100 mm. Adhesive to be able to withstand 1000°C. Drawing number for PF Feedtube is 26.41/56736. | sqm | 1336 | | |
| | Bedding Material Adhesive grout withstand up to 1000°C for PF feed tubes | KG | 3849 | | |
| | | | | | |
| | Milling plant to PF pipes during outages | | | | |
| | Weld on alumina ceramic tiles (150 x 100x12) MM | SQ M | 683 | | |
| | Weld on alumina ceramic tiles J bend (150 x 50 x25)MM | SQ M | 220 | | |
| | Alumina ceramic Plant tiles Straight (150 x 100 x12)MM | SQ M | 250 | | |
| | Alumina ceramic Plant tiles Straight (150 x 100 x 25)MM | SQ M | 320 | | |
| | Alumina ceramic Plant tiles Straight (150 x 50 X 25)MM | SQ M | 400 | | |
| | Alumina ceramic Plant tiles bends /pipes (150 x 100 x12)MM | SQ M | 320 | | |

SUPPLY AND INSTALLATION OF WEAR RESISTING MATERIAL KNOWN AS TILING ON AN "AS- AND- WHEN" REQUIRED BASIS FOR THE PERIOD OF 60 MONTHS

| | | | | | |
|--|---|-------|--------|--|--|
| | Alumina ceramic Plant tiles bends /pipes (150 x 100 x 25)MM | SQ M | 150 | | |
| | Adhesive, up to 150 degrees temperature non- toxic silicone 280ML per kit | TUBE | 4800 | | |
| | High temperature wear compound | L | 1200 | | |
| | Supervisor normal time | HOURL | 1845 | | |
| | Supervisor over time | HOURL | 140 | | |
| | Supervisor double time | HOURL | 24 | | |
| | Tiler normal time | HOURL | 3080 | | |
| | Tiler over Time | HOURL | 400 | | |
| | Tiler double Time | HOURL | 120 | | |
| | | | | | |
| | Milling plant to PF pipes during online maintenance | | | | |
| | Weld on alumina ceramic tiles (150 x 100x12) MM | SQ M | 1023 | | |
| | Weld on alumina ceramic tiles J bend on floor (150 x 50 x25)MM | SQ M | 45 | | |
| | Alumina ceramic Plant tiles Straight (150 x 100 x12)MM | SQ M | 150 | | |
| | Alumina ceramic Plant tiles Straight (150 x 100 x 25)MM | SQ M | 45 | | |
| | Alumina ceramic Plant tiles Straight (150 x 50 X 25)MM | SQ M | 20 | | |
| | Alumina ceramic Plant tiles bends /pipes (150 x 100 x12)MM | SQ M | 150 | | |
| | Alumina ceramic Plant tiles bends /pipes (150 x 100 x 25)MM | SQ M | 45 | | |
| | Adhesive, up to 150 degrees temperature non- toxic silicone 280ML per kit | TUBE | 12 000 | | |
| | High temperature wear compound | L | 3 000 | | |
| | Supervisor normal time | HOURL | 4608 | | |

| | | | | | |
|--|------------------------|------|------|--|--|
| | Supervisor over time | HOUR | 350 | | |
| | Supervisor double time | HOUR | 300 | | |
| | Tiler normal time | HOUR | 7680 | | |
| | Tiler over Time | HOUR | 1000 | | |
| | Tiler double Time | HOUR | 400 | | |

Transport, accommodation, material & consumables required to do the work cost to be included on the labour rate.

The total of the Prices excluding VAT and CPA

| |
|--|
| |
|--|

NB: PRICING SHALL BE INCLUSIVE OF EVERYTHING NECESSARY AND INCIDENTAL TO PROVIDING THE SERVICE IN ACCORDANCE WITH THE SERVICE INFORMATION.

PART 3: SCOPE OF WORK

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| | | |
|------|----------------------------------|----|
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| | | |
| | | |
| | | |
| | Total number of pages | 16 |

C3.1: EMPLOYER'S SERVICE INFORMATION

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1 Description of the service

1.1 Executive overview

Supply and installation of tiles, stripping the old scrap tiles from the components to be re-tiled maintaining a sufficient stock level of all the required spares and service all areas as follows:

Boiler areas

- Mill components including pipes and bends
- Chutes
- PF feed tubes
- Square bends and hoppers in the plant and or any other part of the plant that might be required.

1.2 Employer's requirements for the service

1.2.1 Mill components including pipes and bends

The milling plant components are a high wear area with both abrasion and impact. The maximum temperature expected in these areas should not exceed 150°C

Remove worn, broken cracked tiles as directed by cutting instruction and prepare area for tilling. Supply and apply install wear resisting material tilling to specification as and when required bases.

Be available within 12 hours on the call out for breakdowns
Supply technical details of applying methods that will be used.
Contractor shall develop standard method statements and QCP's for each area to be worked on.
e.g. classifier and mill body's etc.

1.2.2 Chutes

1.2.3 PF Feedtubes

The pulverised fuels (PF) feed tubes are part of the burner compartment used to feed PF into the boiler. The feed tubes are tiled to prevent wear of the feed tube. The feed tube is exposed to 1000°C radiation heat from the boiler. PF feed tubes tiles shall be intact for at least 72 months (i.e. no tiles cracking, no tiles detaching). The scope entails collecting the PF feed tubes to the *Contractor's* workshop, remove old tiles and retile with 92 Alumina ceramic tiles 12 X 25 X 100 mm. Adhesive to be able to withstand 1000°C.

PF feed tube tiles are quite a challenge, they fall off whilst in operation. The *Employer* is open to new developments to address the wear protection on the PF feedtubes.

Key Performance Indicators

| | Description | Source of evidence | Penalty |
|---|---|--|--|
| 1 | Tiles falling off from the PF feedtubes before they are installed in the plant. | Pictures. The <i>Contractor</i> will be contacted to witness otherwise pictures taken by the <i>Employer</i> will suffice. | The cost of PF feedtubes where tiles came off shall be deducted on the next batch (NB: the defective PF feedtubes would have been paid already therefore costs need to be recouped on the next batch). |
| 2 | Tiles falling off from the PF feedtubes within 36 months | Pictures. The <i>Contractor</i> will be contacted to witness | The cost of PF feedtubes where tiles came off shall be deducted on |

| | | | |
|--|--|---|---|
| | after being installed and in service in the boiler | otherwise pictures taken by the <i>Employer</i> will suffice. | the next batch (NB: the defective PF feedtubes would have been paid already therefore costs need to be recouped on the next batch). |
|--|--|---|---|

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

| Abbreviation | Meaning given to the abbreviation |
|--------------|-----------------------------------|
| OBL | Outside battery limits |
| PTW | Permit to Work |
| U1- 6 | Units 1 - 6 |
| RTS | Return to Service |
| FDR | Feeder |
| PF | Pulverised Fuel |
| SWP | Safe Working Procedure |
| RP | Responsible Person |
| PSR | Plant Safety Regulations |
| PA | Primary Air |
| SA | Seal Air |
| TBA | To Be Advised |
| QCP | Quality Control Plan |
| QC | Quality Control |
| QM | Quality Management |
| PF | Pulverised Fuel |

2 Management strategy and start up.

2.1 The *Contractor's* plan for the service

The contractor shall provide a site manager or a project manager to supervise, monitor control and co-ordinate all activities during the execution of the contract.

Minimum requirements of people employed

- Supervisory training /qualification
- Safety training
- Minimum two years' experience in maintenance environment
- Computer literate
- Evaluation, analysing and decision making skills
- Manage and lead the team to ensure proper adherence to the contract scope and execution of all work by the team
- Supervisor

- Tilling certificate
- Supervisory training/qualification
- Safety training
- Knowledge of Health and Safety Regulations
- Perform first line quality control
- Prioritise and allocate work
- Control daily activities

2.2 Management meetings

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

| Title and purpose | Approximate time & interval | Location | Attendance by: |
|--|-----------------------------|----------|--|
| Risk register and compensation events | as requested | TBA | <i>Employer, Contractor, Supervisor and Other Co-opted Members</i> |
| Overall contract progress and feedback | Monthly | TBA | <i>Employer, Contractor, Supervisor and Other Co-opted Members</i> |

Meetings of a specialist nature may be convened as specified elsewhere in this Service Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the service. Records of these meetings shall be submitted to the *Service Manager* by the person convening the meeting within five days of the meeting.

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

2.3 Contractor's management, supervision and key people

The contractor submits to the service manager an organogram showing his people and their lines of authority/communication.

2.4 Documentation control

All procedures, work instructions, forms and all contractual communications must be controlled for the duration of the contract.

- The following will appear on all controlled documentation as a title page, page header.
 - ✓ Title
 - ✓ Document unique identifier
 - ✓ Revision number, original documents will be noted as revision. All subsequent revisions will be numbered sequentially
 - ✓ Revision date
 - ✓ Date when document was last changed, this will change with each revision
 - ✓ Effective date
 - ✓ Date when document first came into use. This date will not change as the document is revised.
- All contractual communications will be in the form of properly compiled letters or forms attached to mails and not as a message in the email itself.
- Inspections report to be compiled and submitted within two weeks.
- Data package after all the work has been finished to be submitted within one week after the repairs.

Feedback required must include the following information for works or task completed or to be carried out.

- Summary of work done
- Estimated time duration with regard to the future work required
- Budget cost price with regard to the future work required
- Bill of materials with regard to future work required
- Criticality of the work

Data books completion and submissions as per Eskom standard and requirements please refer to QM 58 SECTION 3.5.10.1 for contractor's responsibilities with regards to data books.

2.5 Invoicing and payment

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

Local Eskom invoices excluding primary Energy, Group Capital, Eskom Enterprises and Eskom Development Foundation: invoiceseskomlocal@eskom.co.za

Eskom Holdings SOC Limited-Registration Number 2002/15527/30
Eskom Arnot Power Station
Vat NR: 4740101508

Private Bag x 2
RIETKUIL
1097

The contractor includes the following information on each tax invoice:

- Name and address of the *Contractor* and the *Service Manager*;
- The contract number and title;
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Description of service provided for each item invoiced based on the Price List;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- (add other as required)

The Contractor attaches the detail assessment of the amount due to each tax invoice showing the price for work done to date for each item in the price list for work which he has completed.

2.6 Contract change management

The contractor keeps accurate and complete books of accounts, records and other evidence relating to the actual cost. Records and accounts must reflect all work done on the contract. These are open to audit. All documentation is kept by the contractor for a period of three years following completion of this contract. This information must be kept up to date at all times.

The contractor may be requested to submit to the delegated service manager proof of costs incurred, which may include the following:

- The number and grading of employees within the working areas
- The number and grading of employees outside the working areas
- Cost allocation
- Payroll registers
- Schedule of equipment and time sheets
- Information the delegated project manager reasonably requires

2.7 Things provided at the end of the service period for the employer's use

2.7.1 Equipment

None.

2.7.2 Information and other things

All records, data books, inspection reports etc. relating to the works and all Eskom drawings sourced out through document centre to be returned to Arnot Power Station.

2.8 Management of work done by task order

The service manager issues a task order to the contract which specifies clearly the work to be provided, additional specifications and procedures and any other constraints the contractor complies with in providing the works. The task order is issued before the contractor provides the service.

The Service Manager issues Task Orders to the Contractor in a timely manner that allows the Contractor to properly plan the work within the time periods stated on the Task Order.

The Service Manager issues to the contractor any information relative to the Employer's need and circumstance surrounding forecast future work required from the Contractor. This information allows the Contractor to provide staff in a cost effective and efficient manner.

Emergency work

The Service Manager may issue a verbal instruction to the Contractor undertake emergency service. This verbal instruction is confirmed in writing 5 days from when the instruction is issued.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

The *Contractor* applies safety awareness at all times through continuous training.

The *Contractor* is appointed to act on behalf of the *Employer* in terms of the Occupational Health and Safety Act no 85 of 1993 for this contract.

All of the *contractor's* staff complies with the procedure "Health and Safety at Arnot Power Station; requirements to be met by Contractors. Standard 15, this document is available from the *Supervisor*

The *Contractor* must appoint Safety Representatives to assist the responsible Site Manager and sub-ordinates to:

- identify possible hazards, dangers and risks;
- eliminate potentially dangerous conditions and actions;
- ensure a safe working environment;
- Inspect and record findings of his workplace and submit a copy on a monthly basis to Risk Management.

The *Contractor* must ensure that all his personnel attend a Health and Safety Induction Course prior to starting with their work.

The *Contractor* Site Manager must inform his employees of specific risks and dangers associated with their work. He must inform them of precautions necessary to avoid injury to themselves or others and to prevent damage to property, machinery and equipment.

The *Contractor* Site Manager is responsible for employees working under his control and shall meet his moral and legal obligations to eliminate unsafe conditions and prevent unsafe acts.

The *Contractor* Site Manager or appointed responsible person shall promote an ongoing Health and Safety awareness programme amongst his employees. This programme shall include weekly toolbox safety talks and monthly health and safety meetings. Minutes of the meetings must be submitted to Risk Management.

Risk Management has the right and authority to visit and inspect the *Contractor's* workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.

The *Contractor* shall be obliged to institute and maintain an adequate safety programme that shall ensure the safety of persons and the prevention of damage to machinery, equipment and property.

Safety requirements

The *Contractor* shall be obliged to conform to all laws, by-laws, sections and regulations in force. This includes the minimum Health and Safety requirements and precautions for *Contractors*, sub-contractors and temporary workers.

The *Employers Representative* shall be entitled to cause the *Contractor* to stop work, without penalty to *Employer*, where the *Contractor's* personnel fail to conform to acceptable safety standards or contravene health and safety sections and regulations. He shall be entitled to cause the *Contractor* to discipline his employees and to submit disciplinary action, in writing to Risk Management. The *Contractor* shall also implement additional health and safety precautions.

The *Contractor* is to ensure that all his personnel before coming on site has been given induction training and signed copies of this to be submitted to the *Project Manager*.

Personal protective clothing to be worn at the workplace includes the following:

- As per the scope of work

Plant safety regulations

The *Employer* shall make a copy of the Plant Safety Regulations available to the *Contractor*.

The *Contractor* shall conform to all rules and regulations applicable to Plant Safety and shall complete the Workman's Declaration Book prior to working on the plant.

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

COMPLIANCE TO 5 IDENTIFIED CARDINAL RULES:

RULE 1: OPEN, ISOLATE, TEST, EARTH, BOND, AND/OR INSULATE BEFORE TOUCH

(That is, any plant operating above 1 000 V)

No person may work on any electrical network unless:

He/she is trained and authorised as competent for the task to be done;

A pre-task risk assessment to identify all risks and hazards has been conducted prior to any work commencing;

An equipotential zone is created for each worker on the job site by earthing, bonding, and/or insulating according to approved procedures;

All conducting material is connected together, all staff on site wear electrical safety shoes, and insulating techniques are applied according to standards; and

The authorised person (team leader) has certified and shown all team members that the apparatus is safe to work on.

RULE 2: HOOK UP AT HEIGHTS

Working at height is defined as any work performed above a stable work surface or where a person puts himself/herself in a position where he/she exposes himself/herself to a fall from or into.

No person may work at height where there is a risk of falling unless:

- a pre-task risk assessment to identify all risks and hazards has been conducted prior to commencing any work at height;
- he/she is appropriately trained;
- he/she is appropriately secured during ascending and descending; and
- he/she is using an approved fall arrest system where applicable.

RULE 3: BUCKLE UP

No person may drive any vehicle on Eskom business and/or on Eskom premises:

- Unless the driver and all passengers are wearing seat belts.

RULE 4: BE SOBER

No person is allowed to work under the influence of drugs and alcohol.

"Under the influence" means the use of alcohol, drugs, and/or a controlled substance to the extent that:

- the individual's faculties are in any way impaired by the consumption or use of the substances; or
- the individual is unable to perform in a safe, productive manner; or
- the individual has a level of any such substance in his/her body that corresponds to or exceeds accepted medical/legal standards; or
- the individual has a level of alcohol in his/her body that is greater than 0.02% blood alcohol concentration.
- This includes any level of an illegal substance in the body, irrespective of when the substance was used.

RULE 5: ENSURE THAT YOU HAVE A PERMIT TO WORK

Where an authorisation limitation exists, no person shall work without the required Permit to Work (PTW), which is governed by the Plant Safety Regulations, Operating Regulations for High Voltage Systems (ORHVS) etc.

No plant is to be returned to service without the cancellation of all permits on that plant in accordance with procedure.

NB: in the case of live work, a "live work declaration form" is to be completed by the authorised person who is the person responsible for the safe execution of work according to relevant standards and procedures.

Please ensure that these rules are understood and communicated with the urgency that they deserve. If any of these rules are unclear or the consequences not understood, please do not hesitate to discuss it with Eskom.

We would like to continue our current partnership and therefore urge your support in the implementation and upholding of these rules.

3.2 Environmental constraints and management

We are committed to sustainable development and will actively work to reduce the impact on the natural environment resulting from the power generation process.
We commit to continual improvement in our performance and aspire to minimum harm to people and the environment

- **Whenever we conduct our business, we will:**
 - L : Legal compliance
 - I : Improve continuously
 - M: Management of natural resources
 - P: Prevention of pollution
- **Refuse Disposal**

The *Contractor* is responsible to keep the work area clean of any rubble.

All waste introduced and/or produced on the *Employer's* premises by the *Contractor* for this contract, is handled in accordance with National Management Waste Act No. 59 of 2008 and ASEN 0008 Waste removal procedure. The *Contractor* shall comply with the environmental criteria and constraints stated in ASEN 0003 Environmental manual.

The *Employer* provides colour coded bins for refuse disposal.

The *Employer* empties these bins.

Contractor keeps the work area clean of any rubble, and to places all refuse into the bins provided.

The *Contractor* ensures that all workers under his control strictly adhere to the correct use of refuse bins:

- | | |
|----------------------|---|
| Blue bins: | - Scrap metal only |
| White bins: | - Lagging and general household rubbish |
| Red bins: | - Oil contaminated waste |
| Blue and green drums | - Waste grease |

The *Contractor* shall comply with the environmental criteria and constraints stated in **Annexure B**.

3.3 Quality assurance requirements

The Contractor complies with the quality procedures and codes relevant for each Task Order. The Contractor also advises on the appropriate use of other applicable standard and codes of practice.

The *Contractor* ensures that QCPs are ready a week prior to execution of the task. The QCP will have all the activities to ensure quality of the work to be undertaken.

The *Contractor* ensures that the work is carried out in accordance with the quality control plans or any other specifications through written instructions from the *Project Manager*.

The *Contractor* ensures that all specifications and requirements are communicated to the relevant parties in organisation and should not deviate from it.

The *Contractor* submits the complete QCP to Employer and QC to review the specific requirements and insertion of Intervention Points, e.g. Hold and Witness Points.

The Contractor ensures that all intervention points are attended and signed off progressively during maintenance task.

All documentation has a clearly stated revision number and previously similar documentation is revoked.

Quality-related problems/issues are reported and resolved during the daily technical meetings, which will be held at the Site.

The *Contractor* submits data package to Employer not later than 7 days after the completion of the work.

The *Contractor* ensures that Employer is granted access to contractor's premises and facilities at reasonable times to conduct quality audits, surveillance or inspections to verify compliance with the contract/order.

All Completed work is signed-off in the quality control plan and all the relevant signatures are on the documentation. A daily status report of completed work/activities is made available to the *Project manager*.

For PF feedtubes, the minimum points to be included on the QCP and all shall be hold. Points for the Employer:

- a) Confirmation of the drawing being used 26, 41/56736
- b) Submit the material certificate for tiles and adhesive
- c) Approval of the material data sheet for the adhesive that must withstand up to 1000°C.
- d) Surface prepared where tiles will be attached to be clean, free of dust, oil, grease, foreign objects surface to be prepared for adhesion i.e rough as per 240-562391
- e) Gaps between the tiles maximum to be 0.5 mm per 240-562391
- f) Release to site

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

Not applicable.

4.1.2 BBBEE and preferencing scheme

Pre-qualification

- B-BBEE status level of contributor required is 1-4.

4.1.3 Supplier Development, Localisation and industrialisation formerly known as Accelerated Shared Growth Initiative – South Africa (ASGI-SA)

The *Contractor* complies with and fulfils the *Contractor's* obligations in respect of the Supplier Development, Localisation and industrialisation formerly known as Accelerated and Shared Growth Initiative - South Africa in accordance with and as provided for in the *Contractor's* Supplier Development, Localisation and industrialisation formerly known as ASGI-SA Compliance Schedule stated below

Job Opportunities

Tenderer to indicate number of Jobs to be created and/or retained from this contract:

| Number of Jobs to be created | Number of Jobs to be retained |
|------------------------------|-------------------------------|
| | |

Other Initiatives: Socio Economic Development Contribution (Known as CSI)

| Category | Eskom Target | Tenderer Proposal |
|----------|---------------------------------|-------------------|
| CSI | 0.5% of the local content value | |

The *Contractor* shall keep accurate records and provide the *Service Manager* with reports on the *Contractor's* actual delivery against the above stated Supplier Development, Localisation and industrialisation formerly known as ASGI-SA criteria.

The *Contractor's* failure to comply with his Supplier Development, Localisation and industrialisation formerly known as ASGI-SA obligations constitutes substantial failure on the part of the *Contractor* to comply with his obligations under this contract.

4.2 Subcontracting

4.2.1 Preferred subcontractors

Not applicable.

4.2.2 Subcontract documentation, and assessment of subcontract tenders

Not applicable.

4.2.3 Limitations on subcontracting

Not applicable.

4.2.4 Attendance on subcontractors

Not applicable.

4.3 Plant and Materials

4.3.1 Specifications

4.3.1.1 Tiles for the PF feedtubes is Alumina tiles and must be able to withstand 1000°C. Refer to the drawing 26.41/56736 detail of the PF feedtube. Tile size is 12 X 25 X 100 mm.

4.3.1.2 For PF pipes and milling plant components, tile thickness of 12mm and 20mm of suitable sizes are to be used. Bonding agent shall be able to withstand the temperature of 150°C for the milling plant.

4.3.1.3 All tiles to be at least 92% aluminium oxide content.

4.3.1.4. Surface preparation to be of a nature to ensure adhesive and wear compound bond.

4.3.1.5 Weld on tiles to be fitted only with the specific manufactured plug of the tile.

4.3.1.6. Weld on tiles must be at all times be welded properly.

4.3.1.7. Tiling must be done to ensure flat tiled area with no overlapping or protrusions.

4.3.1.8. Where a gap of 15mm or more exists a tile needs to be fitted.

4.3.1.9. Gaps between tiles should be no more than 1mm.

Correction of defects

4.3.2. On the PF feed tubes and milling plant tiles that came off before 4200 service, shall be removed from the plant and be repaired by the *Contractor* at no cost to the employer.

Plant & materials provided free issue by the *Employer*.

- a) The *Employer* will provide power supply, water and land for the storage of equipment and material.
- b) The *Contractor* will supply all the necessary material required to execute the works.
- c) Should the *Contractor* need to use of any of the employer's equipment, including compressed air, electricity, water supply and crate, it must be specified by the contractor. The *Employer* does not guarantee continuity of supply of any off these items.

4.3.2 Contractor's procurement of Plant and Materials

Supply guarantee of tiles to be intact in the plant during the course of operation at least for a year.

Tiles to be intact while in storage.

4.3.3 Tests and inspections before delivery

Contractor to supply QCP for works and the work executed off site to be inspected before delivery.

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

Plant, water, power and sanitation to be supplied by the employer.
No unused material to be left on site after execution of work.

4.3.5 Cataloguing requirements by the *Contractor*

Not applicable.

5 Working on the Affected Property

- a) The contractor applies for access permits for all works exceeding four (4) weeks via the project manager, who will co-ordinate this.
- b) The contractor applies for contractor's permits for all his employees and or subcontractors at the security gate, at least 24 hours prior to entry of the Arnot Power Station Security Area
- c) The contractor completes the specific form in the Arnot Power Station Contractors Safety Manual. Listing all of the personnel that he intends using on site
- d) The completed list, identified with the contractor's name, contains the following information:
 - Employee name
 - Employee id number
 - Eskom safety co-ordinator signature
 - Eskom project manager signature
 - Validity date
- e) No permit are issued to personnel who have not attended safety induction
- f) The contractor photocopies the first page of the ID book of every one of his employees, reduced to the size 65%
- g) This completed list, together with the photocopies of the ID books is delivered to protective services for the preparation of the contract's permits.
- h) The contractor allows at least 24 hours for the preparation of the security permit, before he collects the permits from the protective services offices.
- i) The contractor's personnel are required to be in possession of a contractor's permit at all times inside Arnot Power Station.
- j) All contractors' permits are submitted back to protective services when the workers leave the site after completion of the works. Failure to return the permit will result in a R 25,00 penalty for each non returned permit.
- k) The contractor compiles detailed tool list (obtainable from protective services) of all tools and equipment to be taken on site before arriving at the power station.
- l) Authorised copies of these lists are retained to be used again when the tools and equipment is removed from site
- m) The contractor visitor's and all personnel conform to the security arrangements that are in force at Arnot power station.
- n) Application forms for visitor's are filled in by the contractor's site Manager and approved by the project Manager and submitted to the Employers protective service office one day prior to the visit.
- o) visitors will not be allowed on site if the necessary forms are not in the possession of security staff.
- p) The chief security officer may, with valid cause, remove any of the contractor's personnel from site, either temporarily or permanently. He may deny access to the site to any person whom, in the opinion of the said chief security officer constitutes a security risk.
- q) No unauthorised vehicles will be allowed on site. Contract vehicle application is directed to the Project Manager for consideration and approval.
- r) The contractor is restricted to the site, the contractor is forbidden to enter any other areas, and ensures that his employees abide by these regulations.
- s) Parking inside the power station is strictly forbidden, except for loading purposes.
- t) No recruiting of casual labour may be done on Eskom premises, including the area outside the power station security gate.
- u) Security personnel may search any premises, property or person within the security area of Arnot Power Station
- v) No photographic equipment will be allowed within the security area of the Power Station without obtaining permission.

- w) Application forms for such permission is available from the protective services offices.
x) Any person found in possession of such equipment will be prosecuted in terms of the National Key Point Act

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

To always follow Eskom "life saving" rules.

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

The contractor personnel to work the same working hours as Eskom personnel which are: Mondays to Thursday 07:00 – 16:15, and Fridays 07:00 -12:00 and the lunch break is 12:00 – 12:30.
The labour is supplied for 173hours per month. The contractor must ensure availability of personnel for standby and call outs when required during the weekends and or after normal working hours.

It is very important that the contractor keeps records of his people working including those of his subcontractors. The service Manager shall have access to them at any time.

5.3 *Health and safety facilities on the Affected Property*

To be covered during induction.

5.4 *Environmental controls, fauna & flora*

Not applicable.

5.5 *Cooperating with and obtaining acceptance of Others*

Management of interfacing with other service providers to prevent injuries.

5.6 *Records of Contractor's Equipment*

The contractor must supply all tools and equipment that are needed for the entire contract period.

5.7 *Equipment provided by the Employer*

The employer allows the contractor to use overhead cranes and hoists, provided the contractor's employee is an authorised lifting machine operator.

- The employer provides scaffolding; the request shall be made through the service manager or his/her representative.
- Should the contractor require using any of the employer's equipment, including compressed air, electricity, water supply and crane .it must be specified by the contractor during the kick off meeting. The employer does not guarantee continuity of any of these items.
- The employer shall be entitled to withdraw use of the said equipment, should proper maintenance and cleanness not be ensured. In that event, the contractor shall be obliged to provide the necessary equipment at his own cost.
- The contractor is responsible for the repair, replacement or correction as necessary of all pieces of tools and equipment supplied by the employer which are damaged and or lost whilst in the contractor's custody and control.
- The contractor site manager must ensure that any one of his employees or sub-contractor, operating hoist equipment belonging to the employer is authorised by an accredited company and retraining is done annually. Arrangements for training courses can be made via Arnot Power Station Maintenance training but the contractor will absorb costs.
- A copy of this accredited and valid training certificate must be given to the employer's supervisor who will then arrange access for usage.

5.8 *Site services and facilities*

5.8.1 *Provided by the Employer*

Portable Water Supply

- Potable water is available at the existing points

Electrical Power Supply

- Power is available at the existing points

Toilet Facilities

- The employer provides the contractor access to existing toilet facilities. The contractor is to provide this facility should the existing facilities not be within reasonable distance from the working areas.

Medical facilities

- The contractor provides a first aid service to his employees and subcontractors .in the case where these prove to be inadequate, like in the event of a serious injury, the employer's medical centre and facilities will be available.
- Outside the employer's office hours, the employer's first aid services are only available for serious injuries and life threatening situations.
- The employer recovers the costs incurred, in the use of the above employer's facilities from the contractor.

5.8.2 Provided by the Contractor

The contractor must supply all tools and equipment that are needed for the entire contract period.
The contractor should provide facilities they deem necessary in executing the work.

Tests and inspections

Description of tests and inspections

- The contractor shall fill in and submit the QCP,
- All work must be inspected and approved by the system engineer and service manager before it may be covered up.

5.9 Control of noise, dust, water and waste

Not applicable.

5.10 Hook ups to existing works

To hook up when working at height

5.11 Tests and inspections

5.11.1 Description of tests and inspections

QCP to be provided by the contractor, accepted by the employer before work commences.

5.11.2 Materials facilities and samples for tests and inspections

QCP to be provided by the contractor, accepted by the employer before work commences.

6 List of drawings

6.1 Drawings issued by the Employer

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

All these drawings need to be sourced through document centre.

| Drawing number | Revision | Title |
|----------------|----------|----------------------------|
| 26.41/56736 | 0 | Detail of pf burner pipe |
| 26.41/38943 | 0 | Pressure mills arrangement |