



## ANNEXURE "A"

### TRANSACTION DOCUMENT

#### 1. SCOPE OF WORK

##### 1.1 INTRODUCTION

The Petroleum Oil and Gas Corporation of South Africa SOC Ltd, herein after called PetroSA, operate a Gas to Liquid Processing Refinery and related facilities in Mossel Bay, FA Platform and the Orca.

PetroSA requires a capable Supplier to undertake and provide the following Heat Treatment Services at the above-mentioned PetroSA facilities for unit 27 outage:

- Provision of heat treatment services to the PetroSA process pipes, vessels and equipment.
- Provision of all the required management, supervision, labour, and equipment as specified in this agreement and administration related to the provision of heat treatment services.

It is expected from the Supplier to provide the Service expertise, advanced techniques, reliable equipment, manpower, and experienced project management, including preparation and execution plan of the works in accordance with and **within time frames** defined by PetroSA.

All work shall be performed in strict accordance with PetroSA's specifications, standards, procedures, drawings and other documents, which by reference are made a part hereof.

##### 1.2 SERVICES

The scope for the required Service provision shall include but not be limited to the following:

- Hydrogen Diffusion
- Pre-Weld Heat Treatment
- Post-Weld Heat Treatment

## Detailed Heat Treatment scope of work

**Table 1**

### Post Weld Heat Treatment scope of work

Item No	Line Class	Size	No of Butts
1	CBL	3/4"	7
2	CBL	1"	18
3	CBL	1½"	89
4	CBL	2"	6
5	CBL	3"	17
6	CBL	4"	6

**Total Butts**

<b>143</b>
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**Table 2**

### Hydrogen diffusion

Item No	Line Class	Size	Qty
1	CBL	1"	4

The Supplier will be expected to be familiar and have the necessary experience and knowledge of all heat treatment techniques and procedures.

Prior to the commencement of any heat treatment job PetroSA will provide the Supplier with job specific specifications and procedures.

#### **1.2.1 MINIMUM PERSONNEL REQUIRED ON SITE**

The Supplier shall be expected to maintain a minimum crew at the GTL Refinery as follows:

<b>Minimum Crew Requirements: GTL Refinery</b>	
<b>Designation</b>	<b>Quantity</b>
Supervisor	1
Technician	1
Assistant	1
<b>Total</b>	<b>3</b>

PetroSA shall pay for the minimum crew whether there is work or not for the Supplier. Additional crew / personnel requirements shall be agreed between

the Supplier and PetroSA. PetroSA shall not be responsible for the payment of additional personnel without prior written agreement.

### **1.2.2 Tender deliverables**

The Supplier to have the following information in the event it required for supply of the heat treatment service:

- The Supplier shall, supply an organogram with full details of its personnel structure including curriculum vitae of its key personnel with contact details.
- The Supplier to indicate Permanent Labour on their payroll with their skill levels as well as contractor labour on their database with their skill levels.
- The Supplier to have all resources to successfully execute the unit 27 heat treatment services scope of work.

### **1.2.3 Supplier's responsibilities**

In rendering the Service, the Supplier shall provide for:

- Plant & Equipment
- Small tools
- Manpower
- Supervision
- Management
- Office Personnel
- Transport.

### **1.2.4 Procedures (Available on Request)**

The Supplier shall draw up Heat Treatment Procedure(s) per specific job for approval by PetroSA Inspection, Metallurgy & Welding Departments.

The Supplier shall comply with the following PetroSA procedures:

<b>DOCUMENT NUMBER</b>	<b>DESCRIPTION</b>
SP/UZ006S005	Heat Treatment
ISM/PR/MET/006	Hydrogen Outgassing
ISM/PR/MET/002	Requirements for Post Weld heat Treatment of Piping, Pressure Vessels and Related Components

### **1.2.5 Normal operating conditions**

The Supplier will at the commencement of the Agreement receive a Purchase Order against which all Supplier invoices shall be paid.

Before commencing with any job, the Supplier shall be issued with a Works Order / Job Card, and the Works Order number shall also be reflected on the Supplier invoices and the job card attached as one of the invoice supporting documents.

It will be the responsibility of the Supplier to fully acquaint itself with the conditions and environment of each job and to plan accordingly.

PetroSA will have no obligation in any aspect on work performed by the Supplier without an official Works Order number.

Any changes to an official works order must be authorised by means of a new or supplementary works order.

The Supplier shall have no authority to change any conditions in a works order and any work performed in excess of the approved scope shall be for the account of the Supplier.

All rework due to the Supplier's fault will be for the Supplier's account. This will include all material, manpower, consumables, and certification required.

### **1.2.6 Inclement Weather**

PetroSA shall, in the event of adverse weather conditions, pay the Supplier for the crews on site at a minimum of four hours or the actual hours that the crews would have spent on site and ordered to stand down.

### **1.2.7 Prerequisites**

All work shall be performed in accordance with the approved PetroSA procedures, standards and specifications and it will be the responsibility of the Supplier to fully acquaint itself with the contents thereof prior to commencement.

The Supplier shall be responsible to obtain the necessary permits to work prior to the commencement of the services specified on the Works Order.

The Supplier shall submit proof of calibration and certification of all equipment used to perform the service.

The Supplier shall not acquire the service of any sub-contractor without the prior written approval from PetroSA.

The Supplier shall be responsible for ensuring that the workforce of the approved sub-contractor(s) is competent and fully equipped to perform the service safely, when applicable.

#### **1.2.8 Abnormal operating conditions (breakdowns and emergencies)**

Similar conditions are in force as under normal operating conditions except that work may proceed without the receipt of the official works order.

The work must be confirmed to be a genuine priority or breakdown by a PetroSA representative.

The Supplier will be held responsible for recording such instances in a logbook and acquire the signatures of the relevant PetroSA representative.

The official works order shall be submitted to the Supplier within 24 hours of the initial request.

#### **1.2.9 Site Establishment**

PetroSA will supply a Contractor's Yard and an office building for the Supplier and the Supplier must maintain the building for the duration of the Agreement and return it to PetroSA in the same condition it was received in, excluding normal wear and tear.

The cleanliness of the Yard and buildings must comply with the PetroSA Safety and Housekeeping Policy.

PetroSA reserves the right to conduct safety inspections at random of the premises, buildings and equipment on site.

PetroSA will not provide fuel for Supplier's vehicles.

#### **1.2.10 Labour**

The Supplier shall supply all labour, supervision, and management and other overhead and specialist personnel to perform the services.

The Supplier shall give preference to suitable labour from the Mossel Bay area.

All personnel shall be suitably qualified and have the necessary experience to perform the Services.

The Contractor's Site Manager shall ensure that only qualified and competent people will be allowed to work on Site.

Proof of training must be submitted before any personnel will be allowed on site.

PetroSA will have the right to evaluate, test and interview all personnel designated to perform the Services.

PetroSA reserves the right to object to any personnel who in terms of this agreement or any of PetroSA's policy is deemed incompetent, negligent, guilty of misconduct or unsuitable.

The Supplier shall immediately remove such personnel from the premises and provide a satisfactory replacement if required, at the Supplier's own cost.

All personnel, including casual labour, must be able to read, and understand safety signs and participate in on-the-job safety talks.

#### **1.2.11 Personnel Qualifications**

<b>Designation</b>	<b>Minimum Qualifications and Experience</b>
Supervisor	Qualified Senior technician in Heat Treatment; minimum 5 years' experience. Technician Competency Certificate required.
Technician	Qualified technician in Heat Treatment; minimum 3 years' experience. Technician Competency Certificate required.
Assistant	No formal qualification required; minimum Grade 10 pass required.

#### **1.2.12 Materials**

The Supplier shall generally supply all materials, excluding consumables, required for the performance of the Services and carry sufficient stock so as not to delay the completion of the Services. Consumables used for the provision of this Service will be supplied by PetroSA.

Any materials supplied by PetroSA on a free issue basis shall remain the property of PetroSA and any surplus material shall be returned to PetroSA upon completion of the Services.

The Supplier shall also be responsible for any loss of material due to negligence, misconduct, or bad workmanship. No payment will be made for any inferior/rejected materials.

The Supplier to keep a material register of all the heat treatment material on site and the register to be sent to PetroSA on a monthly basis.

#### **1.2.13 Plant, Equipment and Tools**

The Supplier shall provide all the necessary equipment and tools of trade necessary for the performance of the Services, excluding consumables.

As a minimum, the Supplier shall be expected to have at their disposal Controllers, Recorders and Transformers.

Minimum Equipment required on site:

- a) 40 KVA Transformer Unit – 2XOFF
- b) Mains Unit (525 Volts) – 2 XOFF

#### **1.2.14 Identification**

The Supplier shall clearly mark all its material, plant, equipment, and tools for ease of identification, and be responsible for any loss thereof.

#### **1.2.15 Safety Equipment/Apparel**

The Supplier shall ensure that all its personnel engaged in the performance of the Service are provided as a minimum with the following safety equipment/apparel in good condition:

- Safety shoes
- Overall with long sleeves
- Hard hat
- Rain suit
- Safety gloves
- Hearing protectors
- Safety glasses
- Safety belt

All safety equipment to bear the SABS mark and be approved by the PetroSA Safety Department.

PetroSA will supply any other safety equipment, which is a specific area requirement, to the Supplier's personnel free of charge. The safety equipment will remain the property of PetroSA and will only be replaced due to normal wear and tear. The Supplier shall replace any safety equipment damaged because of abuse, neglect, misuse, etc.

### **1.3 Supplied by PetroSA**

#### **1.3.1 Utilities and facilities free of charge**

PetroSA will provide the following utilities and facilities free of charge to the Supplier, unless specifically excluded elsewhere:

- Suppliers lay down area (yard) and suitable office, workshop and store facilities which must always be in compliance with the PetroSA Safety Policy. PetroSA reserves the right to execute safety inspections at random on the premises, buildings, and equipment on site.
- Ablution and shower facilities on site.
- Cranage and scaffolding where required assisting in the performance of the Services.

- Water, steam and compressed air and electricity at various points on site.
- Water and Electricity in the Supplier's lay down area.

### **1.3.2 Utilities and facilities at charge**

PetroSA will provide the following utilities and facilities to the Supplier for which the Supplier shall be charged:

- Telephone and Fax lines (activation deposit of R1,000.00 is required)
- Supplier will be charged for all calls made and faxes sent.

## **1.4 WORKING HOURS**

The Supplier shall ensure that the Services are available on a 24 hours per day, seven days a week basis.

Primarily, work is performed during normal hours of work, unless the Supplier is specifically instructed differently by PetroSA.

### **1.4.1 Normal Working Hours**

#### Onshore:

- Monday to Friday: 08:00 to 16:30 - with half hour lunch break
- Saturday & Sunday: Normal day off.

### **1.4.2 Overtime Hours**

All overtime requirements shall be pre-approved. Any unauthorised overtime work shall be for the Supplier's cost.

#### Onshore:

- Overtime 1      Mondays to Fridays after 8 hours of work, and Saturdays  
Calculated as 1.5x the in-pocket rate.
- Overtime 2      Sundays and Public Holidays  
Calculated as 2x the in-pocket rate

### **1.4.3 Night Shift**

Night shift work shall be set up as and when required by PetroSA to satisfy operation requirements.

The first eight hours of any night shift worked shall be classified as normal time for personnel that only come in at night. Overtime will only be applicable once the 8 hours have been exhausted.



PetroSA will pay Suppliers a night shift allowance of 15% on the charge out rate for work done at night. Night work hours will be as per the BCEA/MEIBC provisions.

#### **1.4.4 Public Holidays**

In general, all Public Holidays are observed by PetroSA but this is fully dependent on PetroSA Production and Maintenance operational requirement.

#### **1.4.5 Time and Attendance System**

PetroSA operates a Time and Attendance System to determine or cross check the Supplier's billable hours.

Time sheets must be filled in on a daily basis and signed of daily and approved on a weekly basis.

Should the Supplier question or dispute any time and attendance record issued by PetroSA, the Supplier undertakes to advise PetroSA in writing within 7 (seven) days from date of issue of such record. (Applicable to contract rates paid on an hourly basis).

### **1.5 GENERAL**

Any activity, work or condition not covered in this Agreement shall be negotiated and agreed on in advance with PetroSA.

Proper clean up after completion of a specific job shall be deemed part of the job and payment may be withheld if not adhered to.

Any damage to PetroSA's equipment due to negligence or poor workmanship will be for the account of the Supplier.

The Supplier shall be responsible for the proper protection of surrounding equipment against damage whilst performing the services.

The Power supply on site is 220V and 525V.

### **1.6 QUALITY ASSURANCE**

The Supplier shall ensure that the Services, including workmanship, products, materials, documentation, tools and equipment used or required for the rendering of the Services, comply with PetroSA's Quality Assurance, Control & Certification Requirements for Manufacture, Fabrication & Erection of Pipework for Offshore Operations **Ref EP/SHE/SD001**.

## **1.7 QUALITY CONTROL PLAN**

The Supplier's Quality Control Plan (QCP) shall cover all tasks identifying all witness hold points required for PetroSA interventions. These QCPs will be requested by PetroSA on a regular basis.

This will be issued to PetroSA as a complete work pack for final acceptance before any work can commence. This will include all requirements as per specifications.

PetroSA will return the document with the following approval classifications:

- Approved
- Approved with comment.
- Rejected
- Information only

## **1.8 SAFETY PLAN**

The Supplier's Safety Plan shall be specific to this Agreement and shall contain details of the following: (The Plan will be updated on a regular basis).

- Standards and Procedures to be followed to ensure Supplier personnel safety in the execution of the works and in compliance with PetroSA SHEQ requirements, including procedures for identifying protective equipment for specific jobs and procedures for confined space entry.
- Accountability of Supplier's key personnel with regards to safety at the work site.
- Responsibility of Supplier's Safety Officers and number of Safety Officers to be used.
- Supplier safety indoctrination for its personnel and safety meeting frequency.
- Procedures to ensure safety hazards are identified through proper planning and continuous monitoring.
- Preparation of risk assessments to identify hazards and the control measures to be used to eliminate or reduce the risk.
- Emergency procedures and first aid
- Housekeeping
- Basic personal protective equipment; compliance with PetroSA requirements
- Accident / incident reporting

The Supplier shall describe in this plan how they will comply with environmental regulations of PetroSA.

## **1.9 CHANGES TO THE SCOPE OF SERVICES**

The scope of the Services shall be subject to changes by additions, deletions or revisions thereto by PetroSA. The Supplier shall be advised of any such

changes by written notification from PetroSA describing the change. The Supplier shall promptly perform and strictly comply with each such change when so instructed by PetroSA. Any extra services resulting from such changes will be charged at the Supplier's normal or agreed rates.

## 2. PRICING

No payment or reimbursement shall be due by PetroSA to the Supplier unless otherwise specifically provided for in this Agreement.

The Supplier's rates are fully inclusive of all the Supplier's costs and expenses for rendering the Services pursuant to this Agreement including but not limited to, the Supplier's portion of any employee insurance and social security benefits, payroll and income taxes, levies, premiums for insurance and all other contributions and benefits and the costs to the Supplier for its personnel, unless otherwise specifically provided for in this Agreement.

**\*Rates to be inserted on the attached CBA spreadsheet. Total Contract Price on the CBA to be entered on eProcurement price line in Step 5 for this project. The completed CBA to be uploaded as an attachment on eProcurement.**

### 2.1 Schedule of Rates

**Table 3: Rates**

Description	Unit	Normal Time In-Pocket Rate (Rands/hr)	Pay Roll Burdens (Rands/hr)	Mark-up (Rands/hr)	Normal Time, Total Charge-Out Rate (Rands/hr)
Supervisor	per hour				
Technician	per hour				
Assistant	per hour				

### 2.2 REIMBURSABLE HOURLY RATES

2.2.1 Reimbursable hourly rates will be deemed to include the employee's salary, payroll burdens, secretarial services, stationery, rental, postage, telephones, fax machines, etc.

2.2.2 Notwithstanding the provisions of sub-clause 2.1 above, the rates will also include the management fee consisting of general overheads and profit but exclude disbursement items as listed under sub-clause 2.1.3 below.

2.2.3 The invoices for the Reimbursable Hourly Rates shall be supported by PetroSA approved time sheets comprising an overall summary on a

separate sheet for each employee of the budgeted hours versus the expended work hours.

## **2.4 MATERIALS**

2.4.1 Material rates include for all direct and indirect taxes, delivery costs to site, etc. All materials purchased by the Supplier on behalf of PetroSA will be reimbursed to the Supplier at actual **cost plus 5%**, which materials shall remain the property of PetroSA.

2.4.2 No payment will be made for incorrect, inferior or rejected materials.

2.4.3 PetroSA reserves the right to supply materials required.

## **2.5 PRICING BASIS**

The rates in this Agreement shall be fixed and firm for a period of the purchase order from the date of commencement of this Agreement until completion.

## **2.6 VAT**

All rates are exclusive of VAT. VAT at the rate applicable at the time of performing the relevant service is to be added to the total net amount shown on the tax invoice.

## **2.7 TERMS OF PAYMENT**

2.7.1 Original invoices and monthly statements are to be sent to:

PetroSA  
Private Bag X5  
PAROW  
7499

Attention: Creditors Department

by the end of a calendar month. Invoices shall only be considered for payment when accompanied by originals of the supporting documentation signed by the authorised PetroSA representative and the invoice has been approved for payment.

PetroSA's Purchase order number/s and Contract Number:  
\_\_\_\_\_ must be quoted on the invoice.

PetroSA's VAT No. 4320103502 must be stated on the invoice.

2.7.2 Copy invoices may be sent directly to the Contract Administrator or other PetroSA representative to expedite approval.

- 2.7.3 Payment will be made within thirty (30) days to the Supplier after receipt and approval of its invoice.
- 2.7.4 PetroSA may make corrections or modifications to any invoice, which had been issued to PetroSA and shall have the right to withhold certification in respect of any part of the Services, which has Not been carried out to its satisfaction.
- 2.7.5 All monies paid by PetroSA for and on behalf of the Supplier, or any other monies for which the Supplier may become liable to PetroSA in terms of this Agreement, or otherwise, may be deducted by PetroSA from any monies due, or to become due to the Supplier and/or may be recovered from the Supplier by whatever means deemed feasible.
- 2.7.6 The Supplier invoices shall contain sufficient backup documents as required by PetroSA to support invoices submitted.
- 2.7.7 If PetroSA queries or disputes any part of an invoice, it shall give written Notice to the Supplier of that fact and of the reasons therefore as soon as reasonably practicable and shall thereupon be entitled to withhold payment of the amount in question or dispute, without any liability for interest, pending resolution of the dispute.
- 2.7.8 PetroSA shall not be obliged to pay any invoice or demand for payment received by PetroSA more than 90 (ninety) days from the date of expiry or termination of the Contract or completion of the relevant service forming part of the Services, whichever is the earlier.

### **3. TAXES**

All amounts payable in terms of this Agreement exclude VAT but are inclusive of all other costs, and no contributions, levies, imposts, duties or the like shall be payable by PetroSA.

### **4. SPECIFIC CONDITIONS**

#### **4.1 GENERAL REQUIREMENTS**

The requirements to be observed by the Supplier for the duration of this Agreement are detailed in the "General Requirements for Suppliers Working in the PetroSA Works (See Annexure "B1")".