



## NEC3 Term Service Contract (TSC3)

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

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

for [•]  
Ash Dump and E-Dump Cleaning Contract at Kendal Power  
Station.

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| <b>Contents:</b>                   | <b>No of pages</b> |
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**CONTRACT No. [Insert at award stage]**

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## **PART C1: AGREEMENTS & CONTRACT DATA**

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| [to be inserted from Returnable Documents at award stage]    |                    |
| <b>C1.2a Contract Data provided by the <i>Employer</i></b>   | <b>[•]</b>         |
| <b>C1.2b Contract Data provided by the <i>Contractor</i></b> | <b>[•]</b>         |
| [to be inserted from Returnable Documents at award stage]    |                    |
| <b>C1.3 Proforma Guarantees</b>                              | <b>[•]</b>         |

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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:

**Provision of Ash Dump and E-Dump cleaning at Kendal Power Station for the period of 5 years**

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.

|  |       |
|--|-------|
| 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 <sup>1</sup> | 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:

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

## Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s)

Capacity

**for the  
Employer**

.....  
(Insert name and address of organisation)

Name &  
signature of  
witness

Date

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

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

Note:

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

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

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

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

**For the tenderer:**

**For the Employer**

Signature \_\_\_\_\_

\_\_\_\_\_

Name \_\_\_\_\_

\_\_\_\_\_

Capacity \_\_\_\_\_

\_\_\_\_\_

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

*(Insert name and address of organisation)*

Name & signature of witness \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

# C1.2 TSC3 Contract Data

## Part one - Data provided by the *Employer*

| Clause | Statement  | Data  |
|--------|--|---|
| 1      | <b>General</b>   |   |
|        | The <i>conditions of contract</i> are the core clauses and the clauses for main Option |   |
|        |  | <b>A: Priced contract with price list</b>   |
|        | dispute resolution Option  | <b>W1: Dispute resolution procedure</b>   |
|        | and secondary Options  |   |
|        |  | <b>X1: Price adjustment for inflation</b>   |
|        |  | <b>X2 Changes in the law</b>  |
|        |  | <b>X1: Price adjustment for inflation</b>   |
|        |  | <b>X2 Changes in the law</b>  |
|        |  | <b>X17: Low service damages</b>   |
|        |  | <b>X18: Limitation of liability</b>   |
|        |  | <b>X19: Task Order</b>  |
|        | of the NEC3 Term Service Contract April 2013 <sup>2</sup> (TSC3)                       |   |
| 10.1   | The <i>Employer</i> is (name):   | <b>Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa</b> |
|        | Address  | <b>Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg</b>   |
|        | Tel No.  | <b>013 2959799●</b>   |
|        | Fax No.  | <b>N/A</b>  |
| 10.1   | The <i>Service Manager</i> is (name):  | <b>Simphiwe Mazibuko</b>  |
|        | Address  | <b>Kendal Power Station<br/>Private Bag X 7272<br/>Witbank<br/>1035</b>   |
|        | Tel  | <b>013 2959799</b>  |
|        | Fax  | <b>N/A</b>  |
|        | e-mail   | <b>mazibusp@eskom.co.za</b>   |

<sup>2</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 [www.ecs.co.za](http://www.ecs.co.za)

|          |   |   |
|----------|---|---|
| 11.2(2)  | The Affected Property is                                    | <b>Kendal Ash Dump and E-Dump</b>   |
| 11.2(13) | The <i>service</i> is                                       | <b>Ash Dump and E-Dump Cleaning Contract at Kendal Power Station for a period of five years</b>   |
| 11.2(14) | The following matters will be included in the Risk Register | <b>None</b>   |
| 11.2(15) | The Service Information is in                               | <b>Part 3: Scope of Work and all documents and drawings to which it makes reference.</b>  |
| 12.2     | The <i>law of the contract</i> is the law of                | <b>the Republic of South Africa</b>   |
| 13.1     | The <i>language of this contract</i> is                     | <b>English</b>  |
| 13.3     | The <i>period for reply</i> is                              | <b>One week</b>   |
| <b>2</b> | <b>The Contractor's main responsibilities</b>               | <b>Data required by this section of the core clauses is also provided by the Contractor in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data</b>  |
| <b>3</b> | <b>Time</b>   |   |
| 30.1     | The <i>starting date</i> is.                                | <b>01 September 2022</b>  |
| 30.1     | The <i>service period</i> is                                | <b>60 months</b>  |
| <b>4</b> | <b>Testing and defects</b>                                  | <b>There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data</b>  |
| <b>5</b> | <b>Payment</b>  |   |
| 50.1     | The <i>assessment interval</i> is                           | <b>between the 25<sup>th</sup> day of each successive month.</b>  |
| 51.1     | The <i>currency of this contract</i> is the                 | <b>South African Rand</b>   |
| 51.2     | The period within which payments are made is                | <b>4 weeks.</b>   |
| 51.4     | The <i>interest rate</i> is                                 | <b>the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and</b><br><br><b>(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in</b> |

|      |   |  |
|------|---|--|
|      |   | question, adjusted <i>mutatis mutandis</i> every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.  |
| 6    | <b>Compensation events</b>  | There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data  |
| 7    | <b>Use of Equipment Plant and Materials</b>   | There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data  |
| 8    | <b>Risks and insurance</b>  |  |
| 83.1 | The <i>Employer</i> provides these insurances from the Insurance Table  | as stated for "Format TSC3" available on <a href="http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a> (See Annexure A for basic guidance).                                    |
| 83.1 | The <i>Employer</i> provides these additional insurances  | as stated for "Format TSC3" available on <a href="http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a> (See Annexure A for basic guidance)                                     |
| 83.1 | The <i>Contractor</i> provides these additional insurances:   | [•]  |
| 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 <a href="http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a> |
| 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    | <b>Termination</b>  | There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.   |

|   |   |  |
|---|---|--|
| <b>10 Data for main Option clause</b>       |   |  |
| <b>A</b>                                    | <b>Priced contract with price list</b>  |  |
| 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 | <b>4 weeks.</b>  |
| <b>C</b>                                    | <b>Target contract with price list</b>  |  |
| 20.4  | The <i>Contractor</i> prepares forecasts of the total Defined Cost for the whole of the <i>service</i> at intervals no longer than        | <b>4 weeks.</b>  |
| <b>11 Data for Option W1</b>                |   |  |
| W1.1  | The <i>Adjudicator</i>  | the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a> ). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA). |
| W1.2(3)                                     | The <i>Adjudicator nominating body</i> is:  | the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a> ) or its successor body.   |
| W1.4(2)                                     | The <i>tribunal</i> is:   | arbitration  |
| W1.4(5)                                     | The <i>arbitration procedure</i> is   | the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.   |
|   | The place where arbitration is to be held is  | <b>Johannesburg South Africa</b>   |
|   | The person or organisation who will choose an arbitrator  | <b>the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.</b>   |
|   | - if the Parties cannot agree a choice or<br>- if the arbitration procedure does not state who selects an arbitrator, is                  |  |
| <b>12 Data for secondary Option clauses</b> |   |  |
| <b>X1</b>                                   | <b>Price adjustment for inflation</b>   |  |

| <p>X1.1</p>       | <p>The <i>base date</i> for indices is</p> <p>The proportions used to calculate the Price Adjustment Factor are:</p>   | <p><b>From one year anniversary from the contract start date.</b></p> <table border="1"> <thead> <tr> <th>proportion</th> <th>linked to index for</th> <th>Index prepared by</th> </tr> </thead> <tbody> <tr> <td>56,42%</td> <td>Table C-3</td> <td>SEIFSA</td> </tr> <tr> <td>5,320%</td> <td>Table L-2</td> <td>SEIFSA</td> </tr> <tr> <td>28,26%</td> <td>Table P -2</td> <td>SEIFSA</td> </tr> <tr> <td>10%</td> <td>non-adjustable</td> <td>SEIFSA</td> </tr> <tr> <td>100%</td> <td></td> <td></td> </tr> </tbody> </table>   | proportion | linked to index for | Index prepared by | 56,42% | Table C-3 | SEIFSA | 5,320% | Table L-2 | SEIFSA | 28,26% | Table P -2 | SEIFSA | 10% | non-adjustable | SEIFSA | 100% |  |  |
|-------------------|--|--|------------|---------------------|-------------------|--------|-----------|--------|--------|-----------|--------|--------|------------|--------|-----|----------------|--------|------|--|--|
| proportion        | linked to index for  | Index prepared by  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| 56,42%            | Table C-3  | SEIFSA   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| 5,320%            | Table L-2  | SEIFSA   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| 28,26%            | Table P -2   | SEIFSA   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| 10%               | non-adjustable   | SEIFSA   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| 100%              |  |  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p><b>X2</b></p>  | <p><b>Changes in the law</b></p>   | <p><b>There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.</b></p>   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p><b>X17</b></p> | <p><b>Low service damages</b></p>  |  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p>X17.1</p>      | <p>The <i>service level table</i> is in</p>  | <p><b>Page 11-12, TSC NEC3 Cleaning Contract Part2</b></p>   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p><b>X18</b></p> | <p><b>Limitation of liability</b></p>  |  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p>X18.1</p>      | <p>The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to</p>   | <p><b>R0.0 (zero Rand)</b></p>   |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p>X18.2</p>      | <p>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</p>                                 | <p><b>the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on</b><br/> <a href="http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a></p>  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p>X18.3</p>      | <p>The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to</p>   | <p><b>The greater of</b></p> <ul style="list-style-type: none"> <li>• the total of the Prices at the Contract Date and</li> <li>• the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on</li> </ul> <p><a href="http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a></p> |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |
| <p>X18.4</p>      | <p>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> | <p><b>the total of the Prices other than for the additional excluded matters.</b></p> <p><b>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</b></p> <p><b>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</b></p>  |            |                     |                   |        |           |        |        |           |        |        |            |        |     |                |        |      |  |  |

|            |  |   |
|------------|--|---|
|            |  | <ul style="list-style-type: none"> <li>• Defects due to his design, plan and specification,</li> <li>• Defects due to manufacture and fabrication outside the Affected Property,</li> <li>• loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials),</li> <li>• death of or injury to a person and</li> <li>• infringement of an intellectual property right.</li> </ul> |
| X18.5      | The <i>end of liability date</i> is  | <b>12 months after the end of the <i>service period</i>.</b>  |
| <b>X19</b> | <b>Task Order</b>  |   |
| X19.5      | The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within  | <b>24 hours of receiving the Task Order</b>   |
| <b>X20</b> | <b>Key Performance Indicators (not used when Option X12 applies)</b>                       |   |
| X20.1      | The <i>incentive schedule</i> for Key Performance Indicators is in                         | <b>Page 11-12, TSC NEC3 Cleaning Contract Part2</b>   |
| X20.2      | A report of performance against each Key Performance Indicator is provided at intervals of | <b>3 months</b>   |
| <b>Z</b>   | <b>The <i>additional conditions of contract</i> are</b>                                    | <b>Z1 to Z11 always apply.</b>  |

**Z1 Cession delegation and assignment**

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

**Z2 Joint ventures**

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

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

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business

composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.

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

## **Z4 Confidentiality**

- Z4.1 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.
- Z4.2 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*.
- Z4.3 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.
- Z4.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

## **Z5 Waiver and estoppel: Add to core clause 12.3:**

- Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

## **Z6 Health, safety and the environment: Add to core clause 27.4**

- Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;

- warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
- undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

Z6.2 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.

**Z7 Provision of a Tax Invoice and interest. Add to core clause 51**

- Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *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.
- Z7.2 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.
- Z7.3 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.

**Z8 Notifying compensation events**

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Z8.1 Delete the last paragraph of core clause 61.3 and replace with:

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

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**Z9 Employer's limitation of liability**

- Z9.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.

**Z10 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":**

- Z10.1 or had a business rescue order granted against it.

**Z11 Ethics**

For the purposes of this Z-clause, the following definitions apply:

- Affected Party** means, as the context requires, any party, irrespective of whether it is the *Contractor* or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,
- Coercive Action** means to harm or threaten to harm, directly or indirectly, an Affected Party or the property of an Affected Party, or to otherwise influence or attempt to influence an Affected Party to act unlawfully or illegally,
- Collusive Action** means where two or more parties co-operate to achieve an unlawful or illegal purpose, including to influence an Affected Party to act unlawfully or illegally,
- Committing Party** means, as the context requires, the *Contractor*, or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,
- Corrupt Action** means the offering, giving, taking, or soliciting, directly or indirectly, of a good or service to unlawfully or illegally influence the actions of an Affected Party,
- Fraudulent Action** means any unlawfully or illegally intentional act or omission that misleads, or attempts to mislead, an Affected Party, in order to obtain a financial or other benefit or to avoid an obligation or incurring an obligation,
- Obstructive Action** means a Committing Party unlawfully or illegally destroying, falsifying, altering or concealing information or making false statements to materially impede an investigation into allegations of Prohibited Action and
- Prohibited Action** means any one or more of a Coercive Action, Collusive Action Corrupt Action, Fraudulent Action or Obstructive Action.

- Z 11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z 11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor's* obligation to Provide the Service for this reason.
- Z 11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Service for this reason, the procedures and amounts due on termination are respectively P1, P2, P3 and P4, and A1 and A3.
- Z 11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

## **Annexure A: Insurance provided by the Employer**

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

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

[http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS\\_Policies\\_  
From\\_1\\_April\\_2014\\_To\\_31\\_March\\_2015.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx)

## PART 2: PRICING DATA

### TSC3 Option A

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

## C2.1 Pricing assumptions: Option A

### How work is priced and assessed for payment

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

|                                     |      |  |
|-------------------------------------|------|--|
| <b>Identified and defined terms</b> | 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"><li>• the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and</li><li>• 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.</li></ul> |
|                                     |      | (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 | QTY | Expected Quantity (5years) | Rate | Price |
|----------|--|------|-----|----------------------------|------|-------|
| 1.       | Site Manager   | Ea.  | 1   | 0.25                       |      |       |
| 2.       | SHEQ Officer   | Ea.  | 1   | 60                         |      |       |
| 3.       | Cleaners (shifts)                                      | Ea.  | 28  | 60                         |      |       |
| 4.       | Office Cleaners  | Ea   | 4   | 60                         |      |       |
| 5.       | Cleaner (day shift)                                    | Ea   | 1   | 60                         |      |       |
| 6.       | Cleaners (day shift)                                   | Ea   | 10  | 60                         |      |       |
| 7.       | Additional cleaners as and when required               | Ea   | 10  | 30                         |      |       |
| 8.       | Day Shift Supervisor                                   | Ea.  | 1   | 60                         |      |       |
| 9.       | Shift Supervisors                                      | Ea   | 4   | 60                         |      |       |
| 10.      | Bob Cat Operators                                      | Ea.  | 2   | 60                         |      |       |
| 11.      | Overtime   | Ea.  |     |                            |      |       |
| 12.      | Health and Safety                                      | Sum  | 1   | N/A                        |      |       |
| 13.      | Medicals   | Ea   | 102 | 5                          |      |       |
| 14.      | Training   | Ea   | 1   |                            |      |       |
| 15.      | PPE  | Ea   | 102 | 5                          |      |       |
| 16.      | Toilets  | Ea   |     | 60                         |      |       |
| 17.      | Consumables (gloves, goggles, etc)                     |      |     |                            |      |       |
| 18.      | Working tools (shovels, picks, etc)                    |      |     | 60                         |      |       |
| 19.      | 22-Seater Transport                                    | Ea   | 1   | 60                         |      |       |
| 20.      | 16-Seater Transport                                    | Ea   | 1   | 60                         |      |       |
| 21.      | Additional Transport for as and when required cleaners | Ea   | 1   | 30                         |      |       |
| 22.      | LDV Bakkie   | Ea   | 1   | 60                         |      |       |
| 23.      | Drivers  | Ea   | 5   | 60                         |      |       |
| 24.      | Bob cats   | Ea.  | 2   | 60                         |      |       |
| 25.      | Excavator as and when required                         | Ea   | 1   | 15                         |      |       |
| 26.      | Excavators Operator (as and when                       | Ea.  | 1   | 15                         |      |       |

|     |  |     |   |  |  |  |
|-----|--|-----|---|--|--|--|
|     | required)  |     |   |  |  |  |
| 27. | Site Establishment   | Sum | 1 |  |  |  |
| 28. | Cleaning equipment's (generator, jack hammers, portable water/ash slurry pumps and industrial high-pressure machine) | Sum | 2 |  |  |  |
|     |  |     |   |  |  |  |

The total of the Prices

## Health and Safety

| Item | Description                              | UNIT |  |               |          |
|------|--|------|--|---------------|----------|
| 1    | Medical (only if certificate is expired) | Ea.  |  |               |          |
| 2    | Health and Safety File                   | Ea.  |  |               |          |
| 3    | Safety Training                          | Ea.  |  |               |          |
| 4    | Hard Hats with Chin Straps               | Ea.  |  |               |          |
| 5    | Overalls (2 per year each)               | Ea.  |  |               |          |
| 6    | Gloves                                   | Ea.  |  |               |          |
| 7    | Shoes (Safety boots)                     | Ea.  |  |               |          |
| 8    | Hearing Protection (Noise Clippers)      | Ea.  |  |               |          |
| 9    | Safety Goggles                           | Ea.  |  |               |          |
| 10   | First aid box for every 50 employees     | Ea.  |  |               |          |
| 11   | Respirators/Dust Masks                   | Ea.  |  |               |          |
| 12   | Gum boots                                | Ea.  |  |               |          |
| 13   | Covid Masks                              | Ea   |  |               |          |
|      |  |      |  | <b>Total:</b> | <b>R</b> |

**Schedule D: Overtime rates**

| <b>Item nr</b> | <b>Description</b> | <b>QTY</b> | <b>Unit</b> | <b>Rate Saturday</b> | <b>Rate for Sunday</b> | <b>Rate for Public Holiday</b> |
|----------------|--------------------|------------|-------------|----------------------|------------------------|--------------------------------|
| 1.             | Supervisor         |            | Hr          |                      |                        |                                |
| 2.             | Safety Officer     |            | Hr.         |                      |                        |                                |
| 3.             | Cleaners           |            | Hr.         |                      |                        |                                |
| 4.             | Drivers            |            | Hr.         |                      |                        |                                |
| 5              | Operators          |            | Hr          |                      |                        |                                |

## PART 3: SCOPE OF WORK

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## C3.1: EMPLOYER’S SERVICE INFORMATION

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# 1 Description of the service

## 1.1 Executive overview

Eskom Kendal Power Station is located at Emalahleni in Mpumalanga along N12 highway off Kendal / Balmoral ramp. The Ash Handling Plant was commissioned in November 1986 for Kendal Ash disposal, The Station operates with six (6) units, each generating 686 MW. The Ash disposal facility is approximately 2KM south-west of the Power Station terrace, and to the west of the R686.

Two conveyors transport ash from the power station to the transfer house “E” located approximately 1.3KM north-east of the ash dump from there ash is transported on overland conveyors ETK12 and ETK22 to transfer house “F” on the north-eastern edge of the dump. The ash is then transported in a north-westerly direction along extendible conveyors ETK13 and ETK23 feeding two shiftable conveyors ETK14 and ETK24 which run in a south easterly direction, for 900m and 1650m respectively

The necessity to request the services of the external contractor emanated from the fact that there is a National Contract with ERI, which expires end of December 2021. During new Ash and Coal contract establishment, ERI compiled a document of all the exclusions as they are not part of their core business which were for the new contract whereby cleaning service form part of the exclusions.

The approved contractor will be required to conduct/render the service as per the SOW provided.

## 1.2 Employer’s requirements for the service

Kendal Ash Dump and E-Dump SOW to outsource the cleaning services for five (5) years

## 1.3 Interpretation and terminology

| Definition        | Description   |
|-------------------|---|
| <b>Activity</b>   | A set of tasks that occur over time and have a defined result where it describes transformations from an initial state to a final state, consuming specific resources   |
| <b>Competency</b> | A mix of necessary ability or skill to do something successfully, related knowledge, work experience and attributes required to produce a job or task to a defined standard and relates to the outcomes which would define effective performance. |
| <b>Inspection</b> | Activities, which by means of examination, observation or measurement, determine the conformance of material, parts, components etc., to predetermined specifications and quality requirements.   |

## 1.4 Definitions

The following abbreviations are used in this Service Information:

| <b>Abbreviation &amp; Acronyms</b> | <b>Description</b>               |
|------------------------------------|----------------------------------|
| ASAP                               | As Soon As Possible              |
| E-Dump                             | Emergency Dump                   |
| KPI                                | Key Performance Indicators       |
| LTI                                | Loss Time Injury                 |
| NCR                                | Non-Conformance Report           |
| OEM                                | Original Equipment Manufacturers |
| OPCR                               | Outside Plant Control Room       |
| PM                                 | Preventative Maintenance         |
| PPE                                | Personal Protective Equipment    |
| PSR                                | Plant Safety Regulations         |
| PTW                                | Permit to Work                   |
| QCP                                | Quality Control Plan             |
| QS                                 | Quantity Surveyor                |
| TBA                                | To Be Advised                    |
| UI                                 | Unique Identifier                |

## 2 Management strategy and start up.

### 2.1 The Contractor's plan for the service

The contractor (Site Manager) shall not be on site at all times. He/ She shall report to the station for two weeks per month (10 days, which will totalise to 80 hours per month that will be paid. Site Manager to report to the Employer Supervisor whenever He /She on site.

The contractor shall be required to provide listed services and technical support including on weekend i.e Saturdays and Sunday and public holidays for a 24/7 coverage.

The Contractor shall share the daily plan with The Employer's Supervisor, update Plant status on Flexi log as and when activities are taking place to ensure proper shift handover as well before end of every shift.

When there is a call out the Contract's manager shall track the response time from when the call out was made, the contract's manager shall record this time and penalise the contractor on response delays.

The Contractor shall not leave site before the Employer signs off the logbook which registers the starting time and completion time of the works, the description of the works and the fault finding report for the call out.

The contractor shall be required to submit a calibration, verification, test report or test certificate after performing any tests or calibration on equipment's.

### 2.2 Management meetings

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

| Title and purpose                     | Approximate time & interval                         | Location   | Attendance by:  |
|---------------------------------------|---|--|---|
| Kick off meeting                      | One week before Contract start date                 | Kendal Power Station, specific conference room TBA | <i>Service Manager, Contractor and Supervisors</i>                |
| Risk Register and Compensation events | As and when required, 1 hour                        | Kendal Power Station, specific conference room TBA | <i>Employer, Contractor, Supervisor, and all parties involved</i> |
| Toolbox Talk                          | Every Shift prior to shift activities commencements | Kendal Power Station, specific conference room TBA | <i>Contractors and Supervisors</i>                                |
| Planning Scheduling and feedback      | Once per week                                       | Kendal Power Station, specific conference room TBA | <i>Service Manager, Contractor and Supervisors</i>                |
| Safety meeting                        | Once per month                                      | Kendal Power Station, specific conference room TBA | <i>Safety Officer, Services Manager and Supervisors</i>           |
| Ad hoc work stoppage                  | As and when required, 1 hour                        | Kendal Power Station, specific conference          | <i>Service Manager, Contractor and</i>                            |

|  |                                     |  |  |
|--|-------------------------------------|--|--|
|  |                                     | room TBA   | <i>Supervisors</i>                                 |
| Scope clarification and orientation meetings | One week before Contract start date | Kendal Power Station, specific conference room TBA | <i>Service Manager, Contractor and Supervisors</i> |
| Assessment meetings                          | Last day of the month               | Kendal Power Station, specific conference room TBA | <i>Service Manager, Contractor and Supervisors</i> |

2.2.2 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*. The person convening the meeting within five days of the meeting shall submit records of these meetings to the Service Manager.

2.2.3 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 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.

2.2.4 The Contractor arranges and holds all necessary meetings with his employees including daily toolbox, pre-job and post-job briefing, health and safety risk assessments meetings, etc.

### **2.3 Contractor’s management, supervision and key people**

2.3.1 The Contractor ensures that only trained and competent personnel be allowed to work on the applicable Plant. The Service Manager is entitled to verify the qualifications of the Contractor.

2.3.2 The Contractor’s Supervisors must be knowledgeable about conditions and service information entailed in this contract and capable of executing the Service.

2.3.3 The Service Manager may, having stated the reasons, instruct the contractor to remove a key person. The Contractor then arranges that, after one day, of key person has no further connection with the Service included in this contract.

2.3.4 The contractor may not replace any of the key person without prior written request and approval thereof from the Service Manager.

**The persons:**

Key persons of the contractor:

Designation:

Name:

Experience:

Tel:

**Police clearance:**

2.3.5 All Contractor personnel to undertake police clearance since Kendal is a national key point and clearance certificate to be provided to Service Manager at least two weeks before commencement of works.

2.3.6 The Service Manger Reserves the rights to refuse entry to all person whose criminal records indicate that their presence on site might create an unsafe and insecure environment to Kendal Power Station.

2.3.7 The following website can be used to guide the process:

[https://www.saps.gov.za/services/applying/clearance\\_certificate.php](https://www.saps.gov.za/services/applying/clearance_certificate.php)

## 2.4 Provision of bonds and guarantees

The form in which a bond or guarantee required by the *conditions of contract* (if any) is to be provided by the *Contractor* is given in Part 1 Agreements and Contract Data, document C1.3, Sureties.

The *Employer* may withhold payment of amounts due to the *Contractor* until the bond or guarantee required in terms of this contract has been received and accepted by the person notified to the *Contractor* by the *Service Manager* to receive and accept such bond or guarantee. Such withholding of payment due to the *Contractor* does not affect the *Employer's* right to termination stated in this contract.

## 2.5 Documentation control

All correspondence between the Contractor and the Employer shall follow the following rules

1. All letters bears the sender's signature
2. Correspondence sent via e-mail
  - 2.1. Sender
    - 2.1.1. The letter is saved in PDF format and send as an attachment to the receiver
    - 2.1.2. The email subject field contains only the doc reference number as described in point
    - 2.1.3. The e-mail body may contain informal text but is not contractually binding
  - 2.2. Receiver
    - 2.2.1. The receiver replies to the e-mail received, ensuring that the complete message from the sender is included in the message as an attachment. This attachment includes the letter in PDF format
    - 2.2.2. In his/her, reply the receiver includes the following text on the first line of the Message Body: "Acknowledgement of Receipt. This acknowledgement of is contractually binding and serves as proof that the letter was delivered to the receiver's address
- 2.3. When a reply to a letter is required, e.g. "Acceptance of documentation" the receiver now becomes the sender and the procedure under 3.1 and 3.2 is followed with the receiver writing a letter with a new reference number as described under point 9
3. Correspondence delivered by hand
  - 3.1. Sender- The sender prepares the letter with a space for the receiver to sign and date acknowledgement of acceptance. The sender signs the letter and prepares two copies of the letter for delivery
  - 3.2. Receiver- The receiver signs both copies of the letter upon receipt and returns a signed and dated copy to the sender
4. Correspondence by fax
  - 4.1. Sender – The sender prepares the letter with a space for the receiver to sign and date acknowledgement of acceptance. The sender signs the letter and returns it to the sender by fax.
  - 4.2. Receiver – Upon receipt, the receiver sign and dates the letter and return it to the sender by fax, acknowledgement of receipt.
5. The Contractor implements the following procedures or paperwork over the first few months of this contract: Business Organisation Chart and Safety Procedure
6. The following policies, procedures and specification will be complied by all times
  - Site Regulations, Kendal Site Regulations
  - BIA/RM/STD/01-Safety Health and Environmental Requirements to be met by Contractors
  - Hot Work Procedures
  - Eskom Kendal Site Transport Requirements
  - Construction Regulation
  - Kendal Quality Manual
  - Occupational Health and Safety Act

- Eskom Live Saving Rules
- All relevant Kendal Power Station Standards, Policies and Procedures
- All Safety, Health Environmental and Quality costs are included in the contract price

## 2.6 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.

The *Contractor* shall address the tax invoice to Eskom Holdings SOC and include on each invoice the following information:

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

The *Contractor* attaches the detail assessment of all work done to date for each item in the Price List for work he has completed. The invoice can be submitted using emails to [invoiceseskomlocal@eskom.co.za](mailto:invoiceseskomlocal@eskom.co.za). To facilitate payment the Contractor must ensure the following:

- Ensure Eskom order number is clearly indicated on the invoice together with the line number on the order you are billing.
- All electronic invoices must be sent in PDF format only.
- Each PDF file contains one invoice, or one debit note, or one credit note only as Eskom's SAP system does not support more than one PDF being linked into a workflow at a time.
- A PDF file that was created directly from the system meets the definition of the original document and is allowed (including saving documents from Excel to PDF, word to PDF, etc.)
- An invoice that was printed and scanned to PDF by the Vendor is not acceptable as it is not an original TAX invoice by SARS definition but a copy.
- The following wording needs to appear on the invoice: "Your invoice is encrypted in order to comply with SARS requirements that invoice, and statement sent electronically are tamperproof.
- If there is Cost Price Adjustments (CPA) on your invoice, it is recommended that a Contractor issue a separate invoice for CPA so that if there are any issues with the CPA the rest of the invoice can be paid while resolving the CPA issues.
- All queries and follow-ups on invoice payments are made by contacting the FSS contact center 011 800 5060
- Address where invoices are to be forwarded: [invoiceseskomlocal@eskom.co.za](mailto:invoiceseskomlocal@eskom.co.za)
- Payment is made within 30 days after receipt of an acceptable invoice at the address stated in the order and the acceptance of the goods by Eskom. Payments are made on Fridays only.
- If CPA is applicable, the Service Manager and the Contractor must confirm the increase/decrease with the QS department BEFORE the revised prices are stated on the invoice. The QS and Service Manager must confirm the escalation with the Financial Department before it may be implemented.
- It is important that the value Stated on the invoice must be the same as the value stated on the order. If the Invoice value is different from the Order value, payment of the invoice will be delayed, it is strongly recommended that if there are any discrepancies on the Invoice, it be rectified with the Buyer BEFORE it is submitted for payment.

## 2.7 Contract change management

1. Any item that affects the agreed prices or has the potential to do so must immediately be communicated to the Service Manager via an early warning and/or followed by a claim for compensation event with a quotation.

2. After consideration, the Service Manager may give approval and the Contractor may implement the compensation event accordingly. All claims will not necessarily be approved as a compensation event nor do quotes have to be accepted unchanged since the Service Manager performs an evaluation and approves justifiable costs only.

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

All original invoices or documentary proof, calculations etc. are submitted to the Service Manager, for assessment purposes.

## **2.9 Management of work done by Task Order**

- Task Orders are issued per scope of work at the beginning of every month prior to the start of the service.
- The Task Order includes the scope of work for the specific routine
- A Task Order is the instruction to commence work.
- No work shall commence until a Task Order is issued and has been finalised, accepted and signed by both the Employer and Contractor.
- All work will be issued on a Task Order system. The Work Order and Purchase Order will be created via the SAP PM system.
- Task Orders are issued for all activities. Assessment of work will be conducted after work complete. Proof for assessments to be supplied to the Service Manager.

## **2.10 Supplier Development and Localisation Requirements**

### **Recruitment of General Labour**

- The Contractor recruit's minimum of 60% of all new recruits, of general labour from feeder area, using the recruitment form provided by the department of labour. Contact details and application forms will be provided by the Service Manager on request
- In an event that new recruits are not from the defined feeder area, the contractor needs to provide proof that the feeder area could not provide such individual.
- The contractor needs to update the employer as well as the department of labour, in the event that there is a change in the staff compliment e.g., dismissal, resignation, etc.
- The contractor submits an updated monthly job statistics on the 1st day of each month, using the reporting template that is provided by the Service Manager.

### **Transporting of staff**

- The Contractor use transportation purchased by contractor or sourced from local taxi association.
- The Contact details of the Chairperson of the different associations will be provided by the Service Manager on request

### **Small, Micro, Medium Enterprises**

- The Contractor supports local Small, Micro and Medium Enterprises by purchasing your material locally where such material is available.

### **Supplier Development and Localisation Plan**

"Local to site "means all areas that fall within the feeder area,  
The Contractor is required the following:

- To provide a high-level Supplier Development & Localisation implementation plan which stretches for the duration of the contract within one month after contract award.
- To provide an explanation and action plan for deviation from the proposed plan.
- The Contractor is required to procure general labour from local municipality. Only skilled and professionals would be procured from within tire feeder area.
- The contractor is also required to submit its Human Resource plans indicating the number of new jobs that would be created or retained due to this project,
- The candidates for skills Development would be sourced from local municipality first, then Mpumalanga, before the rest of RSA

- The candidates may be developed directly by the supplier, through the suppliers` own supply network or through the SETA accredited training providers.
- Candidates are to be currently unemployed, graduates from FET (Further Education and Training) colleges, or matriculates. These candidates shall also be representative of the population demographics of Mpumalanga province

The Contractor submits proposals to the Employer for acceptance on how he will employ and train local labour in the following positions:

- Safety Officer
- Supervisors
- Yellow Plant Operators

### 2.11 Constraints on how the Contractor Provides the Works

- The Contractor is expected to have Responsible Persons and authorised supervisors as per the Plant Safety Regulations on each shift and on day shift.
- Spilled ash from conveyors or chutes cannot be loaded onto a running conveyor by hand using spades. Safety regulations must be adhered to and a permit to work will be required for such work, unless the Contractor possessed special equipment to load recovered ash onto a running conveyor that is approved by ESKOM for such utilisation,
- Accumulation of ash over a period of time will not be regarded as a compensation event.
- Cleaning of running conveyor belts is limited to activities that will not endanger the Contractor`s employees in any way, e.g., no part of the body must come in close proximity of a running belt. Safety regulations must be adhered to and a permit to work will be required for more intrusive work, unless the Contractor possessed special equipment to perform cleaning activities onto a running conveyor that is approved by ESKOM for such utilisation.
- Contractor employees are not allowed to put his/her body inside vessels, pipes, confined spaces tube without a permit to work a proper risk assessment ,gas test, environment certificate and safe entry certificate, signed workers register and under supervision of the supervisor.
- The Contractor is further expected to liaise on a Daily basis with the operating contractor to plan his work so as to optimize the availability of the Plant.
- The Contractor will have representation in the prioritisation meeting as well as in the safety meetings.
- The Contractor shall issue new respirator masks to his employees when it is no longer effective.
- All PPE and masks must be SABS approved`
- The Contractor shall provide suitable facilities (e.g., lockers, containers for change rooms and dining facilities for his employees.
- Only allowable deductions are allowed, e.g., deductions for the provision of PPE from employees' pay will not be allowed.

### 2.12 Low performance damages

| No. | Description                                | Employer`s Requirement  | Damages payable by the Contractor  |
|-----|--|---|--|
| 1.  | Approval of Safety Plan File               | Approval ASAP after contract award or within one week of the contract start date. Safety Plan must contain all current and relevant information and needs to be reapproved when documents change or at least on contract anniversary. | <b>R500 per day</b> without approved safety file.                          |
| 2.  | Approval of Management System              | Within 6 (six) weeks of contract.   | <b>R500 per day</b> without an approved Quality Management System in place |
| 3.  | Contract defect (NCR) raised in six weeks. | Contractor cleans as per the scope of work  | <b>R1000 per occurrence.</b>   |

|    |  |  |   |
|----|--|--|---|
| 4. | Non-availability of cleaning staff–1-hour limit. | Cleaning is to be done on a continuous basis. Once an instruction is given, cleaning must start within one hour. | <b>R500 per occurrence.</b>   |
| 5  | Contravention of Environmental Regulations       | Contravention of Contractor co-ordinates activities directly with an Environmental Officer to ensure Compliance  | <b>R1000 per occurrence.</b>  |
| 6  | Uncompleted work linked to CM/PM/Statutory PM    | Work linked to CM/PM/Statutory PM must be done and completed as per the schedule                                 | <b>R1000 per occurrence.</b>  |
| 7. | Unclosed defects                                 | Defects must be closed within the required period as per the Procedure   | <b>R500 per occurrence on level 2 and 3 defects, R1000 per occurrence on level 1 defects.</b> |

### 2.13 Risk Management Service

- Site establishment to consist of shifts. People must be managed in line of the BCEA`
- Cleaning of ash chutes, course ash conveyor chutes, transverse conveyor chutes, overland conveyor chutes and all ash chutes and launders on site to be cleaned and kept clean 24/7 on a shift basis.
- Chute cleaners to man critical chutes 24/7. Regular rounds need to be made during each shift to check the conditions of all chutes and launders and ensure they Stay clean,
- Radio communication between the chute cleaners and the outside plant control room is of importance to ensure there are no unnecessary belt trips due to blocked chutes and spillages.
- All cleaners need to be picked up and dropped off at the their working areas.
- Transport must be provided to the employees between home/work/home, vehicles must comply with Eskom's requirements (safety belts etc.)
- Contractor to provide necessary PPE and equipment e.g., reflective clothing, gloves, dust masks, flash lights, cell phones, etc.

### 2.14 Contractor’s Skills and other Requirements

- The Contractor will provide trained personnel for the implementation of all work.
- All Qualifications of key personnel to be forwarded before Contract is awarded.
- The Contractor will ensure the Employer can contact him at any time. The Contractors supervisors on shift will carry two-way radios to facilitate quick response, with Outside Plant Control room.
- Contractor to supply flashlights to all his employees and ensure it is in working order throughout the contract duration. Batteries and globes are for the Contractor's own account.
- Contractor to provide the necessary PPE for their employees. All PPE must bear the SABS mark of approval.
- Dust masks shall be FF2 with a valve.
- The Contractor provides the tools required to clean the chutes. The tools must be equipped with a device that prevents the tool from damaging the conveyor belts should the tool slips from the cleaner's hand.

### 2.15 Workflow Management

- Eskom is currently implementing Workflow Management. Workflow Management in principle is a business protocol of best international practises. In order to implement and maintain Workflow Management successfully, participation will be needed from the Contractor and thus is such participation compulsory for this contract.
- The Contractor needs to establish a Technical Administrative support function within the Contractors organisation in order to participate in Workflow Management.

The requirements for Workflow Management are detailed in the following documents:

- GGM1490: Routine Work Management Manual

- GGM1539: Leading Metrics Manual
- As the Leading Metrics Manual dictates future KP1's, e.g., manpower utilisation is one KPI that will be measured. The support function must thus be capable to align the Contractor's organisation with the requirements of Workflow Management.
- The implications for the above example are that actual working hours must be accurately booked onto Eskom's work orders and that work should not be done without a work order that is released for execution.

### 3 Health and safety, the environment and quality assurance

#### 3.1.1 Health and safety risk management

1. The Contractor complies with all relevant Eskom health and safety policies and procedures, with emphasis on the health and safety requirements contained in the Kendal Safety, Health & Environmental Specification (RA/RM/STD/01)
2. The Contractor perform all work according to OHSAS 18001
3. The Contractor complies with the following:
  - Eskom SHEQ Polity, 32-727
  - SHE Requirements for Eskom commercial process, 32-726
  - OHSAct85of 1993.
4. The Contractor's Safety plan must be prepared and submitted to the Employer's Safety Risk Officer for auditing and approval as per the accepted programme and before any work can commence. The Contractor/s Safety Officer liaises directly with the Employer's Safety Risk Officers regarding the Safety Plan, and it is the Contractor's responsibility to arrange the appointments with the Kendal Safety Risk Officers. The Safety Plan (one or more files) is the Employer's requirement and remain the Employer's property and is always available on site for inspection and handed over to the Employer upon completion. The Contractor's Safety Plan is kept up to date and audited on a monthly basis for the duration of the contract.
5. Compensation for Occupational Injuries and Diseases (COID) Certificate and Letter of Good Standing must be valid at all times and submitted to the Service Manager when renewed. These documents are to be submitted to the Eskom vendor database by the Contractor, before they expire.
6. The Contractor provides a monthly safety statistic report (worked man-hours) to the Service Manager on the first working day of each month for the previous month's statistics for the duration of the contract. This indicates the Contractor's actual man-hours worked on Site
7. All Contractor 's staff undergoes Safety Induction, presented by Kendal Power Station Risk Department.
8. The Contractor is responsible for the provision of adequate and correct personal protective equipment (PPE) for the Contractor's staff during the entire works. In addition, to standard PPE such as safety boots, hard-hat, overalls, hearing protectors, safety glasses etc., the Contractor ensures that adequate PPE is worn for protection against chemicals while performing the service.
9. The Contractor ensures that all personnel are fully conversant with the emergency procedures to be followed in case of an incident
10. The Contractor ensures cleaning of work areas and disposal of any waste materials generated is done continuously during the entire works.
11. Kendal Power Station is a national key point and therefore industrial action/Strikes are not permitted. Strikes are to be managed by the Contractor at his/her own cost. The Contractor takes all necessary measures to prevent such action during the period of the contract.
12. The Contractor has a dedicated Safety Officer on Site at all times when work is performed

#### 3.1.2 Eskom Life Saving Rules

1. The Contractor Complies to the Eskom Life Saving rules as per the Eskom Life Saving Rules Directive, 240-62196227
2. The Employer takes a "ZERO TOLERANCE" approach towards Safety. The violation of any safety rule while performing work for or on behalf of the Employer may result in the Employer terminating the Contractor's obligation to perform work in terms of the contract with the Employer.

#### 3.1.3 Reporting of Incidents

1. The Employer follows an incident prevention policy; refer to 32p95, Environmental, Occupational Health and Safety Incident Management Procedure, which includes the investigation of all incidents involving personnel and property. This is done with the intention of introducing control measures

prevent a recurrence of the same incident. The Contractor is expected to co-operate fully to achieve this objective. The Service Manager or Supervisor must be informed immediately of any incident before the end of the shift.

2. **NOTE:** The reporting of the incident to the Service Manager do not relieve the Contractor of his legal obligation to report incidents to the Department of Labour, or to keep records in terms of the Occupational Health and Safety Act, and Compensation for Occupational Injuries and Diseases Act.

### **3.1.4 Work Stoppages**

1. The Employer takes safety seriously and therefore, lessons learned from other safety lost time incidents (LTI), if and when they take place, are shared with all Contractors and employees on Site. These stoppages are compulsory, and the Contractor cannot be allowed to claim additional compensation for these stoppages.
2. If the Contractor experiences an LTI the Contractor is expected to prepare a presentation and present it at a work stoppage that is arranged by the Employer within three working days. The presentation template is provided by the Employer.

### **3.1.5 Vehicle and Driver Safety**

1. All drivers, passengers and pedestrians must obey the vehicle safety requirements in terms of the National Road Traffic Act. Act No 93 of 1996, as amended, including other relevant provincial or local requirements.
2. With effect from 31 May 2006, no Eskom employee or Contractor is allowed to transport passengers on the back of light delivery vehicles (LDV's). It is a legal requirement to provide safe transportation of Contractor employees.

### **3.1.6 Vehicle Standard minimum specifications**

1. Contractor vehicles are to comply with the requirements specified in the Eskom Vehicle Safety Specification 32-345.

### **3.1.7 Hot Work**

1. When performing any hot work, the Contractor complies with the Generation Plant Safety Regulations, 36-681.

### **3.1.8 Confined Spaces**

1. Confined Spaces are spaces such as Vessels, Mills, Culverts, Flues, Furnaces, Ducts, Pits, Sewers, Tunnels and Underground Chambers (Refer General Safety Regulation 5 of the OHS Act).
2. All work in confined spaces complies with the requirements of the OHS Act and the Employer's Plant Safety Regulations, 36-681

### **3.1.9 Working at Heights**

1. The *Contractor* complies with Eskom Working at Heights procedure, 32-418.

### **3.1.10 Lifting and Rigging**

1. The *Contractor* complies with Kendal Power Station Lifting and Rigging approved procedure to be provided by the Service Manager.

## **3.2 Environmental constraints and management**

Kendal Power Station is ISO 14001:2015 certified. The Contractor Is required to ensure that all works are carried out as per the ISO 14001 standard and must comply with all policies and procedures including the following procedures:

- Kendal Waste Management Procedure,10241022 55-PC-010

- Safety, Health and Environmental Specification for Contractor's, \*1015696
- Emergency Preparedness and Response, 39-29
- Eskom Smoking Policy, 32-1126.
- Oil spill management procedure 10241022 55-PC-010
- Environmental Legal Register (List of Environmental Legislation applicable to Kendal)
- The Contractor will be responsible for complying to any new environmental requirements, relevant to the Works Information that may come into effect as part of Kendal Power Station's EMS for the duration of this contract.
- If there is uncertainty around any Environmental issues, the Environmental Department at Kendal Power Station may be contacted.
- All work complies with the relevant environmental regulations. In this case, the Contractor uses such hazardous substances in accordance with the applicable regulations and procedures and is disposed of by the Contractor in accordance with the applicable law.

### 3.3 Quality assurance requirements

- The Supplier shall comply with the Eskom`s QM 58 (240-105658000) Supplier Quality Management Specification.
- The Contractor performs all work according to ISO 9001 Quality Management System. The Contractor complies with the Eskom's Quality requirements, 240-10565800 (previously QM-58), Supplier Contract Quality Requirement's Specification and all relevant quality requirements including those listed in section 6, Plant and Materials standards and workmanship.
- The Contractor ensures that a coordinated and formally documented management system is in place for the assurance of quality as specified in ISO 9001, Quality Management Systems Requirements.
- Quality requirements include visual inspection by the Employer, who will be entitled to witness progress of work at any time. The Employer shall also have the right to stop work and re-instruct the Contractor, who will comply with the requests,
- The Employer may, by arrangement, inspect completed work. If, in opinion of the Employer, the work does not comply with the quality requirements expected from the Contractor, the Employer shall instruct the Contractor to rectify the faults. The Contractor will comply with the instructions.

### 3.4 QCP's, Safe Work Procedures and Job Observations

- QCP's with action plans, safe work procedure and job observations shall be produced at the request of the Employer. QCP's must be signed and approved by Quality Controller or Cleaning Supervisor.
- **Note:** All Quality Control documentation must be submitted to the Employer's Representative for acceptance prior to any work commencing.

## 4 Procurement

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

### 4.1.1 People

#### Minimum requirements of people employed

- Semi-skilled personnel are in possession of valid school senior certificate.
- All project managers, site managers and project leaders must have undergone training specific to the type of contract that they manage (e.g., NEC3), managerial course (e.g., project management. etc.) from reputable Institutions.
- All Supervisors must be in possession of valid qualification, and must have undergone supervisory training from a reputable institution
- The Contractor will provide trained personnel for the implementation of all work.
- The Contractor remunerates his employees at not less than the proclaimed statutory wage (Minimum Wages Act). Failure in this regard will result in non-performance and therefore immediate termination of the contract.

- In order to fully evaluate a tender, the Contractor is to submit an organogram, which is to include the relevant skills levels.
- CV of all staff together with qualifications to be submitted to the Service Manager two weeks prior to commencement of work and approval of qualifications of staff to be granted within one week of receipt of qualifications.
- The Contractor submits requests to change any pro-approved staff together with proof of qualifications for approval prior to changing the staff.

| POSITIONS                   | SKILLS AND RELATED EXPERIENCE  |
|-----------------------------|--|
| Site Manager                | Minimum of 3 years relevant experience in industrial cleaning environment<br>Grade 12 with a 3-year technical diploma      |
| Supervisors                 | Minimum of 3 years relevant experience in industrial cleaning environment<br>Grade 12                                      |
| Drivers/equipment operators | 1-year related experience<br>Valid driver's licence for equipment and valid Operator's certificate for specific equipment. |
| Cleaners                    | 1-year related experience in industrial cleaning   |
| Safety Officer              | 3 Years relevant experience in industrial cleaning<br>Safety/Samtrac Certificate   |

#### 4.1.2 Supervision

- The Contractor provides Authorised Supervisor(s) in terms of the Plant Safety Regulations, The Contractor trains enough staff to cover for leave periods as well as night shifts If required. Training will be provided by Eskom Kendal and is done according to a schedule; thus, arrangements need to be made with the Service Manager well in advance.
- Contractor to have a Supervisor on site at all times.

#### 4.1.3 Key Competencies and Experience

- **Supervisors and site Managers:**
  - a. Knowledge of PSR.
  - b. Capability to read and interpret drawings.
  - c. Ability to read and understand scopes of work.
  - d. Maintain high cleaning standards despite pressing deadlines.
  - e. Is alert in a high-risk environment and follows procedures.
  - f. At least 2 years supervisory experience.
  - g. Poser plant experience, preferably Eskom plant will be an advantage.
- **Semi-Skilled**
  - a. Ability to use/operate the required equipment/tools
  - b. Maintain high standards despite pressing deadlines

#### 4.1.4 BBBEE and preferencing scheme

Not Applicable

#### 4.1.5 Subcontracting

##### Preferred Subcontractors

- If the Contractor subcontracts work, he is responsible for providing the Service as if he had not subcontracted. This contract applies as if a Subcontractor's employees and equipment was the Contractor's.
- The Contractor supports local Small, Micro and Medium Enterprises (SMME) by purchasing equipment, tools and materials locally where such equipment, tools and materials are available.
- All Subcontractors need to be approved by the Service Manager before the Subcontractor may be allocated work by the Contractor or be brought to the Site.
- Subcontract documentation, and assessment of subcontract tenders

- The Contractor must inform the Service Manager when intending to subcontract some of the works from the contract Scope of Work.
- The Contractor may subcontract according to NEC contract or other types of contracts.
- The Contractor submits the proposed contract data for each Subcontractor for acceptance to the Service Manager.
- The Contractor only employs competent Subcontractors.
- The Contractor indicates on a list as shown below, the names of any Subcontractors (when known) whose services may be used to provide the works. The Contractor provides a short description of the work it is proposed to sub-contract to each, together with an approximate value of the work to be executed by each.
- Where the Subcontractor is required to do physical work on Site, the Contractor provides details of the experiences of the mentioned Subcontractor as well as a list of references involving work of a similar nature.
- Notwithstanding the inclusion of a Subcontractor name below. the Contractor obtains the written acceptance of the Service Manager prior to the employment of such Subcontractor
- 

#### **4.1.5 Limitations on subcontracting**

- The Contractor is not allowed to subcontract more than 25% of the contract value to another enterprise or supplier. In addition, the intended Subcontractor/s must have equal or better B-BBEE status, unless the intended Subcontractor is an EME that has the capability and ability to execute the sub-contract in order to claim the points for B-BBEE.
- The terms and conditions of employment of Contractors and Subcontractors must be made available to the Service Manager before any work may commence.
- The Contractor and Subcontractors comply fully with all local and statutory labour laws (LRA, BCEA, UIF etc.) and agreements and promptly attend to any labour grievances that may arise. The Contractor and Subcontractors do not remunerate employees at less than the proclaimed statutory wage (Minimum Wage Act).
- The contract does not create any renewal expectations on either party as referred to in section 18 B of the Labour Relations Act.

#### **4.1.6 Attendance on subcontractors**

- It is the Contractor's responsibility to ensure that the Sub-contractor(s) completes and supplies a daily Site diary, which includes details such as the labour resources available, starting time, ending time, equipment and materials used, weather conditions, interruptions etc.
- The Contractor ensures that the Subcontractor to the Service Manager daily for checking, commenting and signing-off, submits the diary and a copy is supplied. If each worker does not sign off the daily diary then a separate daily attendance register is supplied.

#### **4.1.7 Plant and Materials**

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

- The Employer supplies and installs scaffolding and solid barricading Contractor's procurement of Plant and Materials
- The Contractor supplies all tools and equipment used to clean the plant. The Contractor must submit the price list with the tender document to be part of the tender evaluation or negotiations.

#### **4.1.7 Specifications**

The appointed Contractor shall ensure that all above mentioned services provided are performed by, or under the direction, control and supervision of a competent person as required by the scope of the works.

The contractor shall utilise the KKS numbers under appendices to identify the part of the plant when reporting a defect and compiling his or her reports.

## 5 Working on the Affected Property

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

The *site* can be easily accessed via the main access gate of Kendal Power station. Permits to enter into the station will be obtained from the power station Main access gate. **Contractors** shall comply with local / Kendal Power Station safety and security regulations. **Contractors** need to bear in mind that no cameras and laptops shall be allowed into Eskom *site* without necessary authorization and permits. Access forms are obtainable from the *employer*.

1. Site entry is only approved once the following is adhered to:  
All Contractor personnel and Subcontractors must have Police clearance certificates, which must be included in the Safety Plan and handed to the Service Manager at least 2 weeks before commencement of work. The Service Manager reserves the right to refuse entry to all persons whose criminal records indicate that their presence on Site may create an unsafe and insecure environment to Kendal Power Station. The following website can be used to guide the process.  
[http://www.saps.gov.za/services/applying\\_clearance\\_certificate.php](http://www.saps.gov.za/services/applying_clearance_certificate.php)
  - The Employer's Safety department approves the Contractors and Subcontractors Safety Plan.
  - Site-specific induction is done by all personnel
  - Refer to the General Works information.
2. Permits, Plan (Safety Regulations, Authorised supervisor Training and Duties)
  - After the contract start date and prior to the planned access date, the Contractor nominates and sends at least three (3) competent supervisors/assistant supervisors or other competent personnel to attend training at the Employer's premises to become a Responsible Person (RP, which is a requirement for the Employer's Plant Safety Regulations (PSR). Additionally, the Contractor may send other personnel to be trained as an Authorised Supervisor (AS) (shorter course). The Contractor's Site Manager may also attend one of the courses to become acquainted with PSR and get authorised, but this cost will be for the Contractor's own account. The Contractor Site Manager will not be allowed to act as an RP or AS during work execution due to other key activities to be performed away from the work areas.
  - Upon getting plant access, the Contractor verifies that the respective plant area being worked on is completely isolated, cleaned and is safe to work on by means of the issue and acceptance of a Permit to Work (PTW) by the Contractor's Responsible Person (RP) and that all workers are signed on to the RP's Worker's Register. The Contractor's RP assumes all full-time supervision duties or may elect to sign over supervision duties to the Contractor's Authorised Supervisor (AS) and both keep a Worker's Register.
  - The Contractor sends the personnel to the first available course held for the duration indicated, in which the incumbents receive the theoretical training and write an exam for which 80% is required to pass. Additional time is required thereafter while on Site for plant orientation, practical training and an interview/question session at the Kendal PSR Committee before the persons may become authorised in writing, the Employer gives the theoretical training, plant orientation, practical training and the course.
  - The Contractor makes provision for all relevant costs including the training, accommodation, living out expenses, meals and travelling for the three personnel for the theoretical and practical training components.
  - If the Contractor personnel fail on the first attempt to pass the exam, the Contractor personnel will be allowed to write for a second attempt. All related cost for the second and possible following attempts to pass the examination will be at the cost of the Contractor.
  - One RP or AS must be in full-time attendance to always supervise the work on Site and cannot be allowed to perform any other work while Supervising others. Training at least three RP's and additional AS's ensures that the Contractor has sufficient supervisory staff although more personnel may be trained. If this supervision requirement is not met, the work must be stopped and the Contractor's delay will affect the programme, which may result in delay damages being obtained by the Employer if the completion date on the agreed programme is not met.
  - All the necessary isolations will be made by the Employer's personnel prior to the commencement of the works to ensure that it is safe to work in and around the site. The Contractor's RP verifies on a daily basis that the PTW is in force and all workers sign onto

the RP's workers register. When both RP and AS are used, the AS signs on the RP's workers register before all other workers sign onto the AS's workers register.

### **People restrictions**

- The contractor only uses established roads and walkways.
- The Contractor does not cross any barricades except where access was granted by the Service Manager

### **Publicity and progress photographs**

- The taking of photographs in the Power Station including the contract service is restricted and subject to the approval by the Service Manager.
- For the purpose of the progress reporting requirements, the Service Manager may prohibit the taking of such photographs and or require that an official Employer photographer take all such photographs. In the latter event, the Contractor is required to make arrangements directly with the photographer for the taking of the photographs required by the Contractor for the purpose of the progress reporting requirements

### **Hours of work**

- Kendal Power Station Shift working times are:  
Mondays to Sundays 07:00-19:00  
Mondays to Fridays 07:15-16:30 for day shift workers
- However, the Contractor is not limited to work within these times unless restrictions and/or interfaces with other parties necessitate such, The Contractor may apply to work alternate times and only upon approval by the Service Manager, while ensuring that a minimum of forty hours per week are worked.
- The Contractor may work additional hours and over weekends by agreement with the Service Manager, more especially when the programme is behind schedule while ensuring that any overtime is managed according to legislation by the Department of Labour. Programmes submitted reflect the planned working hours.

### **Health and safety facilities on the Affected Property**

- Minor first aid requirements are provided for the Contractor. Should these prove to be inadequate for example in the event of a major injury, the Employer's Medical Centre and facilities are available for use` Emergency services can be reached by dialling 9222 from any site phone. Alternatively, one of the following numbers can be dialled:
  - a. Medical centre 013 647 9391
  - b. Fire and rescue 013 647 9324
  - c. Electrical operating Desk (EOD) 013 647 6796 tall hours).
- The Employer is entitled however to recover the costs incurred in respect thereof from the Contractor/Subcontractor.
- The Employer's Emergency Medical Services for after-hours is available for major injuries and life-threatening injuries including ambulance transportation.

### **Environmental controls, fauna & flora**

- The Contractor complies with the environmental requirements contained in the Service Information.

### **Cooperating with and obtaining acceptance of others**

- Other Contractor's may be working in the same area as the work of this contract. In this regard, the Contractor co-ordinates his work with the Service Manager to maintain harmonious working conditions on Site.
- During the progress of the works, the Contractor provides access to others who also execute work in the same area, on an "as and when required" basis.
- The Contractor makes his own assessment of the problems and difficulties that may be encountered for providing access to and interfacing with others, (this includes access difficulties experienced during construction or commissioning phase).

### **Records of Contractor's Equipment**

- The Contractor provides all equipment, tools and special tools that are required to execute and complete the works.
- The Contractor's equipment does not impair the Employer`s operations or access to the plant.
- The Contractor provides all, or any temporary or expendable materials required for the storage of material.

- The Contractor declares all materials, equipment and tools via a prepared, pre-printed list upon arrival at the main security entrance, where a removal permit is issued by Security personnel,
- The Contractor keeps a list of inventories of their equipment on Site. A copy of the list of inventories shall be supplied to the Service Manager.
- Proof of Site entrance (approved list or permit) needs to be provided before equipment can be removed from Site.
- The Contractor keeps these records, If the records are lost the Employer does not have the responsibility to issue a gate release permit and the Contractor might have to leave the equipment behind on Site.
- The Contractor is responsible for the safeguarding, care and security of all items whilst in the Contractor's custody and control until Completion of the whole of the works.
- Any electrical equipment or appliances used by the Contractor, conforms to the applicable OHS Act safety standards and is maintained in a safe and proper working condition. The Service Manager may stop the Contractor's use of any electrical equipment, or appliance, which does not conform to the foregoing.
- The Contractor Sets up any additional safety berries/screens and signage around the plant area being worked on.
- The Contractor supplies and installs temporary local lighting in accordance with the requirements of the OHS Act, as amended. The Service Manager provides no local lighting. All construction lighting is the responsibility of the Contractor.
- The Employer may assist the Contractor with the off-loading of equipment, plant and material but the responsibility for off-loading remains with the Contractor.

## Equipment provided by the Employer

### Scaffolding:

- The Contractor establishes scaffolding requirements and requests the Service Manager in writing to erect scaffolding and barricading, wherever necessary. Planning is required three (3) days in advance for new scaffolding/barricading and at least 24 hours in advance for any modifications Scaffolding and barricading cannot be erected, moved, disassembled or modified by the Contractor Safety harnesses must be worn by all the Contractor's personnel to access scaffolds via ladders and in all areas when working at heights.
- The Employer only provides solid barricading signage is not included.

## Site Services and Facilities Provided by the Employer

### Site Yard

- It is required, for the proper co-ordination and execution of the works that the Contractor has an office on Site for the duration of the contract.
- A site is made available to the Contractor for his yard within the Power Station security area. The proposed site shall be shown to the Contractor during Site meeting or clarification meeting. The yard is a raw site and is used by the Contractor for the establishment of his offices, ablution, change-rooms, workshop and stores.
- The Contractor's yard is subject to periodic inspection by the Service Manager/Supervisor and Safety Risk Officers.
- The location of the nearest sewer manhole, power distribution point, potable water connection, storm water channel and the road access point is indicated by the Employer. The Contractor is responsible for the connection to the closest point of supply.

### Site Yard

- Electricity is made available for construction purposes free of charge from installed power points, which is indicated by the Service Manager. The Contractor is responsible for the provision of the reticulation system from the point of supply. Both 220 (AC) Volt and 380 (AC) Volt are available on request, all points of supply requested by the Contractor are provided in terms of quantity and location all the discretion of the Project Manager.
- No guarantees of power supply quality are given and power supply breaks of some duration may occur without warning. Planned outages are also a possibility. The Contractor makes arrangements at his own expense to improve continuity and quality of power where necessary for any reason and no claim of any nature relating to power failures is considered.

- No connection is made to the permanent installation at the Power Station without the prior acceptance of the Service Manager.
- The power supply is managed in accordance with the latest revision of the Eskom safety regulations i.e.:
  - a. 32-846, Operating Regulations for High-Voltage Systems
  - b. 36681. Generation Plant Safety Regulations, A Certificate of Compliance (COO) for the site installation is provided by the Contractor prior to power being switched on.

## **Water**

- Water is made available on request free of charge from water points on Site.
- The Contractor supplies at his own cost all the necessary connections, fittings, piping work, temporary plumbing and pumps necessary to lead water from the Employer's points of supply to the various points where it is required,
- The Contractor is responsible for maintaining this equipment and for removing it at Completion of the works.
- The Service Manager does not guarantee continuity of supply and the Contractor makes his own provision for standby supplies to maintain continuity of work.
- Claims of any nature relating to a discontinuity of water supply are not considered.

## **Roads**

- Main access roads are surfaced and may be used by the Contractor with the necessary. The Employer maintains the Site roads described above, to a fair condition but construction work may occasionally cause gravel road detours to be used. Any costs incurred by the Service Manager from damage caused to underground services structures, etc. because of the Contractor not using the prescribed routes is recovered from the Contractor.
- The Contractor provides temporary access points from the prescribed routes and roads to the points where the Contractor is required to perform work, having first obtained permission in writing from the Service Manager.

## **Ablution Facilities**

- Ablution facilities are provided on the four corners of the station

## **Take Away Meals**

- The Contractor or any of the Contractor's employees or Subcontractors may purchase take away meals from the fast-feed outlet on Site, if available. Driving off Site to purchase meals should not delay the progress of the contract.

## **Provided by the Contractor**

### **Contractor's Yard, Offices, Workshops and Stores**

- The Contractor conducts Site establishment once of for the entire service at the identified Contractor's yard on site. The yard is located approximately one kilometre from the Water Pre-Treatment Plant and j§ approximately (72 in x 20 in) of land where vegetation has been cut or cleared and topsoil removed, some levelling and surface compaction done. The Contractor erects a site yard of approximately 480 m2 and uses it for site establishment.
- Containers for dressing rooms, office and dining
- Storage for tools, equipment and consumables
- Portable 380V electrical distribution boards, and Supply cables to and from the boards for all his power supply requirements to execute the services, Contractors' Electrical Distribution Boards complies with OHSA as referred to in the Electrical !nstallation Regulations and the Electrical Machinery Regulations. Each board brought on site has a certificate of compliance issued by an accredited person. The Contractor electrical Distribution Boards must be installed at a time negotiated with the Electrical Maintenance Manager, or prior to the possession date. Distribution boards will be connected to a 380V three phase AC power supply by the Employer, only after the Contractor has submitted the valid certificate of compliance All Contractors' Electrical Distribution Boards are earthed to the steel structure of the plant.
- Accommodation
- Transport
- Office furniture. equipment and stationary

- The Contractor or any of his employees or subcontractors may buy take away meals from the fast food outlet on site.

### **Telecommunications**

- Neither a network point nor a telephone is available on site. Should the contractor require one, he is to make his own arrangements with relevant authorities. Arrangements may also be made to use the telephones of the station if they are available. Calls from these are charged for at prevailing GPOI Telkom rates.
- Should the Contractor wish to use radio communication equipment on Site, he makes a request to the Service Manager.

### **Control of noise, dust, water and waste**

- Earplugs or ear muffs will be used.
- The dust suppression will be done as and when required.
- Colour coded skips will be provided for waste management.

## **List of Ash Dump and E-Dump KKS**

### **KKS issued by the *Employer***

KKS will attached/ provided by the *Employer* at or before the Contract Date and which apply to this contract.