



NEC3 Term Service Contract (TSC3)

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

and

for Maintenance of diesel engines for 60 months in Camden Power Station

Contents:

No of pages

Part C1 Agreements & Contract Data

[•]

Part C2 Pricing Data

[•]

Part C3 Scope of Work

[•]

CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

Contents:	No of pages
C1.1 Form of Offer and Acceptance	[•]
C1.2a Contract Data provided by the <i>Employer</i>	[•]
C1.2b Contract Data provided by the <i>Contractor</i>	[•]

DRAFT

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:

Maintenance of diesel engines for 36 months in Camden Power Station

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and agenda 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 or C	The offered total of the Prices exclusive of VAT is	R
Option E	The first forecast of the total Defined Cost plus the Fee exclusive of VAT is	R
	Sub total	R
	Value Added Tax @ 15% is	R
	The offered total of the amount due inclusive of VAT is ¹	R
	Amount in Words	

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

Signature(s)

Name(s)

Capacity

**For the
tenderer:**

(Insert name and address of organisation)

Name &
signature of
witness

Date

Tenderer's CIDB registration number:

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*.

DRAFT

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

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

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

Signature(s)

Name(s)

Capacity

General Manager

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

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

Note:

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

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

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

For the tenderer:**For the Employer**

Signature

Name

Capacity

On behalf
ofName &
signature
of witness

Date

(Insert name and address of organisation)

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 and secondary Options	W1: Dispute resolution procedure
		X1: Price adjustment for inflation
		X2: Changes in the law
		X17: Low service damages
		X19: Task Order
		X20: Key performance indicators
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract (June 2005) ²	
10.1	The <i>Employer</i> is (name):	Eskom Holdings Limited (reg no: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Represented by:	
	Tel No.	
	Fax No.	
10.1	The <i>Service Manager</i> is (name):	
	Address	Camden Power Station Private Bag X1002 Nucam 2355
	Tel	

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

Fax

e-mail

11.2(13)	The <i>service</i> is	Maintenance of diesel engines for 60 months in Camden Power Station
11.2(14)	The following matters will be included in the Risk Register	N/A
11.2(15)	The Service Information is in	The document called 'Service Information' in Part 3 of this contract.
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	5 working days
3	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	60 Months (5 years)
4	Testing and defects	No data is required for this section of the conditions of contract.
5	Payment	
50.1	The <i>assessment interval</i> is	
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	14 days
51.4	The <i>interest rate</i> is	(i) zero percent above the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and (ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted <i>mutatis mutandis</i> every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the

		foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.
6	Compensation events	to this contract
7	Use of Equipment Plant and Materials	No data is required for this section of the <i>conditions of contract</i> .
8	Risks and insurance	
80.1	The <i>Contractor</i> is not liable to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property in excess of	the amount of the deductibles relevant to the event described in the "Format TSSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248
82.1	The <i>Employer</i> provides this insurance	as stated for "Format TSSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance)
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance).
83.1	The <i>Employer</i> provides these additional insurances	as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance)
83.1	The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248
83.1	The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is:	the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than

contract for any one event is:

R500 000 (Five hundred thousand Rands)..

9	Termination	There is no Contract Data required for this section of the <i>conditions of contract</i> .		
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 service at intervals no longer than	Intervals will be agreed between <i>Parties</i>		
11	Data for Option W1			
W1.1	The <i>Adjudicator</i> is (Name)	The person selected from the Eskom Panel of Adjudicators listed in Annexure B to this Contract Data by the Party intending to refer a dispute to him.		
	Address	N/A		
	Tel No.	N/A		
	Fax No.	N/A		
	e-mail	N/A		
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za)		
W1.4(2)	The <i>tribunal</i> is:	arbitration		
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.		
	The place where arbitration is to be held is	South Africa		
	The person or organisation who will choose an arbitrator	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
	- if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is			
12	Data for secondary Option clauses			
X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is			
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by

	Fixed	15%	[•] non-adjustable	[•]
X2	Changes in the law	No data is required for this Option		
X17	Low service damages	2.5% of the invoice		
X17.1	The <i>service level table</i> is in			
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to		R0.0 (zero Rand)	
X18.2	For any one event, the <i>Contractor's</i> liability to the <i>Employer</i> for loss of or damage to the <i>Employer's</i> property is limited to		the amount of the deductibles relevant to the event described in the “Format TSC3” insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248	
X18.4	The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to		the total of the Prices other than for the additional excluded matters. The <i>Contractor's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and • Infringement of an intellectual property right.	
X18.5	The <i>end of liability date</i> is		3 years after the end of the <i>service period</i> .	
X19	Task Order			
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within		2 days of receiving the Task Order	
X20	Not Applicable to this Contract			
Z	The <i>additional conditions of contract</i> are		Z1 to Z11 always apply.	

Z1 Cession delegation and assignment

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

Z2 Joint ventures

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

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

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

Z4 Ethics

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

Such practices include making of offers, payments, considerations, or benefits of any kind or

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

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

Z5 Confidentiality

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

Z6 Waiver and estoppel: Add to core clause 12.3:

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

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

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

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

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

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

- Z8.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z8.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z8.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

Z9 Notifying compensation events

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

Z10 Employer's limitation of liability

- Z10.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z10.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for under the compensation events stated in this contract.

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

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

Annexure A: Insurance provided by the Employer

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

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

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

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

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

Name	Location	Contact details (phone & e mail)
Nigel ANDREWS	Gauteng	+27 11 836-6760 nigela@quoin.net
Andrew BAIRD	Gauteng	+27 11 803 3008 andrewbaird@ecsconsult.co.za
Christopher BINNINGTON	Gauteng	+27 11 888-6141 cdb@bca.co.za
Peter HIGGINS	UK	+44 1293 873 868 peterhiggins@pdconsult.co.uk
Bruce LEECH	Gauteng	+27 11 290 4000 leech@counsel.co.za
Nigel NILEN	Gauteng	+27 11 465 3601; nilences@global.co.za
Robert St. LEGER	Cape Town	+27 21 794 7488 bobst@iafrica.com
Peter THURLOW	Gauteng	+27 11 787 6226 info@thurlowassoc.com

Information about the Panel and appointment of the selected *Adjudicator* is available from Eskom Supply Chain Operations management, by contacting Leighton Itholeng (Tel.: +27 (0)11 800 4031) (Fax : +27 (0)86 668 0419) E-mail: Leighton.Itholeng@eskom.co.za

C1.2 Contract Data

Part two - Data provided by the Contractor

Notes to a tendering contractor:

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

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

Clause	Statement	Data
10.1	The Contractor is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is The <i>subcontracted fee percentage</i> is	0%
11.2(14)	The following matters will be included in the Risk Register	SHEQ and Finance
11.2(15)	The Service Information for the Contractor's plan is in:	C3 Scope of work
21.1	The plan identified in the Contract Data is contained in:	C2.2
24.1	The key persons are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job	

³ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

Responsibilities:

Qualifications:

Experience:

A	Priced contract with price list
11.2(12)	The <i>price list</i> is in ZAR
11.2(19)	The tendered total of the Prices is
C	Target contract with price list
11.2(12)	The <i>price list</i> is in
11.2(20)	The tendered total of the Prices is R
E	Cost reimbursable contract
11.2(12)	The <i>price list</i> is in

DRAFT

Part 2: Pricing Data

TSC3 Option A

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

C2.1 Pricing assumptions: Option A

The conditions of contract

How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract, June 2005 (TSC3) core clauses and Option A states:

Identified and defined terms	11	
	11.2	(12) The Price List is the <i>price list</i> unless later changed in accordance with this contract.
		(17) The Price for Services Provided to Date is the total of - the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and - where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

Function of the Price List

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

Link to the *Contractor's* plan

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

Preparing the *price list*

It will be assumed that the tendering contractor has read Pages 14, 15 and 73 of the TSC3 Guidance Notes before preparing the *price list*. Items in the *price list* may have been inserted by the *Employer* and the tendering contractor should insert any additional items which he considers necessary. Whichever party provides the items in the *price list* the total of the Prices is assumed to be fully inclusive of everything necessary to provide the Service as described at the time of entering into this contract.

1 As the *Contractor* has an obligation to correct Defects (core clause 42.1) and there is no compensation event for this unless the Defect was due to an *Employer's* risk, the lump sum Prices and rates must also include for the correction of Defects.

2 If the *Contractor* has decided not to identify a particular item in the *price list* at the time of tender the cost to the *Contractor* of doing the work must be included in, or spread across, the other Prices and rates

in the *price list* in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.

3 There is no adjustment to lump sum prices in the *price list* if the amount, or quantity, of work within that lump sum item of service later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event. See Clause 60.1.

4 Hence the Prices and rates tendered by the *Contractor* in the *price list* 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.

5 The Contractor does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event. It should be noted that the list of compensation events includes those arising as a result of an *Employer's* risk event listed in core clause 80.1.

Format of the *price list*

(From page 73 of the TSC3 Guidance Notes)

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

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

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

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

Price list

SEE BOQ ATTACHED

Spares for major repairs.

- Only hours worked will be paid, contractor personnel will be the *Contractor* responsibility to pay the personnel not the *Employer*.
- The task order will be used to monitor the time worked and the supervisor responsibility to ensure that these are submitted to the contract supervisor for approval. It will be used for monthly assessment.

1. THE ABOVE PRICELIST REMAINS FIXED AND FIRM FOR THE FIRST 16 MONTHS OF THIS CONTRACT

PART 3: SCOPE OF WORK

Document reference	Title	No of pages
	This cover page	1
C3.1	<i>Employer's Service Information</i>	
C3.2	<i>Contractor's Service Information</i>	

	Total number of pages	

Introduction

Camden Power station has mobile and fixed diesel engines which are used to power various pumps and generators. These engines are critical for uninterrupted operation of the power station as they are utilized for normal operation and emergencies.

The diesel engines are of different brands, including but not limited to Cummins, Caterpillar, Deutz, Mitsubishi, Kirloskar and Volvo Penta. The diesel engines in Camden are either water cooled, or air cooled.

Supporting Clauses

Scope

This section outlines the scope of work for maintenance and repair of diesel engines in Camden Power Station purpose and applicability.

Purpose

The purpose for this scope of work is to outline employer's requirements from the contractor for maintenance and repairs of diesel engines by the qualified technicians in Camden Power Station.

Applicability

This document shall apply to Camden Power Station.

Normative/Informative References

Parties using this document shall apply the latest revision of the documents listed in the following paragraphs.

Normative

ISO 9001 Quality Management Systems.

Occupational Health and Safety Act 85 of 1993

004 - 4830 employer's standards and procedures regarding 'health and safety at Camden power station: Camden power station safety, health, and environment specification

240 - 78024412 Maintenance Execution Strategy for Diesel Engines

240 - 107981488 Two yearly major inspect coolant & flush system - diesel engine (clm) – standby engine

Informative

240 – 97052302 Maintenance, repair, and service of diesel engines

Definitions

Table 1 below shows the definition of terms used in this document.

Table 1: Definition of terms used in this document.

Abbreviation	Explanation
Definition	Description
Maintenance	A combination of all technical, administrative, and managerial actions during the lifecycle of an item intended to retain it in or restore it to condition in which it can perform its required function.
Maintenance Strategy	A plan that details the maintenance that needs to be done on a specific asset / plant item or component and the frequency and quality requirements for that maintenance.
Maintenance Schedule	The timing of the maintenance strategy information stipulating when in the calendar year, work needs to be done.
Preventive Maintenance	Planned time or schedule-based maintenance carried out with the objective of preventing functional failures and is directed towards maintaining the physical condition of the asset / plant or equipment. It includes scheduled overhauls and scheduled replacement of worn-out parts or failure prone components.
Contractor	Company rendering service to Eskom Holdings SOC Ltd (Camden Power Station).
Corrective Maintenance	The process of restoring asset / plant and equipment which have failed or deteriorated to a state which renders it unable to meet the acceptance criteria required for its particular application.
Condition Based Maintenance	Predictive maintenance carried out because of findings from analysis of parameters measured under a condition-monitoring regime, or from recommendations from reliability analysis.
Condition Monitoring	Non-intrusive monitoring carried out to determine the physical condition of asset / plant and equipment.
Employer	Eskom Holdings SOC Ltd (Camden Power Station).
Inspection	Activities, which by means of examination, observation, or measurement, determine the conformance of material, parts, components etc., to predetermined specifications and quality requirements.
In-service Inspection	All inspection and testing conducted on plant and equipment at regular intervals and prescribed by regulatory and statutory codes or other types of specification throughout its service life.
Testing	All activities required determining the actual performance or condition of an item.

Disclosure Classification

Controlled disclosure: controlled disclosure to external parties (either enforced by law, or discretionary).

Abbreviations

Table 2 shows abbreviations used in this document.

Table 2: Abbreviation used in this document.

Abbreviation	Description
ISO	International Organization for Standardization
OEM	Original Equipment Manufacturer
PM	Preventative maintenance
QCP	Quality Control Plan
SABS	South African Bureau of Standards
SOW	Scope of Work

Roles and Responsibilities

This section outlines roles and responsibilities of departments involved in the maintenance of diesel engines.

Auxiliary Engineering

- Compile the scope of work and set-up contract as per terms set out in the scope of work.
- Compile and update the maintenance strategy of diesel engines.

Auxiliary Maintenance

- Supervise the contractor executing diesel engine planned plant maintenance and repairs.
- Ensure preventative maintenance is performed by the contractor as per the maintenance strategy and schedule.
- Compile and update work packages for maintenance activities of diesel engines.
- Ensure the PM is handed back to the planner after execution of work for data capturing.

Operating Department

- Report all defects found during testing and inspection of the engines.

Contractor

- Execute the schedule maintenance tasks as per the employer's maintenance strategy and requirements.
- Repair the engines as required by the employer.

Process for monitoring

Procurement ensures that maintenance contract is set-up according to the terms given in the SOW.

Related/Supporting Documents

N/A

scope of work

The scope of work is for inspection, maintenance, and repair of diesel engines at Camden Power Station as per the maintenance schedule and as required by the employer.

The contractor shall take permits as per the employer's regulations. The contractor shall have responsible competent technician(s) available for scheduled maintenance tasks and must have a competent technician(s) on standby to attend to breakdowns.

The contractor shall issue new PPE to its employees when it is no longer effective. All PPE and masks must be SABS approved.

The contractor shall execute scheduled maintenance of all diesel engines as per the employer's maintenance strategy. Maintenance strategy shall be shared with a successful contractor upon commencing with the contract. All scheduled maintenance work will be done in Camden Power Station.

The contractor shall be on standby throughout the contract period to attend breakdowns of the engines when required by the employer.

The contractor shall give the employer a guarantee of 12 months for all engines rebuild. Rebuilding of the engines shall be done off site. Rigging of engines will be done by the employer.

Engines taken out of site for repairs or rebuild must have dyno test performed. Employer's representatives from quality, maintenance and engineering shall be present during dyno test before the engine is returned to site.

All required spares and tools to execute maintenance or repair work shall be supplied by the contractor, the spares shall be SABS approved.

preventative and corrective maintenance tasks

Preventative and corrective maintenance tasks are listed in the subsections below. The contractor is expected to execute preventative maintenance tasks as scheduled by the employer. Corrective maintenance will be executed as required, on request by the employer.

Preventative maintenance

Preventative maintenance tasks will be performed as per the employer's maintenance strategy. The tasks are not limited to the list below. Employer's full maintenance strategy for the engines will be shared with a successful contractor.

- Flush engine lubrication oil system and fill it up.
- Flush cooling water system and fill it up.
- Check all induction hoses and clamps.
- Check fuel supply line and connections at fuel tank, fuel filter and fuel pump.
- Replace engine oil filter.

- Replace fuel filter.
- Replace air filter.
- Replace coolant filter.
- Check the turbo end float.
- Check the exhaust system for leaks.
- Check the coolant level.
- Check oil level.
- Check the radiator cooling efficiency (delta T between inlet and outlet temp)
- Check and adjust v-belts.
- Replace v-belts.
- Check the fan drive and pulleys.
- Check the safety guards.
- Check all gauges for correct operations.
- Sample lubrication oil and analyse for engine internals condition.
- Prepare and submit service report for the engine to the employer.

Corrective maintenance

Corrective maintenance task below will be performed when they are required by the employer on call out basis. The tasks are not limited to the list below.

- Repair engine oil leaks
- Repair water leaks
- Replace temperature sensor.
- Replace fuel pump.
- Clean radiator or cooling water cooler to enhance efficiency.
- Replace radiator or cooling water cooler.
- Repair or replace engines cylinder head.
- Troubleshoot the engine failures.
- Overhaul the engine.
- Perform dyno test.
- Perform pressure test.

QCP's, safe work procedures and job observations

- Contractor shall develop and submit scheduled and corrective maintenance QCP's for approval by the employer before any work commences.
- QCP's shall have action plans, safe work procedures and job observations.
- The contractor with the help of the employer's representatives shall develop risk assessment as per the employer safety standards and procedures for the work to be performed.

SPARES MANAGEMENT

The Contractor will contribute to spares management by timeously providing detail of the spares required to the contract supervisor, conduct stores walk-down to identify zero stock levels/obsolete spares and cataloguing critical spares.

List of engines

Table 3 shows the list of engines in Camden Power Station with application and model. The employer reserves a right ask for maintenance of any additional engines not listed in the table below.

Table 3: List of engines in Camden Power Station

Description/Plant area	Make	Number	Serial no.
Fire water pump diesel engine A	Caterpillar	01	Model 3406 Serial: 6TB22761
Fire water pump diesel engine B	SCT Cummins	01	Model 200/38 C360 Serial: JOB02041
Back up unit generator diesel engine	Cummins	05	Model NTA 400 IPG/CPL2025 Serial: SBN NO. 3758
Service water pump diesel engine	Kirloskar	03	Model 6K 1080TA Serial: 6H 3065/2220013

Demin water pump diesel engine	Deutz	01	Model F6L413, no.10519F7 Serial: 5885751
Mobile water pump diesel engine	Deutz	02	Model F6L912-158 Serial: 108995
Mobile water pump diesel engine	Kirloskar	01	Model: 6K 1080TA Serial: 6H 3065/2220024
Mobile water pump diesel engine	Kirloskar	01	Model 6K 1080TA Serial: DV8. 3566/2220026
Mobile generator diesel engine	Deutz	01	Model F6L912-158, Serial: 108995
Mobile generator diesel engine	Mitsubishi	01	Model S6R2-PTAA Serial: 70357
Back up main gate generator diesel engine	Volvo Penta	01	Model TAD734GE Serial: 5312617958

DRAFT