



NEC3 Term Service Contract (TSC3)

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

and

**for Supply and refurbishment of Various Gearbox
Spares for 60 months on as an when required**

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CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

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C1.1 Form of Offer & Acceptance

Offer

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

Supply and refurbishment of Various Gearbox Spares for 60 months as an when required

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	
	Value Added Tax @ 15% is	
	The offered total of the amount due inclusive of VAT is1	
	(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

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

for the
Employer

General Manager Medupi Power
Station

Eskom Holdings SOC Limited
Medupi Power Station
Private Bag X9003
Lephalale
0555

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		

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:

Signature _____

Name _____

Capacity _____

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

Name & signature of witness _____

Date _____

For the *Employer*

General Manager – Medupi Power Station

Eskom Holdings SOC Limited
Medupi Power Station
Private Bag X9003
Lephalale
0555

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	Secondary Options:	X1: Price adjustment for inflation
		X2: Changes in the law
		X3: Multiple currencies
		X4: Parent company guarantee
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of the contract
	of the NEC3 Term Service Contract April 2013 ² (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
10.1	The <i>Service Manager</i> is (name):	
	Address	Medupi Power Station, Steenbokpan Road, Lephalale
	Tel	
	e-mail	
11.2(2)	The Affected Property is	Medupi Power Station
11.2(13)	The <i>service</i> is	Supply and Refurbishment of Various Gearbox spares
11.2(14)	The following matters will be included in the Risk Register	<ul style="list-style-type: none"> Failure to deliver spares as per agreed schedule Premature failure after delivery

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

- Spares availability from the Supplier
- Industrial actions
- As identified by the parties from time to time and recorded on the risk register. The risk will then be discussed in the contract risk meeting

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	3 working days
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	5 working days of receiving the Task Order for refurbishment and spares
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	As per NEC3 TSC Core clause 4
42.2	Defect correction period	5 days
5	Payment	
50.1	The <i>assessment interval</i> is	between the 22nd day of each successive month or Continuous assessment upon safe delivery and having met all the required standard and signed off
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	30 calendar days after reception of a valid tax invoice for contracts valued below R50 000 0000.00 (Fifty Million Rands) excluding VAT. 60 calendar days after reception of a valid tax invoice for contracts valued R50 000 0000.00 (Fifty Million Rands) excluding VAT and above
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
6	Compensation events	As per NEC3 TSC Core clause 6

7	Use of Equipment Plant and Materials	As per NEC3 TSC Core clause 7
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	Only the risks the risks listed under subclause 80.1 of the NEC3 TSC
9	Termination	As per NEC3 TSC Core clause 9
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	30 calendar days
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	1st Floor, Maisels Chamber, 4 Protea Place, Sandton
	Tel No.	011 320 0600
	Fax No.	011 320 0533
	e-mail	info@arbitration.co.za
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	Johannesburg, South Africa
	The person or organisation who will choose an arbitrator	
	- if the Parties cannot agree a choice or	the Chairman for the time being or his nominee
	- if the arbitration procedure does not state who selects an arbitrator, is	of the Association of Arbitrators (Southern Africa) or its successor body.
12	Data for secondary Option clauses	

X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is	is one month prior to the tender closing date Rates are fixed and firm for first 12 Months after Contract Date. There after CPA escalation will apply.		
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by
	Supply	15%	non-adjustable	
	100%			
X2	Changes in the law	As per Secondary Option X2 of the NEC3 TSC.		
X3	Multiple currencies			
X3.1	The <i>Employer</i> will pay for these items or activities in the currencies stated	Items & activities	Other currency	Maximum payment in other currency
		[•]		
		[•]		
		[•]		
		[•]		
X3.1	The <i>exchange rates</i> are those published in	[•] on [•] (date)		
		The items & activities will be paid in the other currency - to a foreign Bank account nominated by the Contractor - to a valid SARB approved CFC account in South Africa - in accordance with an alternative payment method agreed with the Employer before the Contract Date.		
		(select one of the three methods as agreed with the successful tenderer prior to contract award and delete the others and this note)		
X4	Parent company guarantee	There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.		
X17	Low service damages			
X17.1	The <i>service level table</i> is in			

	Item	Description of Non-compliance to Employer's Requirement	Damages Payable by Contractor
X17.1.1	Specified Spares, Refurbished spares and unspecified spares delivery period after receiving task order.	Spares delivered late: 7 days 14 days 21 days after contracted delivery period.	1% 2% 5% of contracted spare price
	Incorrect spare delivered	Spare delivered that does not meet the specifications	The correct spare shall be delivered at Contractors cost
X18	Limitation of liability		
X18.1	The Contractor's liability to the Employer for indirect or consequential loss is limited to	R0.0 (zero Rand)	
X18.2	For any one event, the Contractor's liability to the Employer for loss of or damage to the Employer's property is limited to	the amount of the deductibles relevant to the event	
X18.3	The Contractor's liability for Defects due to his design of an item of Equipment is limited to	The greater of the total of the Prices at the Contract Date and the amounts excluded and unrecoverable from the Employer's insurance (other than the resulting physical damage to the Employer's property which is not excluded) plus the applicable deductibles	
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 Contractor's total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the Contractor is liable under this contract for 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 Employer's 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	12 months after the end of the service period.	
X19	Task Order		
X19.2	Task Order delay damages for repairs	1% of the Task order per day from the Task Completion Date until Task Completion	

	Task Order delay damages for late delivery of spare(s)	1% of the outstanding item(s) until is delivered.
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	5 working days of receiving the Task Order for refurbishment and spares
Z	The additional conditions of contract are Z1 to Z14 always apply.	

Z1 Cession delegation and assignment

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

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

- 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.

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.
- Z11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Services 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 Services for this reason.
- Z11.3 If the *Employer* terminates the *Contractor's* 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 *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Z12
Z12.1

Insurance

83 **Insurance cover**

- 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 person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service	<p><u>Loss of or damage to property</u> The replacement cost</p> <p><u>Bodily injury to or death of a person</u> The amount required by the applicable law.</p>
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

Z12.2 86 **Insurance by the *Employer***

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 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 *Employer* 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 *Employer* is solely responsible for and indemnifies the *Contractor* or any other person against any and all liabilities which the *Contractor* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 44 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Contractor* or any other person or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.
- Z13.3 Subject to clause Z13.4 below, the *Employer* 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 *Contractor* or any other person, or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.
- Z13.4 The *Employer* does not waive its rights provided for in section 30 (7) of Act 44 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 in order 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 or not the personal exposure of workers to regulated asbestos fibres is in compliance with 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 *Employer* ensures that the Ambient Air in the area where the *Contractor* 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 *Contractor*, the *Employer* certifies that these conditions prevail. All measurements and reporting are effected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited and Department of Employment and Labour approved AAIA. The *Contractor* may perform Parallel Measurements and related control measures at the *Contractor's* 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 *Employer* manages asbestos and ACM according to the Standard.
- Z14.4 In the event that 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 in order to declare the area safe.
- Z14.5 The *Contractor's* 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 *Contractor* 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 contractor, instructed by the *Employer* at the *Employer's* expense, and conducted in line with South African legislation.

C1.2 Contract Data

Part two - Data provided by the Contractor

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No. Email.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	% %
11.2(14)	The following matters will be included in the Risk Register	
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key people are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job: Responsibilities: Qualifications: Experience:	
		CV's (and further key person's data including CVs) are in _____.
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	Part 2: Pricing Data, C2.2 the price list
11.2(19)	The tendered total of the Prices is	R

C1.3 Forms of Securities

Pro forma Parent Company Guarantee (for use with Option X4)

(to be reproduced exactly as shown below on the letterhead of the Contractor's Parent Company)

Eskom Holdings SOC Ltd
Megawatt Park
Maxwell Drive
Sandton
Johannesburg

Date:

Dear Sirs,

1.1 Parent Company Guarantee for Contract No

With reference to the above numbered contract made or to be made between

Eskom Holdings SOC Ltd

(the *Employer*) and

{Insert registered name and address of the *Contractor*}

(the *Contractor*), for

{Insert details of the *works* from the Contract Data}

(the *works*).

I/We the undersigned

on behalf of the *Contractor's*
parent company

of physical address

and duly authorised thereto do hereby unconditionally guarantee to the *Employer* that the *Contractor* shall Provide the Service in accordance with the above numbered Contract.

1. If for any reason the *Contractor* fails to Provide the Service, we hereby agree to cause to Provide the Service at no additional cost to the *Employer*.
2. If we fail to comply with the terms of this Deed of Guarantee, the *Employer* may itself procure such performance (whether or not the Agreement be formally determined). The *Employer* is to notify us and we shall indemnify the *Employer* for any additional cost or expense it incurs.
3. Our liability shall be as primary obligor and not merely as surety and shall not be impaired or discharged by reason of any arrangement or change in relationship made between the *Contractor* and the *Employer* and/or between us and *Contractor*; nor any alteration in the obligations undertaken by the *Contractor* or in the terms of the Agreement; nor any indulgence, failure, delay by you as to any matter; nor any dissolution or liquidation or such other analogous event of the *Contractor*.
4. The *Employer* shall not be obliged before taking steps to enforce the terms of this Deed of Guarantee to obtain judgement against the *Contractor* in any court or other tribunal, to make or file any claim in liquidation (or analogous proceedings) or to seek any remedy or proceed first against the *Contractor*.

5. This Deed of Guarantee shall be governed by and construed in accordance with the laws of the Republic of South Africa and we hereby submit to the non-exclusive jurisdiction of the High Court of South Africa.

Signed at _____ on this _____ day of _____ 200_

Signature(s)	
Name(s) (printed)	
Position in parent company	
Signature of Witness(s)	
Name(s) (printed)	

Part 2: Pricing Data
TSC3 Option A

Document reference	Title	No of pages
	This cover page	1
C2.1	Pricing assumptions: Option A	
C2.2	The <i>price list</i>	

C2.1: Pricing assumptions: Option A

1. How work is priced and assessed for payment

The Parties agree that clause 11 in NEC3 Term Service Contract (TSC3) core clauses and Option A be amended by the addition of the underlined words as follows:

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

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

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 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.

4.1 Format of the *price list*

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

Entries in the first five 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*

[illegible]

The total of the Prices

Part 3: Scope of Work

Document reference	Title	No of pages
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	Total number of pages	

C3.1: *Employer's* service Information

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1 Description of the service

1.1 Executive overview

The scope is for the supply of gearbox spares, refurbishment of various damaged gearboxes as well as the supply of various new spare gearboxes installed on Medupi Power Station for a period of 60 months on an 'as-and-when-required' basis.

1.2 Employer's requirements for the service

1.2.1 Supply of Spares

The Works include the following:

1. The description of the spares and the quantities that the *Employer* envisages for the duration of the contract is indicated in **Table 1**. This value will be used with other estimates to determine the overall contract value. It should be noted that this is just an estimate, and it does not mean that the *Employer* will definitely consume the spares in the duration of the contract. These quantities are therefore not fixed, and the *Contractor* will only supply spares when instructed by a purchase order, from the *Employer*, to do so.
2. Where the contractor is not the OEM of a specific gearbox, the handling fee is indicated in **table 1**, if applicable. Spares that are not included in the list will be supplied as part of the "Miscellaneous spares not specified" portion, as indicated in **Table 3** below.
3. The spares and components will be supplied to the "goods received" section of the Medupi main store where it will be received by the material management section. The spares will be delivered with all of the required data books and certificates, where required.
4. Medupi Stores Working Times: Monday – Thursdays: 07h00 – 16h00
Fridays: 07H00 – 12h00
5. A draft QCP shall be submitted withhold and witness points specified, for review by the *Employer* prior to manufacturing.
6. The *Employer* shall be given sufficient notice by the *Contractor* of any witness and hold points identified for adherence in the QCP. These points may be waived by the *Employer* from time to time depending on technical staff availability. Otherwise, it may be requested that photographic or other evidence be submitted electronically, for review and approval, before continuing with the manufacturing / assembly.
7. Hardcopies as well as electronic copies of the gearbox manufacturing Data Book shall be supplied to the *Employer* with or before the delivery of any new spare gearbox. This Data Book will be used during on site Quality Control checks to do final Quality acceptance of refurbished items or spares delivered. Spares delivered without its required documentation will be rejected.
8. The manufacturing Data Book shall contain as a minimum, but shall not be limited to, approved quality control plan, material certificates, Performance test report, vibration analysis report as well as non-destructive testing reports as required.
9. Only once the spares have passed the Quality Control checks and are booked into the system can payment be affected.
10. The Spares must be the same in all respects when compared to the description under this Scope of Work. This includes all aspects such as design, materials and material specifications, manufacturing, including manufacturing processes, calibration certificates and acceptance testing. Where spares offered deviate from the original in any respect, it should be indicated to the *Employer* upon quotation/query.
11. It is the *Contractor's* responsibility to ensure that correct spares are delivered. If the incorrect spares are delivered, the spares will have to be replaced with the correct spares at the *Contractor's* cost. This includes transport and delivery.
12. The Delivery and Transport Costs must be included in the list of Prices quoted.
13. The following packaging requirements should be adhered to:
 - a) The Goods are to be packaged in such a manner that it can be transported and stored for an extended period without resulting in damage to the goods.
 - b) This includes damage due to moisture ingress, corrosion, vibration from the power station etc.

- c) Where lifting gear is utilised to move the goods, the packaging should allow the lifting operation and ensure that the goods are not damaged in any way during the process.
- d) It will also not be necessary to open packaging for any lifting or transport operation.
- e) Where eye bolts are fitted to move the goods, these eye bolts should be fitted such a way that they can be easily removed and replaced with the *Employers'* eye bolts, ensuring that the packaging stays intact.
- f) Packaging and labelling of the gearboxes should ensure that the spare can be identified without opening the packaging.
- g) Delivery packaging to have the following detail on it as a minimum (removable adhesive sticker if possible):
 - o Order number,
 - o A short description of component
 - o The stock number.
 - o Manufacturing date (refurbishment date if applicable)
 - o Space for adding the installation date.

NB: The documentation for preservation requirements should be delivered with the component.

1.2.2 Refurbishment of Gearboxes

The scope of this contract also includes the refurbishment of gearboxes as follow:

1. The Contractor will be issued a "strip-and-quote" task order for gearboxes requiring refurbishment or repairs.
2. For the purpose of refurbishments, the contractor is required to submit a detailed breakdown of all of the components of each gearbox with the price for each component during tendering. **See appendix A.** This should be done down to components level and not as kits or sets.
3. The contractor further also submits a list of repair activities that can typically be performed on each component and piece of equipment, **See example table in Appendix A.** This typically includes, but is not limited to things like:
 - a) Strip and Assess
 - b) Skim and rebore of the gear case.
 - c) regrinding of gears/pinions
 - d) Polishing of gears
 - e) Dressing of marks
 - f) Re-chroming of bores/shafts and regrinding
 - g) Polishing of bores
 - h) Re-chroming of shafts and grinding
 - i) Drill, plug and re-tap holes.
 - j) Assembly of gearbox
 - k) Packaging
 - l) Etc.
4. The contractor further submits escalation formulas to be used for the different components or component groups and services. These component and repair activity escalation formulas will be used to verify that the escalated future refurbishment prices for components and activity are market related.
5. If there are components or services that the contractor would want to provide on a cost-plus handling fee basis, the contractor provides a list of these components. Proof of actual cost, for example invoices, then needs to be provided for these components and services at the time of invoicing.

6. To be able to determine a total estimated cost for refurbishments, the contractor supplies refurbishment costs as indicated in **Table 2**. The contractor calculates these costs from the cost breakdown in the table in **Appendix A**. Future refurbishment cost should be based on the cost quoted in **Appendix A and escalation formulas in Appendix B**, where applicable
7. The Contractor will be required to collect the gearbox from Medupi Power Station for assessment and also for delivery after completion of works.
8. A quote as well as full assessment report (failure report) shall be submitted to the *Employer* (for attention to the Contacts Manager and System Engineers) within 10 working days after the issuing of task order for “strip-and-quote”.
9. The quote should contain a detailed cost breakdown of all spares and services required, including a breakdown of the lead time per item as well as total repair work.
10. The assessment/failure report should include proof (photos and measurement values obtained) of all components requiring replacement as well as any additional requirements to enable gearbox restoration to original “as-new” specification/condition.
11. A draft QCP shall be submitted with the assessment report with hold and witness points specified, for review by the *Employer* prior to any repair work being conducted.
12. The assessment report should also include any findings and recommendations as to prevent re-occurrence with regards to the specific failure and or improvement of the lifespan of the gearbox to be repaired.
13. Only after the quote, assessment report and QCP has been accepted by the *Employer*, will a task order be issued to proceed with repairs.
14. The *Employer* shall be given sufficient notice by the *Contractor* of any witness and hold points identified for adherence in the QCP. These points may be waived by the *Employer* from time to time depending on technical staff availability and request that photographic or other evidence to submitted electronically, for review and approval, before continuing with the manufacturing/assembly.
15. A Repair Data Book shall be compiled during the course of repair work for assessment by the *Employer* at any stage during the repair/manufacturing process.
16. The Repair Data Book shall contain as a minimum, but shall not be limited to, approved quality control plan, material certificates, profile grinding reports, backlash/end float inspection report, contact markings reports, vibration test report, as well as non-destructive testing reports.
17. Only original OEM shafts and gear sets shall be used for repairs.
18. Hardcopies as well as electronic copies of the gearbox manufacturing Data Book shall be supplied to the Employer with or before the delivery of the refurbished gearbox. This Data Book will be used during on site Quality Control checks to do final Quality acceptance of any gearbox delivered. Refurbished gearboxes delivered without this documentation will be rejected.
19. Where equipment or spares are obsolete or will become obsolete in the next 5 years, the *Contractor* is to indicate this to the *Employer* and also indicate viable alternatives.

1.2.3 Warranty

1. All gearboxes shall carry a 24-month warrantee from date of delivery.
2. All gearboxes shall carry a further 12-month warrantee after installation, against all defects and (shall not shorten the warranty after delivery). Coupling alignment as well as drive vibration reports will be available and used as proof of correct gearbox installation.
3. Any specific requirements to enable the 12-month warrantee shall be brought forward by the Contractor for agreement during negotiations. If witnessing of installation is required, this will be at the Contractor's own cost.
4. The warranty shall also cover, but not be limited to, minor defects identified, for example: shaft oil seal leakages, minor oil leaks, cooling fans, safety guards, and breather related issues, etc.
5. The contractor will bear all cost for warrantee repairs.

1.2.4 List of Gearboxes

Table 1:List of Gearboxes and New Gearboxes Quantities Required.

Item no.	Short Description	OEM	OEM Part No	SAP Material number	Unit	Quantity Installed	Est Qty	Delivery Time (weeks)
1	Ash Conditioner Drive Gearbox	Bonfiglioli	Type: HDO110 3 LP L 1 G 225. Code: 2FB6701AH10001	635112	EA	12	2	
2	OV1 magnet drive	SEW Eurodrive	KA87 AM132	675767	EA	1	1	
3	SY2A&B magnet drive	SEW Eurodrive	KA97 AM 132S/M	675774	EA	2	1	
4	Emergency Ash Stacker & Reclaimer Travel drives complete	SEW-Eurodrive	KH127T R87 DRS132M4BE5	TBC	EA	7	1	
5	Mill Gearbox	Hitachi	KPV 1750 S-Gear unit	527193	EA	30	5	

Table 2:List of Refurbishment Quantities and Activities

Item no.	Short Description	OEM	OEM Part No	Activity or components	Unit	Est Qty	Time (weeks)
1.	Ash Conditioner Drive Gearbox	Bonfiglioli	Type: HDO110 3 LP L 1 G 225. Code: 2FB6701AH10001		EA	12	
1.1.				Strip and quote	EA	12	
1.2.				Complete new OEM gear set	set	12	
1.3.				Complete new seal set	set	12	
1.4.				Complete New Bearing set	set	12	
1.5.				Assemble and Test	EA	12	
1.6.				Collection and Delivery	EA	12	
2	OV1 magnet drive	SEW Eurodrive	KA87 AM132		EA	1	
2.1				Strip and quote	EA	1	
2.2				Complete New OEM gear set	set	1	
2.3				Complete new seal set	set	1	
2.4				Complete New Bearing set	set	1	
2.5				Assemble and Test	EA	1	
2.6				Collection and Delivery	EA	1	
3	SY2A&B magnet drive	SEW Eurodrive	KA97 AM 132S/M	675774	EA	2	
3.1				Strip and quote	EA	2	
3.2				Complete New OEM gear set	set	2	
3.3				Complete new seal set	set	2	
3.4				Complete New Bearing set	set	2	
3.5				Assemble and Test	EA	2	
3.6				Collection and Delivery	EA	2	
4	Emer Ash Stacker & Recl. Travel drives	SEW-Eurodrive	KH127T R87 DRS132M4BE5	TBC	EA	1	

Item no.	Short Description	OEM	OEM Part No	Activity or components	Unit	Est Qty	Time (weeks)
4.1				Strip and quote	EA	1	
4.2				Complete New OEM gear set	set	1	
4.3				Complete new seal set	set	1	
4.4				Complete New Bearing set	set	1	
4.5				Assemble and Test	EA	1	
4.6				Collection and Delivery	EA	1	
5	Mill Gearbox	Hitachi	KPV 1750 S-Gear unit	527193	EA	N/A	

Table 3: Miscellaneous Spares and Refurbishment

Item no.	Resource Description	Cost plus fee
1.	Miscellaneous spares not specified in Table 1 or 2	Direct fee percentage

1.3 Interpretation and terminology

The following definitions are used in this Service Information:

Definition	Explanation
Contractor	Service provider contracted for supply of spares and various services
Employer	Eskom Medupi Power Station

The following abbreviations are used in this Service Information:

Abbreviation	Explanation
IP	Intellectual Property
OEM	Original Equipment Manufacturer
QCP	Quality Control Plan
SOW	Scope of Works

2 Management strategy and start up.

2.1 The *Contractor's* plan for the service

The *Contractor* shall comply with the requirements stated in TSC 3 clause 21. For any spares and refurbishments, the *Contractor* shall provide an estimate plan for the scope of work with timeliness. A method statement and QCP will also be required for refurbishment.

2.2 Management meetings

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:
Risk register and compensation events	Monthly or as an when the needs arise	Medupi Power Station or MS Teams	<i>Service Manager</i> <i>Contractor</i> representative(s)
Overall contract progress, feedback and KPI	Monthly	Medupi Power Station or MS Teams	<i>Service Manager</i> , <i>Employer</i> Technical representative(s), <i>Contractor</i> representative(s)

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

2.3.1 Manpower Requirements

- a) The *Contractor* must submit an organogram fourteen calendar days after the *Contract* Start Date to the *Service Manager*.

2.4 Provision of warranty

- a) All gearboxes shall carry a 24 months warrantee from date of delivery
- b) All gearboxes shall carry a further 12 months warrantee after installation (which shall not shorten the warranty after delivery), coupling alignment as well as drive vibration reports will be available and used as baseline for gearbox installation
- c) Any specific requirements to enable the 12 months warrantee shall be brought forward by the *Contractor* for agreement during negotiations. If witnessing of installation is required, this will be at the *Contractor's* own cost.
- d) The warranty shall cover, but not be limited to, minor defects identified, for example: shaft oil seal leakages, minor oil leaks, cooling fan, safety guard or breather related issues, etc.

2.5 Documentation control

All contractual communications will be in the form of properly compiled letters or a message in the email itself. *The Contractor* must comply with the requirements of Eskom document Management system. All documents provided to the *Contractor* shall remain part of the *Employer* asset at the end of the contract. All QCP, failure report and any other documents required for this service must be submitted to the *Service Manager* electronically or hard copy.

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
invoiceseskomlocal@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;

Requirements

- All Electronic invoices must be sent in PDF format only.
- An Invoice that was printed and then scanned to PDF by the Vendor is not acceptable as this 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 invoices, and statements sent electronically are tamperproof."
- If there is Cost Price Adjustment (CPA) on your invoice we recommend that you issue a separate invoice for CPA so that if there are any issues on the CPA, the rest of the invoice can be paid while resolving the CPA issues.
- You do not require a goods receipt (GR) number to submit your invoices. When the GR number is received you can then send the GR number to the FSS contact centre at FSS@eskom.co.za or 011 800 5060.
- All queries and follow up on invoice payments should be made by contacting the FSS Contact Centre: Tel: 011 800 5060 or email: fss@eskom.co.za

2.7 Contract change management

Refer to NEC TSC Core clause 6, in the event any change to the Contract needs to be managed. *Employer* will use the forms with Eskom header for instruction to the *Contractor*.

2.8 Records of Defined Cost to be kept by the Contractor

The *Contractor* is required to keep record and submit proof of all the actuals, to be verified at the completion of the Payment Certificate and assessment, should the *Service Manager* request to do so.

2.9 Insurance provided by the Employer

Below is information with regards to the Eskom Insurance Management Services, for in case the *Contractor* has any inquiry:

Names & Surname	Contact details	e-mails address
Mr Krishan Chaithoo	+27 11 800 4455	ChaithK@eskom.co.za

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

2.10.1 Information and other things

If the information and other things are required, it will be discussed by the two Parties, and the provision of information and other things will be mutually agreed upon.

2.11 Management of work done by Task Order

- A Task Order will be issued to the *Contractor* for any work to be executed.
- The Task Order type will be issued for spares and/or spares refurbishments. This Task Order will typically have a starting date and completion date of the task. The delay damages for late completion of the second type of Task Orders will apply. The delay damages will be calculated as per the table below

Task Order	Delay Damages
Late completion of the Task	As per clause X17.1.1

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

3.1.1 General

- The *Contractor* must ensure that all his personnel attend a Health and Safety Induction Course. The Induction course can, on request, be provided by the *Employer* and will be valid for the duration of one year.
- Risk Management has the right and authority to visit and inspect the *Contractor's* workplace or site establishment to ensure that tools, machinery, and equipment comply with the minimum safety requirements.
- Safety Manager shall be entitled to instruct the *Contractor* to stop work, without penalty to the *Employer*, where the *Contractor's* personnel fail to confirm to safety standards or contravene health and safety regulations. The Safety Manager is entitled to cause the *Contractor* to discipline his employees and to submit disciplinary action and submit a report to Safety Manager. The *Contractor* shall implement additional health and safety precautions where necessary.
- The *Contractor* will provide all his personnel with the required personal protective equipment.
- Risk Assessments, Pre-Job Briefs, Post – Job Briefs & Job Observations will be conducted for all jobs.
- All Construction Regulations - safety requirements should also be adhered to.

3.1.2 Fire Precautions

- Any tampering with the *Employer's* fire equipment is strictly forbidden.
- All exit doors, fire escape routes, walkways, stairways, stair landings and access to electrical distribution boards must be kept free of obstruction, and not be used for work or storage at any time. Firefighting equipment must always remain accessible.
- In case of a fire, report the location and extent of the fire to the Electrical Operating Desk at extension 014 762 6490/91.
- Take the necessary action to safeguard the area to prevent injury and spreading of the fire.

3.1.3 Reporting of accidents

- 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 fully co-operate to achieve this objective. The Safety Manager and *Service Manager* must be informed immediately of any incidents and any damage to property or equipment must be reported within immediately or before end of shift.
- NOTE! 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.

3.1.4 Speed Limit

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

3.1.5 Safety

- The *Contractor* complies with the Occupational Health and Safety Act, 1993, (the Act) and all Safety procedures issued by the *Employer*.
- The *Contractor* provides all personal safety equipment, including safety belts and harnesses
- The *Contractor* will adhere to the Eskom Lifesaving rules.
- The *Contractor* will not be allowed to transport any of its workers in open vehicles to and from site as prescribed in the Eskom safety policy.

3.2 Environmental constraints and management

3.2.1 Environmental Requirements

- The contractor and or supplier shall have a documented and implemented environmental management system e.g., environmental policy, operational procedures relating to their activities, aspects/impacts register etc.
- The contractor and or supplier shall prepare an environmental management plan relating to their activities that will be carried out. The environmental management plan shall be based on, amongst others, Eskom Medupi Power Station's OEMP and any other applicable environmental legislation.
- The environmental management plan must include all the aspects and impacts relating to the activity and address the principle of continual improvement.
- The contractor and or supplier employees shall be inducted on the environmental requirements as per these documents.
- The contractor and or supplier shall comply with all Eskom Medupi Power Station environmental requirements such as policies, standards, and procedures.
- Non-conformance and incident reporting and investigations shall be done by the contractor, such reports must include but not limited to the following information:
 - ✓ The cause of the non-conformance/incident
 - ✓ The proposed actions to correct and prevent recurrence.
- Eskom Medupi Power Station shall issue non-conformances where there are deviations from Eskom Medupi Power Station Procedures and any other environmental requirements.
- The contractor and or supplier shall allocate funds for the implementation of environmental requirements.
- The contractor and or supplier shall provide waste receptacles for their Laydown area and ensure that once the waste receptacles are full are taken to the designated waste area.

3.2.2 Records

The following minimum records must be documented, and the Supplier must keep them in the Environmental Management file to fulfil ISO 14001: 2015 requirements.

- List of Interested and affected parties.
- Scope of EMS with physical boundaries (site layout)
- Internal and external issues/factors that would affect the organization.
- Environmental policy (proof of communication)
- Organizational roles, responsibility authority procedure
- Risk and Opportunities register.
- Aspects and impacts register.
- Objectives and targets (plan to track performance, either monthly or weekly)
- Compliance obligations
- Training Matrix
- Training Certificates
- Proof of environmental awareness including monthly environmental themes from Eskom
- Emergency and preparedness response plan from Eskom
- Work Instructions/Procedure (environmental incident reporting procedure, Environmental Management plan, Waste management plan, Handling and Storage of hazardous and chemical substances)
- Internal audit action plans, audit report etc.
- Management review meeting minutes
- NCR Procedure
- NCR Register
- NCR Close-out reports/forms

3.3 Quality assurance requirements

3.3.1 Contract Execution

The supplier shall submit the following documents within 30 days or as per stated timeline after the contract date, prior to the commencement of work, for acceptance by Eskom:

- The supplier shall complete a QCP before contract award. This shall be reviewed and signed off by Eskom within 30 days or as per stated timeline after contract award.

- The supplier shall complete a quality control plan and ITP(s) for review and acceptance by Eskom prior to the commencement of any work, inclusive of subcontracted work, within 30 days or as per stated timeline after contract award.
- The sub-supplier QCP/ ITP shall be submitted for review and comment by the supplier and by Eskom within 30 days or as per stated timeline after the award of the tender. All supplier and Eskom comments shall be resolved prior to commencing work.
- The equipment lists and an indication of pressurised components and systems.

Note: These plans are to be compiled in line with Eskom's requirements and will have to be discussed with, and approved by, Eskom prior to any work commencing.

- Correspondence shall be directed to the project manager, and periodic quality review meetings shall be convened by Eskom with the supplier.
- The mandatory quality review meetings are to be convened by the nominated project quality manager or his/her representative for the contract.
- Monthly quality performance and management reports are to be prepared by the supplier during contract execution. The content of these reports shall be agreed by Eskom when submitted to Eskom on a monthly basis.

3.3.2 Supplier Quality Performance Monitoring Phase

During the contract execution phase, suppliers shall be monitored by Eskom for performance on quality-related aspects.

The outcomes of such monitoring will enable Eskom to take any appropriate actions pertaining to the supplier.

The monitoring shall be carried out periodically by Eskom or at predetermined intervals during the execution of a contract using agreed key performance indicators. The monitored key performance areas include the following:

- CQP and QCP /ITP
- Delivery
- Design
- Cost
- Management system

Subsequent key performance indicators associated with these areas will include the following:

- Nonconformity monitoring
- Audit and assessment evaluation scoring
- Management system compliance and accreditation
- Achievement of delivery targets as per contractual agreements
- Process improvements
- Correction and corrective action response and closure

3.3.3 Contractor Quality Audit

1. Quality audits and related quality performance reviews are intended to provide an objective evaluation of compliance with performance expectations defined in this specification, in the supplier contract quality plan (CQP), and in any other project scope of work specification.
2. Quality audits and related quality performance reviews include, but are not limited to, any quality or other project functional area audits, assessments, verification of compliance reviews, surveillance, inspections, or other interim or final assessments of scope of work deliverables provided by the supplier or sub-suppliers
3. Quality audits and related quality performance reviews are intended to provide an objective evaluation of compliance with performance expectations defined in this specification, in the supplier contract quality plan (CQP), and in any other project scope of work specification.
4. Quality audits and related quality performance reviews include, but are not limited to, any quality or other project functional area audits, assessments, verification of compliance reviews, surveillance, inspections, or other interim or final assessments of scope of work deliverables provided by the supplier or sub-suppliers.

5. Quality audits and related quality performance reviews shall be carried out by trained, accredited, and experienced personnel in accordance with procedures documented in the CQP.
6. The supplier shall submit, for Eskom review, documented processes for conducting project scope of work quality audits and related quality performance reviews. Supplier quality audits and related quality performance review processes shall be designed to address evaluation of progress towards completion of project functional area deliverables as well as final deliverable quality.
7. The supplier shall provide a schedule of anticipated quality audits covering all functional areas and related quality performance reviews at the time of first post-contract award CQP submission.

4 Procurement

4.1 People

4.1.1 BBEE and preferencing scheme

The company shall maintain or improve upon their current B-BBEE Contribution level for the duration of the contract. The supplier will be required to submit a new B-BBEE certificate within 3 months, should ownership of the company change during the life of the contract.

4.1.2 Supplier Development and Localisation

The *Contractor* complies with and fulfils the *Contractor's* obligations in respect of the Supplier development localisation and industrialisation - South Africa in accordance with and as provided for in the *Contractor's* SDL&I Compliance Schedule

Localisation:

This tender concerns a service that has material and commodities that are part of the designated sector as per regulation 8 of the Preferential Procurement Regulations, 2017 and Local Production and Content

Skills Development:

Eskom intends to improve Skill Development by ensuring that technical support is directed towards enhancing supply capacity within the industry or sector of operation. By doing this the capacity and competitiveness of the local supply base will be increased and the goals of shared growth, employment creation, poverty reduction and skill development will be achieved.

The *Contractor* will endeavour to procure from level 1 B-BBEE companies wherever possible
The *Contractor* shall keep accurate records and provide the *Service Manager* with reports on the *Contractor's* actual delivery against the above stated SD&L criteria. Reports to be provided on a monthly contractual meeting.

4.2 Subcontracting

4.2.1 Preferred subcontractors

The *Contractor* may not use a subcontractor unless a written request is made to the *Employer* and approval is given. All terms and conditions applicable to the *Contractor*, will also apply to the approved subcontractors e.g. legal requirements, appointments, authorisations, safety, quality and therefore all relevant documentation must be submitted for the Employer to consider the Subcontractor for approval.

Sub-contracting agreement between _____ need to be maintained for the duration of the main contract.

Should there been any changes to the Subcontract agreement between the *Contractor* and the Subcontractor, the *Employer* need to be informed of such.

Additionally, the prices listed in the price list will remain unchanged if any subcontractors are used.
approval

4.2.2 Subcontract documentation, and assessment of subcontract tenders

Below documentation need to be maintained for the duration of the contract

1. Subcontracting agreement (signed by both parties) with subcontractor company registration documents (CK, CSD, B-BBEE certificate or sworn affidavit).

2. Copies of sub-contracting contracts (agreements) or copies of letters from the tenderer to the sub-contractors, stating the intent to sub-contract. Both documents should be signed by the Tenderer and the sub-contractor(s) earmarked.
3. B-BBEE certificate from SANAS accredited rating agency or Sworn Affidavit from National Treasury / DTI certified by commissioner of oath will be used to verify supplier's status

4.2.3 Limitations on subcontracting

A supplier awarded a contract may not subcontract more than 25% of the value of the contract to any other entity that does not have an equal or higher B-BBEE status level of a contributor than the supplier concerned unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

4.3 Plant and Materials

4.3.1 Tests and inspections before delivery

- It is the *Contractor's* responsibility to ensure all spares and refurbished items are inspected, tested and certified prior to delivery to site.
- Regular inspections can be carried out by the *Employer* on an as and when required basis.
- The *Contractor* and the *Employer* must maintain communication regarding the test and inspections that must be done and give feedback on the result obtained. The *Contractor* must inform the *Employer* in time for a test or inspection to be arranged and done for any item.

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

Both parties shall agree if there is any Plant and Material that the *Contractor* require to execute work onsite. The *Employer* will provide a list of Plant and Materials to be provided before commencement of the task. The *Employer* will make arrangement for collection by *Contractor* or delivery by others on behalf of the *Employer*, offloading, inspection, storage, care custody and control, return of unused Plant and Materials. All other Plant and Materials are to be provided by the *Contractor*.

4.3.3 Cataloguing requirements by the *Contractor*

Spares that are not catalogued can only be delivered with an approved 'Data Capture Form' (DCF) for that specific spare or assembly. The *Employer's* Technician or Engineer will provide the *Contractor* with a DCF template for the specific spare. The *Contractor* will therefore be required to complete and submit DCF to the *Employer's* Engineer for approval before delivery.

5 Working on the Affected Property

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

Medupi Power Station is declared a Nation Key Point (NKP), all regulations, Laws and procedures related to NKP must be strictly adhered to.

The Entry to site is only approved once the following is adhered to:

1. The *Contractor's* Safety file is to be approved by the *Employer's* Safety department.
2. Site-specific induction is to be done by all personnel.
3. All contract employees must have access permits to the site

5.2 People restrictions, hours of work, conduct and records

5.2.1 People restrictions

Contractor's employees are restricted to the Affected Property only

5.2.2 Hours of work

- All work will be coordinated by the *Employer*. Working times can be subject to change, the *Employer* will inform The *Contractor* well in advance.
- The *Contractor* will align his operating shifts to that of the *Employer's* shift cycle for delivery and collection.
 1. Normal working hours is Eskom working hours:
 - a. Monday to Thursday **07:00 - 16:15(Lunch 12:00-12:30)**
 - b. Fridays **07:00 - 12:00 (No lunch break)**

5.2.3 Conduct

- a) The *Contractor* and his employees are always required to maintain professional and ethical conduct, that upholds the Eskom values to the highest standard
- b) Should the *Contractor's* employees be found to contravene the Eskom values, lifesaving rules, and/or any of the regulations, the *Contractor* must institute disciplinary action, which may include removal from site, until the disciplinary process is concluded.

5.2.4 Records

The *Contractor* is expected to keep appropriate and sufficient records of the employees, including:

- a) *Contractor's* performance
- b) Safety and environmental statistics, and
- c) Any other required records as communicated by the *Employer*

5.3 Health and safety facilities on the Affected Property

There is a medical station on site, fire and rescue service for assistance with serious incidents and treatment of all serious injuries during normal working hours. Emergency services are available during normal working hours by dialling this phone number 078 100 5614/ 014 762 2555 and also available after hours or else contacting the Electrical Operating Desk (EOD) at 014 762 6490/1 However, the *Contractor* is expected to handle all minor incidents in-house by providing a first aider and a first aid kit.

The *Contractor* must familiarise themselves with the emergency procedure which will be provided by the *Employer*. The *Service Manager* will inform the *Contractor* of the emergency preparedness (EP) procedure, and the *Contractor* must ensure that EP procedure is shared with the employees.

All other requirements and/or facilities will be communicated by the *Employer* to the *Contractor*.

5.4 Environmental controls, fauna & flora

Medupi Power Station is maintaining a *Monitoring, Control and Eradication for Alien and Invasive Species Plan*. The *Contractor* shall support Medupi Power Station's initiative where necessary, in ensuring that alien and invasive plant species are maintained as per programme and within the legal requirements pertaining to such plant species. The relevant plan will be shared upon request with the *Contractor*.

5.5 Cooperating with and obtaining acceptance of Others

Proper co-ordination and work planning must be done when working in any area where others are performing work or activities. Should the *Contractor* request any interfaces with Others, it will be coordinated by the *Employer*.

5.6 Records of *Contractor's* Equipment

- a) The *Contractor* to declare all equipment and tools via a pre-set-up list at the main entrance, where removal permit will be issued by Security personnel.
- b) *Contractor* need to have a list of inventories of their equipment on site.
- c) Proof of site entrance needs to be provided before equipment can be removed from site
- d) A copy of the equipment list must be submitted to the *Employer*. The list must be regularly updated by the *Contractor* when there are changes.

5.7 Equipment provided by the *Employer*

Equipment provided by the *Employer* is to be signed out on the tools register and returned in a serviceable condition. The *Contractor* will be responsible for replacement of the *Employer* equipment in case is lost or damaged.

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

Sanitary services, water, compressed air, workshop facilities and electricity shall be provided by Eskom at fixed points on the plant. There is also a tuck-shop on site, only operate on weekdays and are for the *Contractor's* own cost.

5.8.2 Provided by the *Contractor*

The *Contractor* is to supply all the personal protective equipment, transport, accommodation, tools, equipment, cell phones, stationery, and consumables to perform all the required tasks on site. And any other as per agreement.

5.9 Control of noise, dust, water and waste

The *Contractor* will always be required to use appropriate PPE to mitigate and minimise exposure to noise and dust. Ear protection shall be worn whenever *Contractor* enters a plant with a noise level of 85 decibels(db) and above or working with machines that produce noise level of 85 db. The *Contractor* must always wear dust mask whenever they work in the dust environment. The *Contractor* must treat water as scarce resource and recycle where possible. The *Employer* advocates the appropriate disposal of waste to enhance recycling.

5.10 Hook ups to existing works

Hooking up on heights is a non-negotiable lifesaving rule of Eskom, Medupi Power Station applies Zero Tolerance to non-compliance of the rule or any other lifesaving rule. The same disciplinary process and procedure will be followed when any of the lifesaving rules have been breached.

5.11 Tests and inspections

5.11.1 Description of tests and inspections

Any tests and inspections will be determined by the *Contractor* and communicated to the *Employer* for approval.

5.11.2 Materials facilities and samples for tests and inspections

The materials facilities and samples for test and inspection to be carried out by the *Contractor*. The Materials facilities and samples for tests and inspections will be determined by the *Contractor* and communicated to the *Employer* for approval.

6 List of drawings

6.1 Drawings issued by the Employer

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

Drawing number	Revision	Title
N/A		