



NEC3 Term Service Contract (TSC3)

Between	ESKOM HOLDINGS SOC Ltd (Reg No. 2002/015527/30)	
and		
for	Coal Samples Analysis on 'As and When Required' for a Period of 60 Months at Arnot Power Station	
Contents:		No of pages
Part C1	Agreements & Contract Data	[•]
Part C2	Pricing Data	[•]
Part C3	Scope of Work	[•]
CONTRACT No.	[Insert at award stage]	

PART C1: AGREEMENTS & CONTRACT DATA

Contents:		No of pages
C1.1	Form of Offer and Acceptance [to be inserted from Returnable Documents at award stage]	[•]
C1.2a	Contract Data provided by the <i>Employer</i>	[•]
C1.2b	Contract Data provided by the <i>Contractor</i> [to be inserted from Returnable Documents at award stage]	[•]
C1.3	Proforma Guarantees	[•]

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:

Coal Samples Analysis on 'As and When Required' for a Period of 60 months at Arnot Power Station

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

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

Options A	The offered total of the Prices exclusive of VAT is	R [•]
	Sub total	R [•]
	Value Added Tax @ 15% is	R [•]
	The offered total of the amount due inclusive of VAT is ¹	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:			
Name & signature of witness	(Insert name and address of organisation)	Date	
Tenderer's CIDB registration number:			

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

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)			
Name(s)			
Capacity	General Manager - Arnot Power Station		
for the Employer	Eskom Holdings Soc Ltd Arnot Power Station Private Bag X2 RIETKUIL 1097		
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	Not applicable	Not applicable

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 <i>Employer</i>
Signature		
Name		
Capacity		General Manager - Arnot Power Station
On behalf of		Eskom Holdings Soc Ltd Arnot Power Station Private Bag X2 RIETKUIL 1097
Name & signature of witness		
Date		

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

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

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1: Price adjustment for inflation
		X2 Changes in the law
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ¹ (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state-owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	0118008111
	Fax No.	Not Applicable
10.1	The <i>Service Manager</i> is (name):	Sonto Makhubu
	Address	Eskom Holdings Soc Ltd Arnot Power Station Private Bag X2 RIETKUIL 1097
	Tel	013 297 9316

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

CONTRACT TITLE: COAL SAMPLES ANALYSIS ON 'AS AND WHEN REQUIRED' FOR A PERIOD OF 60 MONTHS AT ARNOT POWER STATION

	Fax	Not Applicable
	e-mail	MakhubuS@eskom.co.za
11.2(2)	The Affected Property is	Arnot Power Station
11.2(13)	The <i>service</i> is	Analysis of Coal Samples on 'As and When Required' for a Period of 60 months at Arnot Power Station
11.2(14)	The following matters will be included in the Risk Register	<ul style="list-style-type: none"> • All matters notified on Early warnings, • All matters discussed during Risk reduction meetings • Delay deliveries • Skills shortage • Service and Calibration that failed to meet contractual specification
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	24 hours for emergencies, and other period agreed between the parties and specified in the task order
2	The Contractor's main responsibilities	Data required by this section of the core clauses is also provided by the <i>Contractor</i> in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data
21.1	The <i>Contractor</i> submits a first plan for acceptance within	One (1) Week of the Contract Date
3	Time	
30.1	The <i>starting date</i> is	TBC
30.1	The <i>service period</i> is	60 months
4	Testing and defects	If a test or inspection shows that any work has a defect, the Service provider corrects the defect, and the test or inspection is repeated
42.1	Notifying and correction of defects	The <i>Contractor</i> corrects a Defect whether or not the <i>Service Manager</i> notifies him of it.
42.2	Defects correction period is	Defect date is 52 weeks after completion of each task order. The defect correction period is 2 weeks, or any other period agreed between the parties.
5	Payment	
50.1	The <i>assessment interval</i> is	between the 25th day of each successive month or as per the task order issued.
51.1	The <i>currency of this contract</i> is the	ZAR (South African Rand)

51.2	The period within which payments are made is	30 days after the receipt of correct and undisputed tax invoice
51.4	The <i>interest rate</i> is	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
6	Compensation events	All Compensation Events are to be managed as per core clause 6 of the NEC3 TSC
7	Use of Equipment Plant and Materials	To be managed ss per core clause 7 of the NEC3 TSC
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	1. Natural disaster 2. Industrial action 3. Community Unrest
80.2	The <i>Employer</i> provides these insurances from the Insurance Table	The <i>Employer</i> provides the insurances stated in the Insurance Table B
80.3	The <i>Contractor</i> will be liable for the applicable deductible if any	The <i>Contractor</i> provides the insurances stated in the Insurance Table A
9	Termination	To be managed as per core clause 9 of the NEC3 TSC
10	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than	Monthly (30 days) or as stated on the Task Order. Programme to be supplied in Primavera Format. The level of the programme to be agreed with the Site <i>Service Manager</i>
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	The person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
	Address	SAICE House, Thornhill Office Park, Bekker Road, Vorna Valley Midrand, 1685, South Africa
	Tel No.	TBA
	Fax No.	TBA
	e-mail	TBA

CONTRACT TITLE: COAL SAMPLES ANALYSIS ON 'AS AND WHEN REQUIRED' FOR A PERIOD OF 60 MONTHS AT ARNOT POWER STATION

W1.2(3)	The <i>Adjudicator nominating body</i> is:	The Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.										
W1.4(2)	The <i>tribunal</i> is:	Arbitration										
W1.4(5)	The <i>arbitration procedure</i> is	The latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.										
	The place where arbitration is to be held is	South Africa										
	The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is	The Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.										
12	Data for secondary Option clauses											
X1	Price adjustment for inflation											
X1.1	The <i>base date</i> for indices is											
	The proportions used to calculate the Price Adjustment Factor are:	Proportion	linked to index for	Index prepared by								
		15%	Fixed (Non-Adjustable)	Fixed Portion								
		72%	Actual Labour Cost – All hourly	SEIFSA Table C-3								
		12%	Transport	SEIFSA Table L-1(B)								
		1%	CPI (P&G's)	SEIFSA Table D-4								
		100%										
X2	Changes in the law	Becomes a Compensation Event only if the changes in the Law of the Republic of South Africa took place after the Contract Date.										
X17	Low service damages											
X17.1	The <i>service level table</i> is in	As per task order										
		<table><tr><th colspan="2">Service Level Table</th></tr><tr><th>Description</th><th>Penalty</th></tr><tr><td>Poor workmanship</td><td>Contractor to carry corrective cost</td></tr><tr><td>Compliance to SOW schedule</td><td>Cost incurred due to the no-compliance to the scope of work will be carried out by the contractor.</td></tr></table>			Service Level Table		Description	Penalty	Poor workmanship	Contractor to carry corrective cost	Compliance to SOW schedule	Cost incurred due to the no-compliance to the scope of work will be carried out by the contractor.
Service Level Table												
Description	Penalty											
Poor workmanship	Contractor to carry corrective cost											
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CONTRACT TITLE: COAL SAMPLES ANALYSIS ON 'AS AND WHEN REQUIRED' FOR A PERIOD OF 60 MONTHS AT ARNOT POWER STATION

X18	Limitation of Liability	
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	R200 000.00 (two hundred thousand Rand)
X18.2	For any one event, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to	The amount of the deductibles relevant to the event described in the "Format A" insurance policy available on request from Eskom Group Insurance.
X18.3	The Contractor's liability for Defects due to his design of an item of Equipment is limited to	The greater of <ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works/maintenance policies.
X18.4	The Contractor's total liability to the Employer, for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	the total of the Prices other than for the additional excluded matters. The <i>Contractor's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for <ul style="list-style-type: none"> • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and infringement of an intellectual property right.
X18.5	The end of liability date is	52 weeks after the end of the service period.
X19	Task Order	
X19.3	Delay Damages are	Five percent (5%) of the Task Order Value per day from the day of delayed completion until the actual completion of the services, to be capped at the maximum of Ten percent (10%) of the Total Task Order Value
X19.5	The Contractor submits a Task Order programme to the Service Manager within	24 hours after issuing of task order or as agreed between the parties.
Z	The <i>additional conditions of contract</i> are	Z1 to Z14 always apply.
Z1	Cession delegation and assignment	

Z1.1	The <i>Contractor</i> does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the <i>Employer</i> .
Z1.2	Notwithstanding the above, the <i>Employer</i> may on written notice to the <i>Contractor</i> 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 because of the restructuring of the Electricity Supply Industry.
Z2	Joint ventures
Z2.1	If the <i>Contractor</i> 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 <i>Employer</i> for the performance of this contract.
Z2.2	Unless already notified to the <i>Employer</i> , the persons or organisations notify the <i>Service Manager</i> within two weeks of the Contract Date of the key person who has the authority to bind the <i>Contractor</i> on their behalf.
Z2.3	The <i>Contractor</i> does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the <i>Employer</i> having been given to the <i>Contractor</i> in writing.
Z3	Change of Broad Based Black Economic Empowerment (B-BBEE) status
Z3.1	Where a change in the <i>Contractor's</i> legal status, ownership or any other change to his business composition or business dealings results in a change to the <i>Contractor's</i> B-BBEE status, the <i>Contractor</i> notifies the <i>Employer</i> within seven days of the change.
Z3.2	The <i>Contractor</i> is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the <i>Service Manager</i> within thirty days of the notification or as otherwise instructed by the <i>Service Manager</i> .
Z3.3	Where, as a result, the <i>Contractor's</i> B-BBEE status has decreased since the Contract Date the <i>Employer</i> may either re-negotiate this contract or alternatively, terminate the <i>Contractor's</i> obligation to Provide the Service.
Z3.4	Failure by the <i>Contractor</i> to notify the <i>Employer</i> of a change in its B-BBEE status may constitute a reason for termination. If the <i>Employer</i> 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 <i>Contractor</i> 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 <i>Contractor</i> , enters the public domain or to information which was already in the possession of the <i>Contractor</i> at the time of disclosure (evidenced by written records in existence at that time). Should the <i>Contractor</i> disclose information to Others in terms of clause 25.1, the <i>Contractor</i> ensures that the provisions of this clause are complied with by the recipient.
Z4.2	If the <i>Contractor</i> is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the <i>Service Manager</i> .
Z4.3	If the <i>Contractor</i> is, at any time, required by law to disclose any such information which is required to be kept confidential, the <i>Contractor</i> , to the extent permitted by law prior to disclosure, notifies the <i>Employer</i> so that an appropriate protection order and/or any other action

	can be taken, if possible, prior to any disclosure. If such protective order is not, or cannot, be obtained, then the <i>Contractor</i> 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, while Providing the Service and after the end of the <i>service period</i> , requires the prior written consent of the <i>Service Manager</i> . All rights in and to all such images vests exclusively in the <i>Employer</i> .
Z4.5	The <i>Contractor</i> 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 <i>Service Manager</i> or the <i>Adjudicator</i> 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	<p>The <i>Contractor</i> undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the <i>service</i>. Without limitation the <i>Contractor</i>:</p> <ul style="list-style-type: none"> • accepts that the <i>Employer</i> 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 enough 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 <i>service</i>; and • undertakes, in and about the execution of the <i>service</i>, 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 <i>Contractor's</i> direction and control, likewise observe and comply with the foregoing.
Z6.2	The <i>Contractor</i> , in and about the execution of the <i>service</i> , 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 <i>Contractor's</i> 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 <i>Service Manager</i> in terms of core clause 51.1, the <i>Contractor</i> provides the <i>Employer</i> with a tax invoice in accordance with the <i>Employer's</i> procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
Z7.2	If the <i>Contractor</i> does not provide a tax invoice in the form and by the time required by this contract, the time by when the <i>Employer</i> 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 <i>Employer</i> in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
Z7.3	The <i>Contractor</i> (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 <i>Employer's</i> VAT number 4740101508 on each invoice he submits for payment.
Z8	Notifying compensation events
Z8.1	Delete the last paragraph of core clause 61.3 and replace with: If the <i>Contractor</i> does not notify a compensation event within eight weeks of becoming aware of the event, he is not entitled to a change in the Prices.
Z9	<i>Employer's</i> limitation of liability
Z9.1	The <i>Employer's</i> liability to the <i>Contractor</i> for the <i>Contractor's</i> indirect or consequential loss is limited to R0.00 (zero Rand)
Z9.2	The <i>Contractor's</i> entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the <i>Employer's</i> 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 <i>Contractor</i> or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all 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 <i>Contractor</i> , 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, 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.

Z11.1	A Committing Party may not take any Prohibited Action during the procurement of this contract or in execution thereof.
Z11.2	The <i>Employer</i> may terminate the <i>Contractor's</i> obligation to Provide the Services if a Committing Party has taken such Prohibited Action and the <i>Contractor</i> did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the <i>Employer</i> 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 <i>Employer</i> can terminate the <i>Contractor's</i> obligation to Provide the Services for this reason.
Z11.3	If the <i>Employer</i> terminates the <i>Contractor's</i> obligation to Provide the Services for this reason, the amounts due on termination are those intended in core clauses 92.1 and 92.2.
Z11.4	A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the <i>Employer</i> does not have a contractual bond with the Committing Party, the <i>Contractor</i> ensures that the Committing Party co-operates fully with an investigation.

Z12 Insurance**Z 12 .1 Replace core clause 83 with the following:****Insurance cover 83**

- 83.1 When requested by a Party, the other Party provides certificates from his insurer or broker stating that the insurances required by this contract are in force.
- 83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for 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	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u> The amount required by the applicable law.

person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service	
Liability for 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	The amount required by the applicable law

Z 12.2 Replace core clause 86 with the following:**Insurance by the Employer**

86

86.1 The *Employer* provides the insurances stated in the Insurance Table B**INSURANCE TABLE B**

Insurance against or name of policy	Minimum amount of cover or minimum limit of indemnity
Assets All Risk	Per the insurance policy document
Contract Works insurance	Per the insurance policy document
Environmental Liability	Per the insurance policy document
General and Public Liability	Per the insurance policy document
Transportation (Marine)	Per the insurance policy document
Motor Fleet and Mobile Plant	Per the insurance policy document
Terrorism	Per the insurance policy document
Cyber Liability	Per the insurance policy document
Nuclear Material Damage and Business Interruption	Per the insurance policy document
Nuclear Material Damage Terrorism	Per the insurance policy document

Z13	Nuclear Liability
Z13.1	The <i>Employer</i> is the operator of the Koeberg Nuclear Power Station (KNPS), a nuclear installation, as designated by the National Nuclear Regulator of the Republic of South Africa and is the holder of a nuclear licence in respect of the KNPS.
Z13.2	The <i>Employer</i> is solely responsible for and indemnifies the <i>Contractor</i> or any other person against any and all liabilities which the <i>Contractor</i> or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the <i>Contractor</i> or any other person or the presence of the <i>Contractor</i> or that person or any property of the <i>Contractor</i> or such person at or in the KNPS or on the KNPS site, without the permission of the <i>Employer</i> or of a person acting on behalf of the <i>Employer</i> .
Z13.3	Subject to clause Z13.4 below, the <i>Employer</i> waives all rights of recourse, arising from the

	aforesaid, save to the extent that any claims arise or liability is incurred due or attributable to the unlawful intent of the <i>Contractor</i> or any other person, or the presence of the <i>Contractor</i> or that person or any property of the <i>Contractor</i> or such person at or in the KNPS or on the KNPS site, without the permission of the <i>Employer</i> or of a person acting on behalf of the <i>Employer</i> .
Z13.4	The <i>Employer</i> does not waive its rights provided for in section 30 (7) of Act 47 of 1999, or any replacement section dealing with the same subject matter.
Z13.5	The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.
Z14	Asbestos
For the purposes of this Z-clause, the following definitions apply:	
AAIA	means approved asbestos inspection authority.
ACM	means asbestos containing materials.
AL	means action level, i.e. a level of 50% of the OEL, i.e. 0.1 regulated asbestos fibres per ml of air measured over a 4-hour period. The value at which proactive actions is required to control asbestos exposure to prevent exceeding the OEL.
Ambient Air	means breathable air in area of work with specific reference to breathing zone, which is defined to be a virtual area within a radius of approximately 30cm from the nose inlet.
Compliance Monitoring	means compliance sampling used to assess whether the personal exposure of workers to regulated asbestos fibres follows the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles.
OEL	means occupational exposure limit.
Parallel Measurements	means measurements performed in parallel, yet separately, to existing measurements to verify validity of results.
Safe Levels	means airborne asbestos exposure levels conforming to the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles.
Standard	means the <i>Employer's</i> Asbestos Standard 32-303: Requirements for Safe Processing, Handling, Storing, Disposal and Phase-out of Asbestos and Asbestos Containing Material, Equipment and Articles.
SANAS	means the South African National Accreditation System.
TWA	means the average exposure, within a given workplace, to airborne asbestos fibres, normalised to the baseline of a 4-hour continuous period, also applicable to short term exposures, i.e. 10-minute TWA.
Z14.1	The <i>Employer</i> ensures that the Ambient Air in the area where the <i>Contractor</i> will Provide the Services conforms to the acceptable prescribed South African standard for asbestos, as per the regulations published in GNR 155 of 10 February 2002, under the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("Asbestos Regulations"). The OEL for asbestos is 0.2 regulated asbestos fibres per millilitre of air as a 4-hour TWA, averaged over any continuous period of four hours, and the short-term exposure limit of 0.6 regulated asbestos fibres per millilitre of air as a 10-minute TWA, averaged over any 10 minutes, measured in accordance with HSG248 and monitored according to HSG173 and OESSM.
Z14.2	Upon written request by the <i>Contractor</i> , the <i>Employer</i> certifies that these conditions prevail. All

	measurements and reporting are affected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited, and Department of Employment and Labour approved AAIA. The <i>Contractor</i> may perform Parallel Measurements and related control measures at the <i>Contractor's</i> expense. For the purposes of compliance, the results generated from Parallel Measurements are evaluated only against South African statutory limits as detailed in clause Z14.1. Control measures conform to the requirements stipulated in the AAIA-approved asbestos work plan.
Z14.3	The <i>Employer</i> manages asbestos and ACM according to the Standard.
Z14.4	If any asbestos is identified while Providing the Services, a risk assessment is conducted and if so required, with reference to possible exposure to an airborne concentration of above the AL for asbestos, immediate control measures are implemented and relevant air monitoring conducted to declare the area safe.
Z14.5	The <i>Contractor's</i> personnel are entitled to stop working and leave the contaminated area forthwith until such time that the area of concern is declared safe by either Compliance Monitoring or an AAIA approved control measure intervention, for example, per the emergency asbestos work plan, if applicable.
Z14.6	The <i>Contractor</i> continues to Provide the Services, without additional control measures presented, on presentation of Safe Levels. The contractually agreed dates to Provide the Services, including the Completion Date, are adjusted accordingly. The contractually agreed dates are extended by the notification periods required by regulations 3 and 21 of the Asbestos Regulations, 2001.
Z14.7	Any removal and disposal of asbestos, asbestos containing materials and waste, is done by a registered asbestos <i>Contractor</i> , instructed by the <i>Employer</i> at the <i>Employer's</i> expense, and conducted in line with South African legislation.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Notes to a tendering *Contractor*:

1. Please read both the both the NEC3 Term Service Contract April 2013 and the relevant parts of its Guidance Notes (TSC3-GN)¹ to understand the implications of this Data which the tenderer is required to complete.
2. The number of the clause which requires the data is shown in the left-hand column for each statement however other clauses may also use the same data.
3. Where a form field like this [] appears, data is required to be inserted relevant to the option selected. Click on the form field **once** and type in the data. Otherwise, complete by hand and in ink.

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

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

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 5391902 or www.ecs.co.za

CONTRACT TITLE: COAL SAMPLES ANALYSIS ON 'AS AND WHEN REQUIRED' FOR A PERIOD OF 60 MONTHS AT ARNOT POWER STATION

	Qualifications:	
	Experience:	
		CV's (and further key person's data including CVs) are in .
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	
11.2(19)	The tendered total of the Prices is	R

PART 2: PRICING DATA

TSC3 Option A

Document reference	Title	No of pages
	This cover page	[•]
C2.1	Pricing Assumptions	[•]
C2.2	<i>The Price Schedule</i>	[•]
Total number of pages		[•]

C2.1 Pricing assumptions: Option A

1. How work is priced and assessed for payment

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

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

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

2. 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.

3. 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).

4. 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 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 because of a compensation event.

4.1. 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*

Refer to Annexure A for detailed Price list and description

Item nr	Description	Unit	Qty	Rate	Price
1	Safety file First year	Yearly	1		
2	Safety file (Year 2 to 5)	Yearly	4		
3	Sample collection/ delivery and transportation (Rate Per K/M)	P/Trip	960		
4	Police Clearance (for 2 Employees)	Yearly	2		
5	Sample Preparation	No	3600		
6	Particle Size Distribution	No	3600		
7	Total Moisture	No	3600		
8	ISO Ash Content	No	3600		
9	Volatile Matter	No	3600		
10	Inherent Moisture	No	3600		
11	Caloric Value	No	3600		
12	Ash Fusion Temperature	No	3600		
13	Abrasive Index	No	3600		
14	Sulphur Content	No	3600		
15	Hard Grove Index	No	3600		
16	Proficiency Testing Scheme	No	1000		
17	Supply of CRM/ ARM	No	100		
18	Sanas payments (Yearly fee)	No	5		

The total of the Prices

NB: The quantities on the contract are based on an "Estimate", they may be less or more.

Therefore, the contract value is not binding, only the rates apply

PART 3: SCOPE OF WORK

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C3.2	<i>Contractor's</i> Service Information	1
Total number of pages		23

C3.1: *EMPLOYER'S* SERVICE INFORMATION

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1 Description of the service

1.1 Executive overview

This contract is for the provision of laboratory services for Arnot Power Station to meet the Eskom chemistry standard requirements and Fossil fired fuel regulation (FFFR).

The services required are to monitor and optimize steam cycle chemistry and ensure plant performance as per FFFR requirements.

1.2 Employer's requirements for the service

1.2.1 The *Contractor* must be ISO 17025 accredited by SANAS for all the parameters, except for Hardgrove Index. Coal sample preparation and analysis.

The parameters to be analyzed are mainly.

- Sample preparation
- Particle Size Distribution
- Volatile Matter
- Inherent Moisture
- ISO Ash Content
- Calorific Value
- Total Sulphur
- Ash Fusion Temperature
- Abrasive Index
- Total Moisture
- Hard Grove Index
- Sample collection and transport

1.2.2 The contractor shall provide coal proficiency testing scheme services for Arnot coal laboratory, and the scheme must be ISO/IEC 17043 accredited.

Supply 60gram coal pulp samples monthly from your proficiency testing scheme, the sample should be pulverized to 212µm sieve size from placement of the contract to the end of the contract for proximate analysis of coal for the following, thus 80 plus samples over 60 Months:

I.	IM
II.	VM
III.	ASH
IV.	CV
V.	TS

- Supply monthly reports with trends.
- The *Contractor* shall provide a copy of the scheme's SANAS Proficiency testing accreditation certificate.

Supply 9Kg coal samples monthly from your proficiency testing scheme. The sample size should be 4.75mm from placement of the contract to the end of the contract for Abrasiveness Index analysis of coal, thus 80 plus samples over 60 Months:

- Supply monthly reports with trends
- The *Contractor* shall provide a copy of the scheme's SANAS Proficiency testing accreditation certificate

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Supply 1Kg coal samples monthly from your proficiency testing scheme. The sample size should be 4.75mm from placement of the contract to the end of the contract for Hardgrove Grindability Index analysis of coal, thus 80 plus samples over 60 Months:

- Supply monthly reports with trends.
- The *Contractor* shall provide a copy of the scheme's SANAS Proficiency testing accreditation certificate.

Supply 2Kg coal samples bi-monthly from your proficiency testing scheme. The sample size should be 10mm from placement of the contract to the end of the contract for semi prep total moisture analysis of coal, thus 60 plus samples over 60 Months:

- Supply bi-monthly reports with trends.
- The *Contractor* shall provide a copy of the scheme's SANAS Proficiency testing accreditation certificate.

Supply 50Kg coal samples bi-monthly from your proficiency testing scheme. No sample required since its sizing of coal from placement of the contract to the end of the contract for semi prep total moisture analysis of coal, thus 60 plus samples over 60 Months:

- Supply Bi-monthly reports with trends.
- The *Contractor* shall provide a copy of the scheme's SANAS Proficiency testing accreditation certificate.

1.2.3 The *Contractor* shall provide any payments services for SANAS ISO/IEC 17025 accreditation.

- Payment of SANAS yearly fee.
- Payment of all SANAS offered courses as and when required.

1.2.4 Provision of coal certified reference material as per the table below as and when its required.

Certified Reference Material	Parameters	Size	Working Range/Spec
Benzoic acid	CV	1g x 100 tablets	26.4448 MJ/Kg
212µm Pulp	CV, TS, IM, VM, ASH, AFT	250 g	
AI (4.75mm)	AI	9 Kg	260 mgFe
HGI (4.75mm)	HGI	1 Kg	55 units

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
ISO	International Standard Organisation
SANAS	South African Accreditation Standard
SABS	South African Bureau of Standards
FFFR	Fossil Fuel Fired Regulation
PPE	Personal Protective Equipment

SHE	Safety Health and Safety
SHE Rep	Safety Health Environment representative
HIRA	Hazard Identification Risk Assessment

2 Management strategy and start up.

2.1 The Contractor's plan for the service

Provide laboratory services in accordance with Eskom chemistry standards and Fossil Fired Fuel Regulations (FFFR) to support optimal plant performance at Arnot Power Station.

The Contractor shall:

- Conduct sampling and analysis of steam cycle chemistry parameters as per approved schedules and operational requirements.
- Perform sample collection on an as-and-when-required basis, including weekends and public holidays when required.
- Ensure accurate, timely reporting of results to support operational decision-making.
- Identify deviations from specified chemistry limits and recommend corrective actions.
- Maintain and calibrate laboratory equipment to ensure reliability and compliance with standards.
- Adhere to all safety, health, environmental, and quality (SHEQ) requirements at all times.

2.2 Management meetings

Meeting will be held as and when required by the *Service Manager* or the *Contractor* and chaired by the *Service Manager*.

After every analysis are done the analysis report must be drafted and submitted by the Contractor to the Employer within 24 hours and a meeting is to be scheduled to discuss the results of the analysed samples. This must be done before invoice is submitted and service entry is done by the end user after every service is rendered.

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	As in when required	To be communicated by safety team	<i>Employer, Contractor and Coal lab supervisor chemist</i>
Overall contract progress and feedback and presentation of the monthly report	Quarterly	Arnot Lab or alternative venue	<i>Employer, Contractor</i>
Service Feedback	As in when required	To be communicated	<i>Employer, Contractor and End-Users (Coal lab supervisor chemist)</i>
SHE meetings	As in when required	To be communicated by safety team	<i>Employer, Contractor</i>

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Meetings of a specialist nature may be convened as specified elsewhere in this Service Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the service.

Records of these meetings shall be submitted to the *Service Manager* by the person convening the meeting within five days of the meeting.

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

2.3 Contractor's management, supervision and key people

As an when required, an order will be placed, and the *Contractor* will be required to send an authorised and competent personnel to collect and analyse the samples that need analysis at their laboratory.

The *Contractor's* employees on site should be able to conduct pre-job brief and RA. The *Employer* will conduct the RA and pre-job briefs with *Contractor's* Safety Officer. It will be required that the pre-job brief and RA be conducted daily.

The Contractor employs only people who have received sufficient training to ensure that they comply with the Act.

The Contractor appoints a person who liaises with the Employer's designated Safety Officer.

The *Employer* can refuse any employee, Sub-*Contractor* or agent of the *Contractor* access to the Site if such person is found to commit any unlawful act or any unsafe working practice or is found to be not authorised or qualified in terms of the Act.

2.4 Provision of bonds and guarantees

Not applicable

2.5 Documentation control

All formal Contractual communications shall be on a letterhead and bear as a minimum the date, subject, reference number, Identities of sender and receiver and signature of sender and shall be delivered as attachments in the case of emails and not as a message in the email itself. All formal communications to the *Employer* shall be addressed to the *Employer's* Agent.

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

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

2.6 Invoicing and payment

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

The *Contractor* shall address the tax invoice to Finance Shared Service (FSS) Fss@eskom.co.za

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.
- (add other as required)

2.7 Contract change management

Any change of the *Contractor's* company ownership should be communicated through to the *Service Manager*. Failing to do this may lead to contract termination with legal consequences.

The correct processes and procedures will be communicated through to the *Contractor* by the *Service Manager*.

If the *Employer's Service Manager* change, the *Contractor* will be notified by the *Employer* as soon as possible to ensure that the *Contractor* follow the correct communication channels

Clause 6 Compensation events of the NEC3 Term Service Contract will apply to all changes in this contract.

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

To substantiate the Defined Cost of Compensation Events, the *Employer* may require the *Contractor* to keep records of amounts paid by him for people employed by the *Contractor*, Plant and Materials, work subcontracted by the *Contractor* and Equipment.

The *Contractor's* Site Manager will complete the site daily log, and this will be submitted to the *Service Manager* for his signature before 16H00 of the following morning barring weekends. The Friday and weekend logs will be submitted before 16H00 Mondays. The log will include but not be limited to the following:

- Date and day
- Weather
- Site Conditions
- Work Done
- People who are employed by the *Contractor*
- Work sub-contracted by the *Contractor* and
- Any incidents during that period

2.9 Insurance provided by the *Employer*

As per the Eskom insurance policy, Refer to Insurance Section on point Z12 of Contract

2.10 Training workshops and technology transfer

Not applicable.

2.11 Design and supply of Equipment

All tools and equipment provided by the *Contractor* to be SABS Compliant and to be checked daily as to whether they comply with the necessary Health and Safety requirements of Arnot Power Station.

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

2.12.1 Equipment

Not applicable

2.12.2 Information and other things

Full analysis report, all data accumulated during the service of the contract must be left behind Eskom premises at the end of the contract.

No information must be shared without authorisation from the relevant stakeholder is acquired.

2.13 Management of work done by Task Order

All work is to be performed in Accordance with Task Order provided.

The *Service Manager* may at any time instruct the *Contractor* orally, followed up in writing, to carry out work which is of an emergency nature. The *Contractor* shall issue a quote for the emergency work to the *Service Manager* for this work before the end of the next business day. The *Service Manager* will then create the order for the task and send the task order assessment.

Within 14 days of Task Completion, the *Contractor* shall submit to the *Service Manager* a detailed technical report for every completed Task Order. This report shall include all technical information and data produced for the Task Order and a technical evaluation on findings from the work done with recommendations for future action by the Parties and other information the *Service Manager* may require.

The prices for each item of work within the service shall be those on the Price List. Clause X19.3 requires that the items of work within the service which are not on the Price List are assessed as for compensation events.

A Task Order includes:

- A detailed description of the work in the Task
 - A priced list of items of work in the Task in which items taken from the Price List are identified.
 - The starting and completion dates for the Task
 - Conditions of the service agreement is in accordance with the Task Order issued
 - No Task Order is issued after the end of the service period.
- When any emergencies do arise, it is required from the *Contractor* to adhere to the following terms:
- The *Contractor* will be informed of emergencies when the *Service Manager* first becomes aware of it.
 - Response time within 1 hour for any communication when the *Contractor* acknowledges the emergency.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

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 "*Contractor*" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993 (OHSAct)) ("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 Occupational Health and Safety Act 85 of 1993; its regulation and Safety, Health and Environmental (SHE Spec) requirements for this contract.

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.

In addition to the requirements of laws governing health and safety, Eskom have some additional requirements particular to the service and affected property for this contract.

NB: The type of PPE needed for the project will be determined by the task risk assessment but taking into consideration the generic risk found at the *Employer's* plant.

Consideration must be given to following Eskom Life Saving Rules: 240-62196227:

1. Open, Isolate, Test, Earth, Bond, and/or insulate before touch.

No person may work on any electrical network unless:

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

2. Hook up at height

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

3. Buckle up

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

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

4. Be sober

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

"Under the influence" means the use of alcohol, drugs, and/or a controlled substance.

This includes any level of an illegal substance in the body, irrespective of when the substance was used.

5. Permit to Work

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

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

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

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

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

3.2 Environmental constraints and management

All service providers appointed to render any services within Eskom Arnot Power Station are required to comply with the station's Environmental Management System requirements.

NB: Before commencing with any work, the service providers are required to visit the station's environmental section for evaluation. The station's environmental practitioner will evaluate the services to be rendered by the service provider and therefore allocate relevant legal and other requirements documents, which the *Contractor* shall comply with during the works.

The service provider shall then commence with the works but paying inordinate attention towards implementing the relevant legal and other requirements measures as agreed in the register. Failure to comply with this agreement may ultimately lead to the termination of this contract. This requirement shall also be clearly stipulated in the NEC contracts between Eskom Arnot Power Station and any service.

It should always be noted that Arnot Power Station is ISO14001 certified and therefore promotes Integrated Environmental Management (IEM) philosophy, which aims to achieve a desirable balance between conservation and development. All activities taking place within Arnot Power Station must consider section 28 of the National Environmental Management Act (107 of 1998) which makes provision for the duty of care approach. The *Contractor's* team must commit to review and to continually improve environmental management, with the objective of improving overall environmental performance. The *Contractor* must consult with Arnot Environmental section on a regular basis for on-going assistance and advice.

All spillages during delivery and collection must be reported to the *Employer* immediately.

The *Contractor* must respond to any sample spillages which occurs in his /her absence within 24 hours of the incident. Where rehabilitation is needed the *Contractor* will be held responsible and will carry the cost.

Audits

Audits covering various Environmental aspects, Occupational health and safety, Operational, IBI and Maintenance Management at the plant shall be carried out within an acceptable interval to ensure compliance with statutory requirements and Eskom's policies, Directives, procedures etc.

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

3.3 Quality assurance requirements

The *Contractor* is also expected to be ISO 17025 SANAS certified and compliant.

The *Contractor* shall be required to demonstrate by means of a Contract Quality Plan (CQP) that this organisation is so structured that all the requirements of the specification will be properly monitored and controlled. The Contract Quality Plan (CQP), which must include the Quality Control Plan (QCP), is to be drafted in accordance with QM-58 and the Supplier Contract Quality Requirement Specification (QM58).

The Quality documents are to be submitted for approval to the *Service Manager* within thirty (30) days after a contract has been awarded to the *Contractor*.

No work may commence unless the Contract Quality Plan and Quality Control Plan documents have been approved in writing and a copy submitted to the *Service Manager*. The *Contractor*, in conjunction with the *Service Manager* must sign off all Quality Control documents after completing all work as per the agreed scope. The *Contractor* to submit a copy of the final signed off documents/data packages to the *Service Manager* within one (1) week after completion of work.

The *Contractor* shall be required to read and fully understand the contents of the Supplier Contract Quality Requirement Specification (QM58) and a copy is to be kept in possession or on premises.

The *Contractor* shall comply with all *Employer's* requirements as set out in QM-58 (Supplier Contract Quality Specification).

The *Contractor* further ensures that the subcontractor's programmes comply with the requirements of the Service Information.

The *Contractor* notifies the *Service Manager* of any changes to the Quality System and obtains agreement prior to implementation on existing orders and contracts, or sub orders and subcontracts.

The Supplier Contract Quality Requirement Specification (QM58) shall remain applicable in the event of the contract being extended or modified for reasons permitted.

By signature and acceptance of this contract the *Contractor* acknowledges and agrees to comply with and adhere to Eskom's policies and procedures (current and/or latest revisions) including the Supplier Contract Quality Requirement Specification (QM58).

Contract Quality Management Plan Requirement

The quality control plans are reviewed by the *Service Manager* to allow for insertion of his specific requirements, including hold and witness points, prior to commencement of work. The *Contractor* does not commence work until the Service Manager accepts

The *Contractor* periodically updates the contract quality management plan to reflect changes in any of the above details. The frequency of such updates is determined by the *Service Manager* but will not be greater than one year.

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

The *Contractor* shall be required to utilise trained and qualified personnel for the respective disciplines which he/she will utilise in the execution of the work scope as per the evaluation criteria.

4.1.2 BBBEE and preferencing scheme

Not applicable.

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

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

The *Contractor's* failure to comply with his ASGI-SA obligations constitutes substantial failure on the part of the *Contractor* to comply with his obligations under this contract.

4.2 Subcontracting

4.2.1 Preferred subcontractors

Not applicable

4.2.2 Subcontract documentation, and assessment of subcontract tenders

Not applicable

4.2.3 Limitations on subcontracting

Not applicable

4.2.4 Attendance on subcontractors

Not applicable

4.3 Plant and Materials

4.3.1 Specifications

All Materials used must conform to the OEM's standards and tolerances.

4.3.2 Correction of defects

The *Contractor* will be responsible for the correcting of all defects of coal samples analysis and must be addressed within 24 hours.

The *Contractor* corrects a defect whether the *Service Manager* notifies him of it or not to minimise the adverse effect on the *Employer* or others.

If the *Contractor* does not correct a defect within the time required by this contract, the *Service Manager* assesses the cost to the *Employer* of having the defect corrected by other people and the *Contractor* pays this amount.

4.3.3 Contractor's procurement of Plant and Materials

Not applicable

4.3.4 Tests and inspections before delivery

Eskom shall form part of the interview selection process.

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

Water, power and sanitation to be supplied by the *Employer*, No free issues, all analyzing tools are to be supplied by the *Contractor*.

4.3.6 Cataloguing requirements by the Contractor

Not applicable.

5 Working on the Affected Property**5.1 Employer's site entry and security control, permits, and site regulations**

The *Contractor* must ensure that all his personnel attend a Health and Safety Induction presented by Arnot Power Station free of charge prior to commencement with the services. The induction is valid for the duration of one (1) year at the Power Station.

All Site access is controlled through the designated access gate.

The *Contractor* is informed of the access procedures through Site regulations and that such procedures may change depending on the prevailing security situation.

The *Contractor* shall provide and install barricades and warning devices to ensure that equipment and persons are not exposed to danger or to prevent access to dangerous areas.

All welding, flame cutting and grinding work shall be properly screened to protect persons from arc flashes or eye injuries.

The *Contractor* will collect the sample and leave the site, all the analysis will be done at the *Contractor's* laboratory.

All grating shall be covered with an adequate protective screening when welding or flame cutting in the vicinity is undertaken strictly with the *Employer's* Directive ASSF 00005.

All vehicles must be driven with due consideration for personnel and property. A maximum speed limit of 40 kilometres per hour will be always adhered to on the premises.

The *Employer* follows an accident prevention policy that includes the investigation of all accidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incidents. The *Contractor* is expected to 'co-operate fully to achieve this objective. The Project Manager must be informed within 24 hours of any injuries or damage to property or equipment. This report does not relieve the *Contractor* of his legal obligation to report certain 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.

5.2 People restrictions, hours of work, conduct and records

The *Contractor* keeps records of his people working on the Affected Property. The *Service Manager* shall have access to them at any time.

The *Contractor* collection of Sample and delivery must be done at the *Employer's* site as follows:

Monday to Thursday – 07h00 to 16h15

Fridays – 07h00 to 12h00

Deliveries can only be done during normal working hours unless in case of emergency.

5.3 Health and safety facilities on the Affected Property

Medical facilities are available on site for emergencies only.

The *Contractor* shall comply with the health and safety requirements:

A. Road Safety

Speed limit: 40km/h

By passing Speed humps not allowed

Transporting People at the back of the bakkie is not allowed

Buckle up always

Park only at demarcated areas

B. Sanitation

Toilets for both genders are available at the plant

C. Emergency

The emergency number for Arnot is 013 297 9184 Pax:5222

Emergency alarms are tested every Wednesday 10H00

D. Access

Before access can be granted the following must be met:

Safety file checked and approved

The *Contractor* shall comply with the latest version of Occupational Health and Safety Act No. 85 of 1993 and Eskom Health and Safety policy, procedures, specifications and guidelines.

5.4 Cooperating with and obtaining acceptance of Others

Contractor co-operates with Others and shares the Affected Property with them as stated in the Service Information.

5.5 Records of Contractor's Equipment

The *Contractor's* equipment will be verified at the security gate and recorded whether it is owned or hired. Include any constraints, including removal from the Affected Property.

5.6 Equipment provided by the *Employer*

The *Employer* will provide overhead crane in the event of lifting requirements and provide a scaffolding when required. provided the *Contractor's* employee is an authorised lifting machine operator.

5.7 Site services and facilities

5.7.1 Provided by the *Employer*

Potable water

Potable water for construction purposes is also available free of charge. Any installation is for the *Contractor's* account.

Meals

Meals on site for *Contractor's* personnel are not available

Sanitary Facilities

Sanitary facilities are provided by the *Employer*.

General

The *Contractor* is to comply with all Site regulations and instructions. The onus is on the *Contractor* to ensure his familiarity with the *Employer's* Site regulations and inspections.

Fire Protection

The *Contractor* is to comply with requirements of Eskom Standard NWS 1494 Revision 4 "Fire prevention and protection of *Contractor's* premises on Engineering Sites" and of Site Regulations pertaining fire protection. (NWS1494 Revision 4).

Fire Precautions

Any tampering with the *Employer's* fire equipment is strictly forbidden. All exit doors, fire escape routes, walkways, stairways and stair landings must be kept free of obstruction, and not to be used for work or storage at any time. Firefighting equipment must always remain accessible.

Plant Safety Regulations

The *Employer* shall on request from the *Contractor* isolate required plant from all sources of danger as described in the Plant Safety Regulations. The *Contractor* shall conform to all rules and regulations applicable to Plant Safety and shall complete the Workman's Declaration Book prior to working on the plant.

Induction training to employees

No person will be issued with an access permit without proof that the person did attend the local Arnot Power Station induction course.

A one-day access permit will be issued for persons attending the induction course. It is the *Contractor's* responsibility to arrange with the Project Manager one week in advance for a course booking.

Supply of construction power

Conditions of supply for Erection In order to comply with the Electrical Installation Regulations under the Occupational Health and Safety Act, no 85 of 1993 the following requirements are met before electricity is supplied it is expected that the *Contractor* is in possession of a valid certificate of compliance. Your electrical installation is inspected and

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tested by an accredited person to ensure that it complies with the requirements of the Occupational Health and Safety Act, 1993 and the code of Practice for wiring of premises, SABS 0142. After you have obtained the certificate of compliance, the *Employer* is to inspect your electrical installation and if satisfied, it is connected and supplied from the construction power supply.

The *Contractor* provides at his own expense all temporary wiring and cabling to lead power from the *Employer's* supply points, to where it is required, maintain same and remove on completion. These points of supply are the points designated by the Project Manager.

Warning:

Phase rotation may change during power supply breaks. *Contractors* are responsible to check rotation of their Equipment before recommencing work.

Application for supply

A standard 'Application for Power' form is completed and submitted to the Project Manager at least two weeks before a power supply is required. The *Employer* guarantees the continuity of power supply for a minimum 26 out of 30 days.

Cost of supply

There is no charge for electricity used for construction purposes and no connection fee is levied for the point of supply.

5.7.2 Provided by the *Contractor*

The Contractor provides all the necessary tools required to complete the service.

5.8 Control of noise, dust, water and waste**Refuse Disposal**

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

All waste introduced and/or produced on the *Employer's* premises by the *Contractor* for this contract, is handled in accordance with the minimum requirements for the Handling and Disposal of Hazardous Waste in terms of Government Legislation as proclaimed by the Department of Water Affairs and Forestry Act 1994 Ref: ISBN0621 - 16296-5.

The Employer provides colour coded bins for refuse disposal.

The Employer empties these bins.

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

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

5.9 Hook ups to existing works

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

Coal samples are easily accessible no hooking at heights is required.

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5.10 Tests and inspections

5.10.1 Description of tests and inspections

Coal sample taken, prepared and analysed as per *Employer's* requirements for the service. A consolidated report must be submitted to the *Employer* within 24 hours

5.10.2 Materials facilities and samples for tests and inspections

Coal sample analysis.

6 List of drawings

6.1 Drawings issued by the *Employer*

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

Drawing number	Revision	Title