



NEC3 Professional Services Contract (PSC3)

Contract between Eskom Holdings SOC Ltd
(Reg No. 2002/015527/30)

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

**for Provision of Debt Management services in Northwest
 & Northern Cape Operating Unit over a period of 3
 years on an as-and-when required basis.**

Contents:

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pages**

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Part C3 Scope of Work: The Scope

CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

Document reference	Title	No of pages
C1.1	Form of Offer & Acceptance [to be inserted from Returnable Documents at award stage]	
C1.2a	Contract Data provided by the <i>Employer</i>	
C1.2b	Contract Data provided by the <i>Consultant</i> [to be inserted from Returnable Documents at award stage]	
C1.3	Securities proforma	

C1.1 Form of Offer & Acceptance

Offer

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

Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.

The tenderer, identified in the Offer signature block, has

<i>either</i>	examined the documents listed in the Tender Data and addenda thereto as listed in the Returnable Schedules, and by submitting this Offer has accepted the Conditions of Tender.
<i>or</i>	examined the draft contract as listed in the Acceptance section and agreed to provide this Offer.

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 *Consultant* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data.

The offered total of the Prices exclusive of VAT is	Rate based
Value Added Tax @ 14% is	Rate based
The offered total of the Prices inclusive of VAT is	Rate based
This contract is based on the rates in the price Schedule	

If Option E or G apply, for each offered total insert in brackets, "(Not Applicable – Cost reimbursable)"

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 *Consultant* 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

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 Consultant 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: The Scope

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

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

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

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

Signature(s)

Name(s)

Capacity

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

Schedule of Deviations

Note:

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

No.	Subject	Details
1		
2		
3		
4		
5		
6		
7		

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

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

For the tenderer:

For the Employer

Signature

Name

Capacity

On behalf
of

(Insert name and address of organisation)

(Insert name and address of organisation)

Name &
signature
of witness

Date

C1.2 PSC3 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	
	dispute resolution Option	G: Term contract
	and secondary Options	W1: Dispute resolution procedure
		X1: Price adjustment for inflation
		X2: Changes in the law
		X7: Delay damages
		X10: <i>Employer's Agent</i>
		X11: Termination by the <i>Employer</i>
		X18: Limitation of liability
		Z: <i>Additional conditions of contract</i>
	of the NEC3 Professional Services Contract (April 2013) ¹	
10.1	The <i>Employer</i> is (Name):	Mpho Mosiatlhaga
	Address	Third Floor, Letsatsi Building, 80 Bultfontein road, Kimberley, 8301
	Tel No.	053 830 5655
	Email	MpungoMh@eskom.co.za
11.2(9)	The <i>services</i> are	Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.
11.2(10)	The following matters will be included in the Risk Register	Refer to risk assessment
11.2(11)	The Scope is in	Part 3: Scope of Work
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
13.6	The <i>period for retention</i> is	Not Applicable

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009 and www.ecs.co.za

2 The Parties' main responsibilities

25.2	The <i>Employer</i> provides access to the following persons, places and things	access to	access date
		1 Debtor/Customer information	As per task order

3 Time

31.2	The <i>starting date</i> is.	As soon as contract is concluded	
11.2(3)	The <i>completion date</i> for the whole of the services is.	36 months	
11.2(6)	The <i>key dates</i> and the <i>conditions</i> to be met are:	Condition to be met	key date
		1 To be detailed in task order	As per task order
31.1	The <i>Consultant</i> is to submit a first programme for acceptance within	One week of the task order acceptance	
32.2	The <i>Consultant</i> submits revised programmes at intervals no longer than	One week	

4 Quality

40.2	The quality policy statement and quality plan are provided within	One week of the Contract Date.	
42.2	The <i>defects date</i> is	52 weeks after Completion of the whole of the services.	

5 Payment

50.1	The <i>assessment interval</i> is	between the 25th day of each successive month.	
50.3	The <i>expenses</i> stated by the <i>Employer</i> are	Item	Amount
		[•]	[•]
		[•]	[•]
		[•]	[•]
		[•]	[•]
51.1	The period within which payments are made is	(4 weeks) 30 days from date of invoice.	
51.2	The <i>currency of this contract</i> is the	South African Rand	

51.5 The *interest rate* is

the publicly quoted prime rate of interest charged by [●] Standard Bank of South Africa Limited at the time an amount payable in SA Rand was due,

and

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 *mutatis mutandis* 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	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
7	Rights to material	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
8	Indemnity, insurance and liability	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
82.1	The <i>Consultant'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
9	Termination	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
10	Data for main Option clause	
G	Term contract	
21.4	The <i>Consultant</i> prepares forecasts of the total Time Charge and <i>expenses</i> at intervals no longer than	4 weeks.

50.4 The *exchange rates* are those published in **N/A**

11 Data for Option W1

W1.1 The *Adjudicator* is 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

Tel No.

Fax No.

e-mail

W1.2(3) The *adjudicator nominating body* is: the Chairman of the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering. (See www.ice-sa.org.za).

W1.4(2) The *tribunal* is: arbitration

W1.4(5) The *arbitration procedure* is the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.

The place where arbitration is to be held is South Africa

The person or organisation who will choose an arbitrator

- if the Parties cannot agree a choice or
- if the *arbitration procedure* does not state who selects an arbitrator, is the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.

12 Data for secondary Option clauses

X1 Price adjustment for inflation

X1.1 The index is Average CPI (Headline) index in Table D-4 Consumer Price Index for the 12-month period between April and March of the following year. Main Indices of Statistics South Africa.

The staff rates are {state whether "Fixed at the Contract Date and are not variable with changes in salary paid to individuals" or "Variable with changes in salary paid to individuals"}

The rates will remain firm and fixed for the first 12 months of the contract. Escalation will be implemented thereafter.

X2 Changes in the law

X2.1	The law of the project is	South African Law
X4	Parent company guarantee	There is no reference to Contract Data in this Option and terms in italics used in this Option are identified elsewhere in this Contract Data.
X7	Delay damages	
X7.1	Delay damages for late Completion of the whole of the <i>services</i> are	Delay damages is R1000.00 per day per delay up to Maximum of 10% of the Purchase / Task Order value.
X10	The <i>Employer's Agent</i>	
X10.1	The <i>Employer's Agent</i> is	
	Name:	Martina Mamabolo
	Address	Brits Hub,67 Ludorf street, Brits,0250
	The authority of the <i>Employer's Agent</i> is	To carry out all the actions of the Employer in this contract.
X11	Termination by the <i>Employer</i>	Reference to be made to the NEC Professional Services Contract 3rd edition, June 2005
X18	Limitation of liability	
X18.1	The <i>Consultant's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to:	R0.00 (Zero Rand)
X18.2	The <i>Consultant's</i> liability to the <i>Employer</i> for Defects that are not found until after the <i>defects date</i> is limited to:	The total of the Prices
X18.3	The <i>end of liability date</i> is	five years after Completion of the whole of the <i>services/task</i> order.
Z	The <i>Additional conditions of contract</i> are	Z1 to Z14 always apply.

Z1 Cession delegation and assignment

- Z1.1 The *Consultant* 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 *Consultant* 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 *Consultant* 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 *Employer* within two weeks of the Contract Date of the key person who has the authority to bind the *Consultant* on their behalf.
- Z2.3 The *Consultant* 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 *Consultant* in writing.

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

- Z3.1 Where a change in the *Consultant's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Consultant's* B-BBEE status, the *Consultant* notifies the *Employer* within seven days of the change.
- Z3.2 The *Consultant* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Employer* within thirty days of the notification or as otherwise instructed by the *Employer*.
- Z3.3 Where, as a result, the *Consultant's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Consultant's* obligation to Provide the Services.
- Z3.4 Failure by the *Consultant* 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 those stated in core clause 91. The payment on termination includes a deduction of the forecast of the additional cost to the *Employer* of completing the whole of the services in addition to the amounts due in terms of core clause 92.1.

Z4 Confidentiality

- Z4.1 The *Consultant* 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 *Consultant*, enters the public domain or to information which was already in the possession of the *Consultant* at the time of disclosure (evidenced by written records in existence at that time). Should the *Consultant* disclose information to Others in terms of clause 23.1, the *Consultant* ensures that the provisions of this clause are complied with by the recipient.
- Z4.2 If the *Consultant* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Employer*.
- Z4.3 In the event that the *Consultant* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Consultant*, 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 *Consultant* 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 *Employer's* project works or any portion thereof, in the course of Providing the Services and after Completion, requires the prior written consent of the *Employer*. All rights in and to all such images vests exclusively in the *Employer*.

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, 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 Provision of a Tax Invoice. Add to core clause 51

- Z6.1 The *Consultant* (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.

Z7 Notifying compensation events

- Z7.1 Delete from the last sentence in core clause 61.3, "unless the *Employer* should have notified the event to the *Consultant* but did not".

Z8 *Employer's* limitation of liability

- Z8.1 The *Employer's* liability to the *Consultant* for the *Consultant's* indirect or consequential loss is limited to R0.00 (zero Rand)

Z9 Termination: Add to core clause 90.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

- Z9.1 or had a business rescue order granted against it.

Z10 Delay damages: Addition to secondary Option X7 Delay damages (if applicable in this contract)

- Z10.1 If the *Consultant's* payment of delay damages reaches the limits stated in this Contract Data for Option X7 or Options X5 and X7 used together, the *Employer* may terminate the *Consultant's* obligation to Provide the Services.
- Z10.2 If the *Employer* terminates in terms of this clause, the procedures on termination are those stated in core clause 91. The payment on termination includes a deduction of the forecast of the additional cost to the *Employer* of completing the whole of the *services* in addition to the amounts due in terms of core clause 92.1.

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 *Consultant* or a third party, such party's employees, agents, or Subconsultants or Subconsultant'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 means, as the context requires, the *Consultant*, or any member thereof in the case of

- Party** a joint venture, or its employees, agents, or Subconsultants or the Subconsultant'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 *Consultant's* obligation to Provide the Services if a Committing Party has taken such Prohibited Action and the *Consultant* 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 *Consultant's* obligation to Provide the Services for this reason.
- Z11.3 If the *Employer* terminates the *Consultant'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 *Consultant* ensures that the Committing Party co-operates fully with an investigation.

Z12 Insurance

- Z12.1 Replace core clause 81 with the following:

- 81.1 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.
- 81.2 The *Consultant* 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	For the period following Completion of the whole of the services or earlier termination
Liability of the <i>Consultant</i> for claims made against him arising out of his failure to use the skill and care normally used by professionals providing services similar to the <i>services</i>		
Liability for death of or bodily injury to a person (not an employee of the <i>Consultant</i>) or loss of or damage to	<u>Loss of or damage to property:</u> The replacement cost	

property resulting from an action or failure to take action by the <i>Consultant</i>	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 <u>Bodily injury to or death of a person:</u> The amount required by the applicable law.	
Liability for death of or bodily injury to employees of the <i>Consultant</i> arising out of and in the course of their employment in connection with this contract	The amount required by the applicable law	

81.3 The *Employer* provides the insurances stated in the Insurance Table B.

INSURANCE TABLE B

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

Z13 Nuclear Liability

- Z13.1 The *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 *Consultant* or any other person against any and all liabilities which the *Consultant* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Consultant* or any other person or the presence of the *Consultant* or that person or any property of the *Consultant* 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 *Consultant* or any other person, or the presence of the *Consultant* or that person or any property of the *Consultant* 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 47 of 1999, or any replacement section dealing with the same subject matter.
- Z13.5 The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.

Z14 Asbestos

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

AAIA	means approved asbestos inspection authority.
ACM	means asbestos containing materials.
AL	means action level, i.e. a level of 50% of the OEL, i.e. 0.1 regulated asbestos fibres per ml of air measured over a 4 hour period. The value at which proactive actions is required 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 *Consultant* 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 *Consultant*, 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 *Consultant* may perform Parallel Measurements and related control measures at the *Consultant'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 *Consultant'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 *Consultant* 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 *Consultant*

Clause	Statement	Data
10.1	The <i>Consultant</i> is (Name): Address Tel No. Fax No.	
22.1	The key people are: 1 Name: Job: Responsibilities:	

	Qualifications: Experience: 2 Name: Job Responsibilities: Qualifications: Experience:		
Only if required		CV's (and further <i>key persons</i> data including CVs) are appended to Tender Schedule entitled	
11.2(3)	The <i>completion date</i> for the whole of the <i>services</i> is		
11.2(10)	The following matters will be included in the Risk Register		
11.2(13)	The <i>staff rates</i> are:	name/designation	rate
	Either complete here or cross refer to a schedule in Part C2.2		
25.2	The <i>Employer</i> provides access to the following persons, places and things	access to 1 2 3	access date
31.1	The programme identified in the Contract Data is		
50.3	The <i>expenses</i> stated by the <i>Consultant</i> are	item	amount
G	Term contract		
11.2(25)	The <i>task schedule</i> is in		

PART 2: PRICING DATA

PSC3 Option G

Document reference	Title	No of pages
C2.1	Pricing assumptions : Option G	[•]
C2.2	<i>Staff rates, expenses and the task schedule.</i>	[•]

C2.1 Pricing assumptions: Option G

How work is priced and assessed for payment

From Option G: Term contract

Identified and defined terms	11 11.2	(17) The Price for Services Provided to Date is, for each Task, the total of - the Time Charge for work which has been completed on time based items on the Task Schedule and - a proportion of the lump sum price for each other item on the Task Schedule which is the proportion of work completed on that item. (20) The Prices are - the Time Charge for items described as time based on the Task Schedule and - the lump sum price in the Task Schedule for each other item.
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From the Core Clauses:

Identified and defined terms	11.2	(13) The Time Charge is the sum of the products of each of the <i>staff rates</i> multiplied by the total staff time appropriate to that rate properly spent on work in this contract.
------------------------------	------	--

and

Assessing the amount due	50.3	The amount due is - the Price for Services Provided to Date, - the amount of the <i>expenses</i> properly spent by the <i>Consultant</i> in Providing the Services and - other amounts to be paid to the <i>Consultant</i> less amounts to be paid by or retained from the <i>Consultant</i>. Any tax which the law requires the <i>Employer</i> to pay to the <i>Consultant</i> is included in the amount due.
--------------------------	------	---

In effect Option G is a cost reimbursable form of contract with work ordered by the *Employer* on a Task by Task basis using the Task Schedule to compile the cost of carrying out a Task.

Expenses are calculated separately and added to the amount due for the services provided.

Staff rates and expenses

Tendering consultants are advised to consult the NEC3 Professional Services Contract Guidance Notes before entering *staff rates* into Contract Data, or in section C2.2 which follows.

This is because *staff rates* can be established in one of three ways:

- rates for named staff,
- rates for categories of staff, or
- rates related to salaries paid to staff.

Rate adjustment for inflation, if necessary, can be based either on actual salary adjustments or by using Option X1: Price adjustment for inflation. See pages 13 and 14 of the PSC3 Guidance Notes.

Expenses associated with employing a staff member in Providing the Services can be listed separately either by the *Employer* in Contract Data provided by the *Employer* or by the *Consultant* in Contract Data provided by the *Consultant*.

As only the *expenses* listed may be claimed by the *Consultant*, all other cost to the *Consultant* associated with Providing the Services must be included within the *staff rates*.

Rate adjustment for inflation of *expenses* is explained on page 15 of the PSC3 Guidance Notes.

The function of the Task Schedule

The Task Schedule may include items of work to be paid for on a rate (Time Charge) or on a lump sum price for the item. Any work ordered during the term of the contract – i. e. before the Completion Date – for which there is no priced item in the Task Schedule is priced using the compensation event procedure and the resulting Price is added into the Price List.

The *task schedule* is prepared by the *Employer* for the *Consultant* to price, or may be prepared jointly with the *Consultant*. It is typically priced in two parts as items of work to be carried out on a time basis and lump sum prices for other items of work. The task schedule must be as complete as possible and fully representative of all the work and *services* which the *Employer* may require the *Consultant* to carry out. The only unknown is when the work is to be carried out; the Task Order will be used to instruct when work to be done.

C2.2 Staff rates, expenses & the task schedule

***NOTE: Insert rates in the highlighted column, Where the unit rate is 0%, insert your proposed rate in (percentage %)						
Item No.	Description	Unit of Measure	Estimated Quantity	Estimated Recovered Amount	Unit Rate	Total Price
1	Stopped (Non-Active) Accounts					
	Payment is by way of commission only					
1.1	LPU/SPU stopped (Non -Active) accounts, commission will be paid upon successful recoveries of debt, on a percentage of the amount recovered from the debtor.	%	34000	R 60 000 000.00	0%	R -
2	Active Accounts					
	Payment is by way of commission only					
2.1	LPU/SPU (Active) accounts, commission will be paid upon successful recoveries of debt, on a percentage of the amount recovered from the debtor.	%	34000	R 40 000 000.00	0%	R -
3	Legal Collection					
3.1	Payment for standard charges as gazetted for the "Proceedings of Magistrate/High Courts of South Africa"					
3.1.1	Application for costs on notice (including appearance in court)	each	34000		R -	R -
3.1.2	Obtaining a certified copy of a judgment	each	34000		R -	R -
3.1.3	Affidavit or certificate by the judgment creditor or [his or her] the liudament creditor's attorney	each	34000		R -	R -
Subtotal						R -
VAT						R -
Total (Incl.VAT)						R -

ESKOM HOLDINGS SOC Ltd CONTRACT NUMBER _____
PROVISION OF DEBT MANAGEMENT SERVICES IN NORTHWEST & NORTHERN CAPE OPERATING UNIT OVER
A PERIOD OF 3 YEARS ON AN AS-AND-WHEN REQUIRED BASIS.

ESKOM HOLDINGS SOC Ltd CONTRACT NUMBER _____
PROVISION OF DEBT MANAGEMENT SERVICES IN NORTHWEST & NORTHERN CAPE OPERATING UNIT OVER
A PERIOD OF 3 YEARS ON AN AS-AND-WHEN REQUIRED BASIS.

C3.1: EMPLOYER'S SCOPE

Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.

Description of the *services*

Executive overview

Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.

Eskom requires the services of specialized debt recovery agencies who can partner with Eskom to enhance revenue collection by ensuring that Eskom and Municipality's non-paying customers honour their payment obligation.

Debt collection agencies will utilize specialist collection strategies (such as a "soft" collections or "hard"/legal collections) to maximise Eskom and the Municipality's collections. Furthermore, these debt collection agencies also have a wider access to customer databases /credit bureaus. Their expertise in data mining enables the agencies to enrich the information received from Eskom and the Municipality, easily tracing the customers thus enhancing the probability of recovery, because they perform collection services for other credit providers as well. This activity cannot be performed in house as Eskom does not have the systems and tools for these activities. It will also require additional resources, which Eskom will not be able to appoint at this stage.

Interpretation and terminology

The following abbreviations are used in this Scope:

Abbreviation	Meaning given to the abbreviation
ADRA	Association of Debt Recovery Agents
LPU	Large Power User
SPU	Small Power User

Specification and description of the services

Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.

The service provider must:

- Have a solid and integrated debt collection system (i.e. tracing & recovery system, and where possible, the service provider and Eskom to have dual viewing functionality).
- Efficiently collect on all accounts handed over by Eskom with specific compliance to the relevant legislations.
- Have an in-house "legal department/attorney" who will manage the debt collection process.
- Conduct adverse listing on Credit Bureaus.
- Have an audit trail of all interactions with customers including voice recordings (i.e. Query management).
- Have a Call Centre, where customers can be phoned to remind them of payment that is overdue.

- Have an effective Customer relationship management.
- Produce performance reports timeously and client to have easy access to online reports promptly.
- Write off management, i.e. recommend accounts for write off three months after hand over date if tracing or recovery is no longer feasible.
- Ensure that customers make all payments directly into an Eskom bank account.
- Maintain confidentiality of Eskom and Municipality's information by ensuring that it is only used for Eskom benefits.
- For all accounts, commission to be based on recoveries only.

In the event that the matter requires the issuing of summons or other litigation processes, the matter will be handled as per the process for Legal collections by the Legal department of the service provider.

The service provider must also take cognisance of Eskom's performance requirements for debt collection as Eskom reserves the right to withdraw handed over accounts or stop handovers if performance is below target.

Eskom requires the following services on accounts handed over for collection:

1. Perform 'Soft Collections' on Large Power Users (LPU), Small Power Users (SPU), Sundry Debtors and Municipality customers
 - In arrears through the service provider's Contact Centre. Payments to service provider will be based on payments received.
 - Hand over active accounts in the 15 – 30 age brackets for LPU's and the 31-60 days age bracket for SPU customers - this is more for a reminder to customers to pay and to change the behaviour to pay on the due date.
 - Include Active accounts to the value of more than R10 000 where payment was not received on the due date (R-value open to the discretion of the OU, not less than R10 000).
 - Hand over all terminated accounts at Debt management's discretion.
 - Hand over all Sundry Debtors at Financial Accounting's discretion.
 - Hand over all overdue Municipality debt (based on agreed partnership/s).
 - Service provider to be paid based on the number of successful payments received.
 - Campaign creation and execution.
 - Query management.
 - Preparing letters of demand and dispatching same on behalf of Eskom and the Municipality via registered mail.
 - Utilise tracing tools for data cleansing and harvesting that will increase the probability of contacting the customer.
 - Service provider to recommend the 'next best actions' to Eskom and Municipality in order to maximise debt collections.
 - Lodging claims on against the deceased and liquidated estates on behalf of Eskom and Municipality.
 - Maintain an audit trail of all interactions including voice interactions with customers.
 - Produce performance reports timeously.
 - Weekly report on high value debt accounts.
 - Consolidate monthly performance reports (adverse listing, letters of demand, promise to pay, fixed payment arrangements).

2. Perform hard collections on all LPU, SPU, Sundry Debtors and Municipality customers - In the event that the 'soft collection' has not yielded desired results, the service provider shall, in consultation with Eskom, follow the process as outlined below: -

- Perform an assessment on the debtors' ability to pay or means to pay and advise Eskom on the appropriate debt collection strategy and likelihood of recovery.
- Produce a tracing report on debtor listing, current address, employment etc.
- Determine and advise Eskom on the estimated legal services costs based on the following processes:
 - Registered Letter of Demand
 - Issue and Serve Summons
 - Lodge Default Judgement
 - Warrant of Execution
 - Attaching Property
 - Section 65A (1) notice to appear in the relevant court
 - Court Appearance
 - Emolument Attachment order
 - Instruction letter to debtor's employer

Eskom shall apply standard charges as gazetted for the "Proceedings of Magistrates/ High Courts of South Africa" for debt collection costs.

Where a matter is defended and the debt value ranges from R100 000.00 up to R1 000 000.00, the debt collector shall inform Eskom and is expected to handle the matter to completion.

Where a matter is defended and the debt value exceeds R1 000 000.00; the debt collector shall inform Eskom, and the matter will have to be referred to Eskom Legal for further actions.

3. Eskom Active Accounts Collections (Ad hoc basis)

On an ad hoc basis active SPU and LPU accounts may be handed over for debt collection that may require one or more of the following activities: -

- Courtesy calls on overdue active accounts – call or SMS as a reminder to pay overdue debt via the service provider's call centre.
- A "trace" service in order to verify the customer information on hand and/or provide correct personal information.
- Adverse listing of "slow payers" on the Credit Bureau.
- Preparing and sending "Letters of Demand" to selected customers deemed "problematic" by Eskom.
- Legal/ Hard collection on selected "problematic" active LPU and SPU accounts (Issue Letter of demand, Issue Summons).
- Provide weekly reports on high value debt accounts (a dedicated resource to manage queries and provide accurate reports).
- Provide consolidated monthly reports (Adverse listing, Letters of Demand, Promise –To-Pay and Fixed Payment Arrangements).

For all active accounts, payment for collection activities shall be based on payments received costs to be negotiated based on age of debt (31- 60 days; 61–90 days etc.). The service provider shall ensure that Eskom debtors make all payments into the designated Eskom's bank account with the correct reference number.

Constraints on how the *Consultant* Provides the Services.

Management meetings

Regular meetings of a general nature may be convened and chaired by the Service Manager as and when required.

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.

Regular meetings of a general nature may be convened and chaired by the *Employer's Agent* as follows:

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	As and when required	TBA	TBA
Overall contract progress and feedback	As and when required	TBA	<i>Employer's Agent, Consultant and TBA</i>

Meetings of a specialist nature may be convened as specified elsewhere in this Scope or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the *services*. Records of these meetings shall be submitted to the *Employer's Agent* 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.

Consultant's key persons

State any additional constraining requirements on *Consultant's key persons* over and above those already stated in clause 22.1 or in the Contract Data. Such as need to notify contact details, leave and mentoring requirements where applicable. This section could be used to solicit an organogramme from the *Consultant* showing his people and their lines of authority / communication. This would be essential if the *Consultant* is a Joint Venture.

Documentation control

Identification and communication

All contractual Documentation must have relevant contract number and Purchase Order Number as reference as per Eskom Holdings SOC Limited Standards (List). Contractual communications will be in the form of properly compiled letters, letters attached to emails and NEC template.

The use of SMS's, e-mails does not override the use of applicable and relevant NEC3 PSC standard

templates, forms and Eskom Holdings SOC Limited procedures

Invoicing and payment

The following details shall be shown on or attached to each Invoice to show how the amount due has been assessed:

[List them]

The *Consultant* shall address the tax invoice to _____ and include on it the following information:

- Name and address of the *Consultant* and the *Employer's Agent*;
- The contract number and title;
- *Consultant's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- (add other as required)

Procedures for invoice and payment	General Information
No Pro-forma Invoice	
Check Vendor number against the Address and name on Tax invoice	
Bank details must be on the invoice or on an attached sheet, but it does not require a bank stamp just a letter)	
Check banking details on invoice against SAP system. If more than one banking account check bank account against banking details on invoice. If banking details not on invoice, write the bank code next to the vendor account (bank code 0002)	
Check Vendor VAT number against the vendor master. (FK03) If VAT number not on master records, prepare a list and forward to Vendor Management to check and update the vendor master records	
No fax copies of Tax invoices allowed	
No copies of Tax invoices allowed unless originally printed by the Vendor if a photocopy tax invoice, it must be an original "certified copy" (i.e. not a copy of a "certified copy" invoice) from the vendor and check in system if not previously be paid. Put stamp "not previously paid" on invoice and sign.	
Ensure that date received stamp is clear on invoice	
Stamp all Invoices with the Vat stamp, complete and sign (only when VAT is applicable)	
The stamp should not be stamped over any written information	
When scanning invoice, check the quality before linking in SAP (inboxes)	
With Reference Invoices	
Goods receipt must be done (payment with reference)	
Ensure that the SAP purchase order number is clear and correct on the invoice	
GR number to be written on the Invoices	
If multiple lines on invoice write the line number of the order against the line to ensure that the processors match the correct lines (to ensure that 191100 is matched correctly)	

Insurance provided by the Purchaser

The insurance provided by the Employer, is addressed under the contract data by the Employer under Z13 "Insurance provided by the Employer".

Insurance policy available on:

http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_

From_1_April_2014_To_31_March_2015.aspxQuality management

System requirements

The Consultant shall adhere to the latest Supplier Contract Quality Requirements Specification 240-105658000), previously known as QM 58 during the contract execution.

Information in the quality plan

The Consultant shall

Submit a draft Contract Quality Plan (CQP) within 7 days of contract award The CQP information shall be as per provided template 240-109253698

implement a skills quality management system designed to ensure the provision of adequately skilled, experienced and qualified persons, whether employed on a permanent or temporary basis, to carry out work in this contract.

be accredited as ISO 9001 compliant for both quality and environmental management and shall maintain this accreditation throughout the service period. The Contractor shall report immediately any change in this status to the Service Manager, such report containing details of steps to be taken and by when they will be taken to restore the accreditation status.

The Contractor shall comply with the Quality Assurance requirements criteria and constraints stated in **Annexure A**

Management of work done by Task Order

That Task Orders will be prepared in the format stated in an **Annexure B**

This Task order details the task specific terms and conditions with reference to the main NEC3 PSC signed for Provision of Debt Management services in Northwest & Northern Cape Operating Unit over a period of 3 years on an as-and-when required basis.

Contained in this Task order are the Project Specific Requirements for execution. All work will be carried out according to the details and specifications as set out in this document

The Consultant and Employers Agent are to work within the conditions stipulated in the Main Contract and this Task order.

The Eskom Employers Agent will contact the allocated Consultant and issue the Employers Agent with the Task order which will detail all the requirements for execution. The Task order issued will form the basis of the agreement between Eskom and the Consultant for each task to be executed in terms of this contract.

The Employers Agent will then request a quotation from the Consultant for the execution of the works as verified. The quotation must be submitted to the Employers Agent by the Consultant within 5 days. The Employers Agent will verify the quotation for correctness and confirm the cost according to the agreed negotiated rates.

Once the quotation has been accepted by Eskom, the Employers Agent will issue the allocated Consultant with a Task Order for the task which will contain a Task Order Number. The task order will then be signed off by the Employers Agent and the Consultant and work may then commence. No work may commence unless the Task Order has been issued. Eskom will not be liable to pay for any work unless a valid Task Order Number has been issued.

The Consultant will compile a Risk Register as per the terms and conditions of the PSC for discussion at regular Risk Reduction Meetings or as per agreement with the Employers Agent
It is expected from the Consultant to do the whole of the work as per timeframe set in the Task Order, and agreed Program of the Works.

Minimum recommended working hours to be observed site are from 07h30 to 16h00.

Health and safety

N/A

Environmental constraints and management

The Consultant shall comply with the environmental criteria and constraints stated in **Annexure C**

The Consultant, in and about the execution of the supply, 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 Consultant's direction and control, likewise observe and comply with the foregoing.

The Consultant shall control his activities and processes in accordance with Environmental Requirements for the Procurement of Assets, Goods and Services, TST41-120 Rev. 2. The Eskom Environmental Management Plan provides the aspects and impacts that will require management and must be followed strictly.

In addition, the Consultant is required to ensure that all goods, services or works supplied in terms of this Works Information also conform to all applicable environment legislation(s), Safety, Health, Environment and Quality Policy, EPC32-727; SHE Requirements for the Eskom Commercial Process, ST32-726; (and additional requirements).

The Consultant is to send a flash report for any environmental incidents that have occurred on site as soon as possible or within 24 hours to the Eskom Environmental Representative and Supply Manager clearly stating any impact to the environment.

Procurement

Description/ Scope of Work	The Provision of Debt Management Services in the Northwest Operating Unit for "as and when required basis"
Duration of the Project	3 (Three) Years

Section 1: Specific Goals

A maximum of 10/20 points may be awarded to a tenderer for the specific goal specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act, the contract must be awarded to the tenderer scoring the highest points.

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12

5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

NB: The following documents are required to claim preference points,

- Valid B-BBEE certificate issued by a SANAS accredited verification agency / sworn affidavit / CIPC affidavit
- Proof of ownership / shareholding (preferably CIPC documentation) inclusive of shareholding breakdown
- Certified ID copies of shareholder(s)
- Proof of Disability (where applicable)

Tenderer failing to provide documentation for the allocation of preference points will not be disqualified, but'

- May only score point out of 90/80 for price
- Scores 0 points out of 10/20 for specific goals

Section 2: Objective criteria

The inclusion of objective criteria is not mandatory but a condition for contract award. If the tenderer does not meet objective criteria; it may lead to the second-ranked tenderer being recommended for award.

2.1 Designated Sectors

When applicable the following stipulated minimum threshold for Local Production and Content must be achieved in full by the tenderer

a) Is
th
is
Commodity or part of it a Designated Sector?

YES	NO
☐	☒

Please indicate below Design
Components

Commodity	Components	Local Content Threshold
N/A	N/A	N/A

NOTE: SBD 6.2 Declaration Form and Annex C (Local Content Declaration-Summary Schedule) are therefore **mandatory** and must be tender returnables if applicable.

2.2 CIDB Skills Development

Continuation of Mandatory Requirements

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s

there CIDB compulsory training?

If Yes, what is the % of the Construction Skills Development Goal % (CSDG)

If the answer above is Yes, it will then be mandatory for the supplier to match Eskom's targets

Criteria	Eskom Target	Tenderer Commitment
CSDG Percentage	N/A	
Description	N/A	

NOTE: Failure by the Contractor/Service Provider/Supplier to meet the CIDB CSDG mandatory % will render their tender non-responsive.

2.3 National Industrial Participation Programme : N/A

Eskom will implement the NIPP requirement, which determines that the contractor/supplier must contact the Department of Trade, Industry and Competition (dtic) to arrange for support and development of local businesses. Eskom is required to inform the tenderers of this requirement. NIPP will only be applicable for contracts with an FGN component or content of USD 5 million or more.

The following narrative must be captured in all tenders that have import/foreign content equal to or in excess of USD 5 million:

"NIPP is a programme that seeks to leverage economic benefits and support the development of South African industry by effectively utilising the instrument of government procurement. The NIPP programme is mandatory for all government and parastatal purchases or lease contracts (goods and services) with an imported content equal to or exceeding USD 5 million.

"The programme targets South African and foreign industries, enterprises, and suppliers of goods and services to government/parastatals, where the imported content of such goods and services equals to or exceeds USD 5 million. The first customer of NIPP is the South African industry that benefits through the NIPP business plans, which, when implemented, generate new or additional business activities through one or more of the following: investment, export opportunities, job creation, increased local sales, SMME and BEE promotion, R&D, and technology transfer.

"Companies with an NIPP obligation must sign this obligation agreement with the Department of Trade, Industry and Competition (dtic) before the contract with Eskom Holdings SOC Ltd, as a purchasing entity, is signed. The obligation agreement governs the relationship between the dtic and the supplier. It defines the NIPP obligation value(s), requirements to fulfil the NIPP obligation, performance milestones, performance monitoring processes, and the NIPP credit allocation criteria.

"All tenders with an import content that is equal to or exceeds the threshold of USD 5 million compels the winning bidder to negotiate and enter into a NIPP obligation agreement with the dtic before signing the contract with Eskom."

2.4 Mandatory Subcontracting as condition of award: N/A

Subcontracting is mandatory on contracts above R30 million and is a condition for contract award.

Tenderers shall subcontract a minimum of 30% of the contract value to the following designated groups:

- an EME or QSE which is at least 51% owned by black people.
- an EME or QSE which is at least 51% owned by black people who are youth.
- an EME or QSE which is at least 51% owned by black people who are women.
- an EME or QSE which is at least 51% owned by black people with disabilities.
- an EME or QSE which is 51% owned by black people living in rural or underdeveloped area or townships.
- a cooperative which is at least 51% owned by black people.
- a EME or QSE which is at least 51% owned by black people who are military veterans

NOTE 1: Tenderers shall submit the following returnables for Subcontracting at Mini Tender Stage:

- Subcontracting agreement signed by both parties with subcontractors' company registration documents or
- Copies of signed letters from the tenderer to the sub-contractors stating the intent to subcontract and
- Subcontractor's B-BBEE SANAS accredited certificate or sworn affidavit.

Main contractor to propose the areas of subcontracting and the subcontracting percentage.

Potential scope to be subcontracted and/or outsourced:

XXXXX

XXXXX

Subcontracting, in this instance, will be treated as a condition for contract award. 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

Section 3: SDL&I Objectives in line with Reconstruction and Development Programme (RDP) Goals

Tenderers who complete and submit the objectives as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I objectives do not form part of scoring but commitments will form part of contractual obligations

1. Transformation – BBBEE Improvement or Retention Plan

Transformation remains an area of focus, where Eskom continuously strives to align itself with national transformation imperatives to unlock growth, drive industrialization, create employment and contribute to skills development.

Eskom encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Tenderer/s will be allocated points in terms of a preference point system based on specific goals, Eskom also requests that tenderer/s submits their B-BBEE improvement or retention plan within 30 days of signing the contract.

Tenderer/s are therefore requested to indicate the extent to which they will maintain (only if the respondent is a Level 1) or may improve/maintain their B-BBEE status over the contract period if their B-BBEE status is level 2 or 3. Tenderer/s with a B-BBEE status level 4 at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of B-BBEE Level 3 by the end of the first year of the contract and thereafter improve their B-BBEE status level or migrate by one level higher.

Tenderer/s with a B-BBEE recognition status of Level 5 to Level 8 or non-compliant at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of Level 4 by the end of the first year of the contract and thereafter improve at least one B-BBEE Level higher of each year from the second year of the contract.

Tenderer/s are requested to submit their B-BBEE Improvement Plan as an essential document within 30 days of signing the contract.

NB: A valid B-BBEE certificate or Sworn Affidavit is a condition for contract award, if your company's annual Total Revenue is R10 Million or less you qualify as an Exempted Micro Enterprise therefore you can submit Sworn Affidavit. If your annual Total Revenue is R50 Million or less, you qualify as Qualifying

Small Enterprise and must comply with all of the elements of QSE score card relevant to your sector unless an entity is at least 51% Black owned you are required to obtain a Sworn affidavit. If your Annual Total Revenue is above R50m you need to submit a Valid B-BBEE certificate

2. Local Procurement Content

“Local Procurement Content” refers to value added in South Africa by South African resources. Where a single contract involves a combination of local and imported goods and/or services, the tender response must be separated into its components as per the Price Schedule included with the tender documents. Local procurement content is total spending minus the imported component. Tenderers are required to submit their proposals in the table below.

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

3. Procurement spend on entities with a minimum 51% black ownership: N/A

The winning tenderer is encouraged to procure/spend on designated groups on the following paid invoices for both:

- the indirect expenses (e.g. overheads) on goods and services supplied to the contractor/supplier by designated groups; and
- direct spend on goods and services supplied by the subcontractors for the execution of the scope of work.

Activities, as a proportion of the local procurement content, which may be subcontracted to designated black owned enterprises must be submitted in a table below.

Procurement from Designated Group	Eskom Target	Tenderer Proposal
Black Owned	4.0%	
Black Women Owned	3.0%	
Black Youth Owned	2.0%	
Black Persons with Disability	1.0%	

- 4. Jobs.** If there are any job opportunities the tenderers can submit proposals for the type and number of jobs that will be created and retained in South Africa as a direct result of being awarded a contract.

Type of Jobs to be created	Number of Jobs to be created

Type of Jobs to be retained	Number of Jobs to be retained

5. Skills Development

Proposal for skills development will be requested at Mini Tender stage.

Below is a list of skills that will be applicable at Mini Tender stage. Suppliers will be allowed to propose training that is not on this list but agreed with Eskom prior to purchase order award.

Option 1: Skills Development matrix

Skill Types	Eskom Target	Tenderer Proposal and Obligation
Program covering credit Agreements, tracing techniques and ethical collection	5	
Credit Control Management	5	

OR

Option 2: Skills development contractor's proposal

Skill Types	Eskom Target	Tenderer Proposal and Obligation

NB: Should the contractor opt for Option 2, the proposed skills will have to be agreed upon with the Employer.

The process of developing these skills shall involve the participation by tenderers directly and through their supply network. In certain cases, the SETA's accredited training providers can be approached to participate in developing critical and scarce skills.

Note: That these targets for skills development candidates categorically exclude Eskom employees and registered learners. The tenderers are required to take full responsibility for the total cost of developing the requisite skills, and Eskom shall not make any financial contribution towards the fulfilment of this obligation. Tenderers also are advised to approach their relevant SETAs to access grants, subsidies, and incentives as well as South African Revenue Services for tax rebates that are earmarked for skills development initiatives.

The finalisation of the skills will be determined at the tender award stage.

Section 4: SDL&I Penalty and Performance Security

Eskom will apply a penalty of 2.5% of the invoice amount for failure to meet SDL&I obligations.

Eskom will apply a penalty of 2.5% of the Contract Value for failure to meet SDL&I obligations.

For the duration of the contract, Eskom will retain 2.5% of every invoice (excluding VAT) as security for the fulfilment of all SDL&I Obligations. The retained amounts shall only be released to the Contractor upon:

- Eskom receives the SDL&I progress report/s from the contractor.
- Fulfilment of all SDL&I obligations by the contractor.
- Submission of an approved compliance report by SDL&I Department.

Section 5: Reporting and Monitoring

- The suppliers shall on a quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 30 (thirty) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.
- Upon notification by Eskom that the suppliers have not met their SDL&I obligations, the suppliers shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- Every contract shall be accompanied by the SDL&I Implementation Schedule, which must be completed by the suppliers and returned to SDL&I representative for acceptance 28 days after

contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments

Section 6: General Information on Validity of Sworn Affidavits Eskom do not accept an Sworn Affidavit with an electronic signature

The following must be considered when it comes to validity of Affidavits;

Tenderers submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:

- Name/s of deponent as they appear in the identity document and the identity number.
- Designation of the deponent as the **director, owner or member** must be indicated in order to know that person is duly authorised to depose of an affidavit. **(Mark the applicable option).**
- Name of enterprise as per enterprise registration documents issued by the CIPC, where applicable, and enterprise business address.
- Percentage of black ownership, black female ownership and designated group. In the case of specialised enterprises as per Statement 004, the percentage of black beneficiaries must be reflected. **(No blank spaces to be left).**
- Indicate total revenue for the year under review and whether it is based on **audited financial statements or management account. (Mark the applicable option).**
- Financial year end as per the **enterprise's registration documents**, which was used to determine the total revenue.
(Financial year end to be stipulated by day/month/year).
- B-BBEE Status level. An enterprise can only have one status level. **(Tick applicable level)**
- Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for the empowering supplier status.
- Date deponent signed and date of Commissioner of Oath must be the same. **(The sworn affidavit must be signed in the presence of the Commissioner of Oath. Furthermore the Commissioner must also sign and stamp)**
- Commissioner of Oath cannot be an employee or ex officio of the enterprise because, a person cannot by law, commission a sworn affidavit in which they have an interest.

Name of tenderer:

Tenderer representative:

Representative signature:

Date:

ANNEXURES

Annexure A Supplier Quality Management Specification



240-105658000
Supplier Quality Man:

Annexure B Task Order Template



Op G Task Order.pdf

Annexure C Environmental Requirements



Environmental
Requirements for Det

Annexure D Supplier Development Localisation Requirements



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