



NEC3 Term Service Contract (TSC3)

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

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

for Maintenance and Refurbishment of Turbine and Boiler Valves at
Grootvlei Power Station as per the Outage scope of work.

Contents:	No of pages
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CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

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

C1.1 Form of Offer & Acceptance

Offer

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

Maintenance and Refurbishment of Turbine and Boiler Valves at Grootvlei Power Station as per the Outage scope of work.

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

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

Options A or C	The offered total of the Prices exclusive of VAT is	Rate based contract
Option E	The first forecast of the total Defined Cost plus the Fee exclusive of VAT is	Rate based contract
	Sub total	R
	Value Added Tax @ 15% is	Rate based contract
	The offered total of the amount due inclusive of VAT is ¹	Rate based contract
	(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

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*.

CONTRACT NUMBER _____

Tenderer's CIDB registration number:

Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s)

Capacity

**for the
Employer**

(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 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:

Signature _____

Name _____

Capacity _____

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

Name & signature of witness _____

Date _____

For the Employer

Signature _____

Name _____

Capacity _____

(Insert name and address of organisation)

Signature _____

Date _____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

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

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
	dispute resolution Option and secondary Options	A: Priced contract with price list W1: Dispute resolution procedure
		X2 Changes in the law X17: Low service damages X18: Limitation of liability X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ¹ (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Grootvlei Power Station Private Bag X, Grootvlei, 2429
	Tel No.	017 779 8500
	Fax No.	
10.1	The <i>Service Manager</i> is (name):	
	Address	Grootvlei Power Station-Outage Department Eskom Holdings SOC Limited Grootvlei Power Station Private bag X Grootvlei 2420
	Tel	

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

Fax

e-mail

11.2(2)	The Affected Property is	Grootvlei Power Station
11.2(13)	The service is	Maintenance and Refurbishment of Turbine and Boiler Valves at Grootvlei Power Station as per the Outage scope of work.
11.2(14)	The following matters will be included in the Risk Register	1. Slip, Trip and Fall. 2. Use of cutting tool such as Grinder and touch 3. Working at heights 4. Welding activities 5. Lifting of heavy objects/items 6. Permit to work 7. Performance of supplier to meet the requirements as per issued scope. 8. Delays arising from unavailability of access to the plant.
11.2(15)	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	1 weeks for Contractual Communication
2	The Contractor's main responsibilities	To execute the scope as per the issued Task order and contract conditions
2.1	The <i>Contractor</i> submits a first plan for acceptance within	24 hrs or any other period agreed between the Parties after task order is issued
3	Time	
3.1	The <i>starting date</i> is.	
3.2	The <i>service period</i> is	Twelve months
4	Testing and defects	No data is required for this section of the conditions of the contract.
5	Payment	
5.1	The <i>assessment interval</i> is	between the 25th day of each successive month unless otherwise agreed by Parties.
5.2	The <i>currency of this contract</i> is the	South African Rand
5.3	The period within which payments are made is	4 weeks
5.4	The <i>interest rate</i> is	the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any

dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and

(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 *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	Use of Equipment Plant and Materials	No data is required for this section of the conditions of the contract.
8	Risks and insurance	
8.1	These are additional <i>Employer's</i> risks	1. Risks will be discussed as they arise within the contract duration.
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	
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	4 weeks.
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the

		Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
Address	[•]	
Tel No.	[•]	
Fax No.	[•]	
e-mail	[•]	
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.
W1.4(2)	The <i>tribunal</i> is:	arbitration
W1.4(5)	<p>The <i>arbitration procedure</i> is</p> <p>The place where arbitration is to be held is</p> <p>The person or organisation who will choose an arbitrator</p> <ul style="list-style-type: none"> - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is 	<p>the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.</p> <p>South Africa</p> <p>the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.</p>
12	Data for secondary Option clauses	
X2	Changes in the law	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
X17	Low service damages	
X17.1	The <i>service level table</i> is in Annexure 1	
X18	Limitation of liability	
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	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
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited	The greater of

	to	<ul style="list-style-type: none"> • the total of the Prices at the Contract Date and • the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles
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	<p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <ul style="list-style-type: none"> • Defects due to his design, plan and specification, • Defects due to manufacture and fabrication outside the Affected Property, • loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), • death of or injury to a person and • infringement of an intellectual property right.
X18.5	The end of liability date is	52 weeks after the end of the service period.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the Service Manager within	2 days of receiving the Task Order
Z	The additional conditions of contract are	Z1 to Z14 always apply.

Z1 Cession delegation and assignment

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

Z2 Joint ventures

- Z2.1 If the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations then these persons or organisations are deemed to be jointly and severally liable to the *Employer* for the performance of this contract.
- Z2.2 Unless already notified to the *Employer*, the persons or organisations notify the Service Manager within two weeks of the Contract Date of the key person who has the authority to bind the *Contractor* on their behalf.

Z2.3 The *Contractor* does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the *Employer* having been given to the *Contractor* in writing.

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

Z3.1 Where a change in the *Contractor*'s legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor*'s B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.

Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.

Z3.3 Where, as a result, the *Contractor*'s B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor*'s obligation to Provide the Service.

Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Confidentiality

Z4.1 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.

Z4.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.

Z4.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.

Z4.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, In the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.

Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to core clause 12.3:

Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

Z6 Health, safety and the environment: Add to core clause 27.4

Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the service. Without limitation the *Contractor*:

- accepts that the *Employer* may appoint him as the “Principal Contractor” (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) (“the Construction Regulations”) for the Affected Property;
- warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the service; and
- undertakes, in and about the execution of the service, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor*’s direction and control, likewise observe and comply with the foregoing.

Z6.2 The *Contractor*, in and about the execution of the service, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor*’s direction and control, likewise observe and comply with the foregoing.

Z7 Provision of a Tax Invoice and interest. Add to core clause 51

Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer*’s procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.

Z7.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.

Z7.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer*’s VAT number 4740101508 on each invoice he submits for payment.

Z8 Notifying compensation events

Z8.1 Delete the last paragraph of core clause 61.3 and replace with:

If the *Contractor* does not notify a compensation event within eight weeks of becoming aware of the event, he is not entitled to a change in the Prices.

Z9 Employer’s limitation of liability

Z9.1 The *Employer*’s liability to the *Contractor* for the *Contractor*’s indirect or consequential loss is limited to R0.00 (zero Rand)

Z9.2 The *Contractor*’s entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer*’s liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.

Z10 **Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":**

Z10.1 or had a business rescue order granted against it.

Z11 **Ethics**

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

Affected Party means, as the context requires, any party, irrespective of whether it is the *Contractor* or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,

Coercive Action means to harm or threaten to harm, directly or indirectly, an Affected Party or the property of an Affected Party, or to otherwise influence or attempt to influence an Affected Party to act unlawfully or illegally,

Collusive Action means where two or more parties co-operate to achieve an unlawful or illegal purpose, including to influence an Affected Party to act unlawfully or illegally,

Committing Party means, as the context requires, the *Contractor*, or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,

Corrupt Action means the offering, giving, taking, or soliciting, directly or indirectly, of a good or service to unlawfully or illegally influence the actions of an Affected Party,

Fraudulent Action means any unlawfully or illegally intentional act or omission that misleads, or attempts to mislead, an Affected Party, in order to obtain a financial or other benefit or to avoid an obligation or incurring an obligation,

Obstructive Action means a Committing Party unlawfully or illegally destroying, falsifying, altering or concealing information or making false statements to materially impede an investigation into allegations of Prohibited Action, and

Prohibited Action means any one or more of a Coercive Action, Collusive Action, Corrupt Action, Fraudulent Action or Obstructive Action.

Z11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.

Z11.2 The *Employer* may terminate the *Contractor*'s obligation to Provide the Services if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor*'s obligation to Provide the Services for this reason.

Z11.3 If the *Employer* terminates the *Contractor*'s obligation to Provide the Services for this reason, the amounts due on termination are those intended in core clauses 92.1 and 92.2.

Z11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Z12 **Insurance**

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

Insurance cover 83

83.1 When requested by a Party, the other Party provides certificates from his insurer or broker stating that the insurances required by this contract are in force.

83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u> The amount required by the applicable law.
Liability for death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract	The amount required by the applicable law

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

**by the
Employer**

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

INSURANCE TABLE B

Insurance against or name of policy	Minimum amount of cover or minimum 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 *Contractor* or any other person against any and all liabilities which the *Contractor* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Contractor* or any other person or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.3 Subject to clause Z13.4 below, the *Employer* waives all rights of recourse, arising from the aforesaid, save to the extent that any claims arise or liability is incurred due or attributable to the unlawful intent of the *Contractor* or any other person, or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.

Z13.4 The *Employer* does not waive its rights provided for in section 30 (7) of Act 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 Asbestos Standard 32-303: Requirements for Safe Processing, Handling, Storing, Disposal and Phase-out of Asbestos and Asbestos Containing Material, Equipment and Articles</i> .
SANAS	means the South African National Accreditation System.
TWA	means the average exposure, within a given workplace, to airborne asbestos fibres, normalised to the baseline of a 4 hour continuous period, also applicable to short term exposures, i.e. 10-minute TWA.

- Z14.1 The *Employer* ensures that the Ambient Air in the area where the *Contractor* will Provide the Services conforms to the acceptable prescribed South African standard for asbestos, as per the regulations published in GNR 155 of 10 February 2002, under the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("Asbestos Regulations"). The OEL for asbestos is 0.2 regulated asbestos fibres per millilitre of air as a 4-hour TWA, averaged over any continuous period of four hours, and the short term exposure limit of 0.6 regulated asbestos fibres per millilitre of air as a 10-minute TWA, averaged over any 10 minutes, measured in accordance with HSG248 and monitored according to HSG173 and OESSM.
- Z14.2 Upon written request by the *Contractor*, the *Employer* certifies that these conditions prevail. All measurements and reporting are effected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited and Department of Employment and Labour approved AAIA. The *Contractor* may perform Parallel Measurements and related control measures at the *Contractor's* expense. For the purposes of compliance the results generated from Parallel Measurements are evaluated only against South African statutory limits as detailed in clause Z14.1. Control measures conform to the requirements stipulated in the AAIA-approved asbestos work plan.
- Z14.3 The *Employer* manages asbestos and ACM according to the Standard.
- Z14.4 In the event that any asbestos is identified while Providing the Services, a risk assessment is conducted and if so required, with reference to possible exposure to an airborne concentration of above the AL for asbestos, immediate control measures are implemented and relevant air monitoring conducted in order to declare the area safe.
- Z14.5 The *Contractor's* personnel are entitled to stop working and leave the contaminated area forthwith

until such time that the area of concern is declared safe by either Compliance Monitoring or an AAIA approved control measure intervention, for example, per the emergency asbestos work plan, if applicable.

- Z14.6 The *Contractor* continues to Provide the Services, without additional control measures presented, on presentation of Safe Levels. The contractually agreed dates to Provide the Services, including the Completion Date, are adjusted accordingly. The contractually agreed dates are extended by the notification periods required by regulations 3 and 21 of the Asbestos Regulations, 2001.
- Z14.7 Any removal and disposal of asbestos, asbestos containing materials and waste, is done by a registered asbestos contractor, instructed by the *Employer* at the *Employer's* expense, and conducted in line with South African legislation.

Z15 **Employer's right to review the contract**

Z15.1 The Employer will review the contract as and when required and reserve the right to reduce the number of people or to terminate the contract if the service is no longer required.

Z15.2 The Employer reserves the right to terminate the contract when Grootvlei Power station stop operating before the contract expires

Z15.3 The Employer reserves the right to terminate the contract when the contract value is exhausted or finished before the end of the contract period.

ANNEXURE 1

SERVICE LEVEL TABLE

LOW DAMAGES

Focus Area	Weight	Unit	Target	Penalty 3%	Penalty 5%	Penalty 10%
<i>Adhere to signed programme</i>	40%	Percentage	100%	95%	90%	85%
<i>Quality of works (rework)</i>	20%	Percentage	0%	5%	10%	15%
<i>Data Pack closeout</i>	30%	Percentage	100%	98%	95%	93%
<i>Non-conformance Reports issued</i>	10%	Number	0	3	5	7

C1.2 Contract Data

Part two - Data provided by the **Contractor**

Notes to a tendering contractor:

1. Please read both the both the NEC3 Term Service Contract April 2013 and the relevant parts of its Guidance Notes (TSC3-GN)¹ 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. Click on the form field **once** and type in the data. Otherwise complete by hand and in ink.

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

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

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

Experience:

CV's (and further key person's data including
CVs) are in .

A	Priced contract with price list
11.2(12)	The <i>price list</i> is in
11.2(19)	The tendered total of the Prices is R
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

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>	

C2.1 Pricing assumptions: Option A

1. How work is priced and assessed for payment

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

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

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

2. Function of the Price List

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

3. Link to the *Contractor's* plan

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

4. Preparing the *price list*

Before preparing the *price list*, both the *Employer* and tendering contractors should read the TSC3 Guidance Notes pages 14 and 15. In an Option A contract, either Party may have entered items into the *price list* either as a process of offer and acceptance (tendering) or by negotiation depending on the nature of the service to be provided. Alternatively the *Employer*, in his Instructions to Tenderers or in a Tender Schedule, may have listed some items that he requires the *Contractor* to include in the *price list* to be prepared and priced by him.

It is assumed that in preparing or finalising the *price list* the *Contractor*:

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for
- Is aware of the need to link operations shown in his plan to items shown in the Price List;
- Has listed and priced items in the *price list* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer*'s risk;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the service for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

4.1. Format of the *price list*

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

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

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

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

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

C2.2 the price list

Service Contract For Boiler and Turbine valves-Outages									
Item	Description	Unit	Quantity	Hours/ Months	Rate	Amount	No. of months	Total	
	<u>Section 1</u>								
	PRELIMINARIES AND GENERAL								
	<u>Fixed Preliminaries and General</u>								
1	Site Establishment (once off)	Sum	1					1	
2	Site De-Establishment (once off)	Sum	1					1	
	<u>Safety</u>								
2	Personal protective equipment	each	26					1	
3	Inductions and medicals	each	26					1	
4	Safety file	sum	1					1	
5	Fire extinguishers, signage, first aid kits, etc.	sum	1					1	
	<u>Time Related Preliminaries and General</u>								
	<u>Mobile plant</u>								
3	Site vehicle - 12 seater Kombi	each	1					3	
4	Site vehicle - 2 seater LDV	each	1					3	
	<u>Facilities</u>								
5	Office container (12m) kitchen & boardroom	sum	1					3	

6	Chemical stores (745x1100x2200)mm	sum	1				3	
7	Consumable & tool stores container 6m	sum	1				3	
	Sub Total							
	<u>Section 2</u>							
	<u>Outage crew Normal Time</u>							
	-							
1	Project Leader	hr	1	173			3	
2	Safety Coach	hr	1	173			3	
3	Supervisor	hr	2	173			3	
4	Quality Controller	hr	2	173			3	
5	Fitter	hr	18	173			3	
6	Rigger	hr	1	173			3	
7	Cleaner	hr	1	173			3	
	<u>Outage crew - Overtime @1.5 factor Weekly and Saturdays</u>							
	-							
1	Project Leader	hr	1	20			3	
2	Safety Coach	hr	1	20			3	
3	Supervisor	hr	2	20			3	
4	Quality Controller	hr	2	20			3	
5	Fitter	hr	18	20			3	
6	Rigger	hr	1	20			3	
7	Cleaner	hr	1	20			3	
	<u>Outage crew- Overtime @ 2 factor Sundays and Public Holidays</u>							
	-							
1	Project Leader	hr	1	20			3	

2	Safety Coach	hr	1	20			3	
3	Supervisor	hr	2	20			3	
4	Quality Controller	hr	2	20			3	
5	Fitter	hr	18	20			3	
6	Rigger	hr	1	20			3	
7	Cleaner	hr	1	20			3	
	Sub Total							

Note : Accommodation will only be provided for key staff residing out of 160km radius from Grootvlei Power Station.

PART 3: SCOPE OF WORK

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

C3.1: EMPLOYER'S SERVICE INFORMATION

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1 Description of the service

1.1 Executive overview

Maintenance and Refurbishment of Turbine and Boiler Valves at Grootvlei Power Station as per the Outage scope of work.

This document describes the detail of the applicable plant areas, scope of work, standards, quality requirements, specifications, terms & conditions as well as the criteria to qualify for the tender.

The station is expected to perform at 92% UCF, 6% PCLF and 2% UCLF, and the specified Mechanical Maintenance activities and management strategy efforts must support this requirement.

It is therefore imperative that the successful and suitably qualified Contractor aligns his/her organisation fully to these specified scope activities and processes laid down in this document.

1.2 Employer's requirements for the service

The contract is on an as and when required basis with a validity period of 12 months, however the execution of works is 70 days inclusive of commissioning and 72 hours post unit synchronisation. The service provider shall re-source the scope of work accordingly, refer to the Part 2 : Pricing Data

Any plant related issues should be attended to immediately.

Refer to Grootvlei Power station Outage Scope of work document identifier : 240-98982530 (Rev1) Maintenance and Refurbishment of Turbine and Boiler valves at Grootvlei Power station as per the scope of work.

A Responsibility, Accountability Consult and Inform (RACI) matrix will be developed and agreed upon between the Parties.

1.2.2 Site Establishment Requirements

- Sign Board displaying Contractor Name, Contact Details of Site Manager and Company owner
- Perimeter fencing and lockable gates
- Signs to warn of the dangers on the premises also requesting unauthorized people to stay out
- Fire & Emergency Plan – display the plan in a visible place and make sure it is understood
- Every site should have a first aid box and trained first aider.
- Fire extinguishers required and easily accessible
- Safety records shall be displayed on the Contractors site
- Physical barriers that restrict access to stacking areas, excavations and openings
- Facilities for hazardous material storage should be clearly marked on the Contractors site and disposal of hazardous materials should be adhered to the Eskom procedure.
- Toilet facilities, there are toilets on site that Contractors can use.
- Should have a designated area for employees to eat.
- Sufficient storage space for materials and tools.
- Every site to have its own DB Board and cable to be connected to be connected to a central point.
- (DB Board and cable to be provided by Contractor)
- All works that are carried out at the Contractor's yard should be done under roof not accessible to rain, dust or any foreign material and have enough light to execute works safely.

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
OBL	Outside battery limits
PSR	Plant Safety Regulations
ORHVS	Operating Regulations for High Voltage Systems

2 Management strategy and start up.

2.1 The Contractor's plan for the service

- All work stipulated in the task order schedules issued by the employer.
- Complying with the Employer's administration programme.
- Compliance with all legal safety aspects shall be ensured
- Programmed maintenance will be carried out during the contractor's working hours
- The contractor provides a program and a resource schedule for the works and for each task order, bar chart or other reporting formats as may be required by the Employer are provided for all task orders indicating start date, inspections and completion date, resources and costs.
- The Contractor provides a Quality check plan (QCP) with hold points for the Employer to check and monitor progress.
- In case of any major breakdowns, a repair plan of action must be submitted to the Employer within 24 hours. Repair work to commence on the exact time agreed between the Employer and Contractor on his plan of action.
- All works as stipulated in the plan maintenance activity (PM) schedule issued by the Employer.
- A computer aided planned maintenance activity program will be generated for each specific type of equipment.
- Planning and Scheduling meetings will be held when necessary and the Employer will inform the Contractor of the format and time of those meetings.

2.2 Management meetings

Information is detailed in Management and Reporting Section

Regular meetings of a general nature may be convened and chaired by the *Supply Manager* as follows:

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	Discussions to take place as soon as a risk is notified____	Grootvlei Power Station	Contractor, Service Manager, Co-ordinator and Contracts supervisor
Overall contract progress and feedback	Weekly basis during Outages (Time to be announced)	Grootvlei Power Station	Contractor, Service Manager, Co-ordinator and Contracts supervisor
Daily Outage Progress	Time to be announced	Grootvlei Power Station	Outage Execution Manager, Planner, Co-ordinator and Contracts Supervisor
Technical meeting	Monday, Wednesdays and Friday.	Grootvlei Power Station	Contractor and his employees
Contractor weekly safety meetings	Thursday during Outages (Time to be announced)	Grootvlei Power Station	Safety Officers, Supervisors, Outage planners, and Co-ordinator
Plant Safety walk downs	Tuesdays (Time to be announced)	Grootvlei Power Station	Supervisors and Co-ordinator

Meetings of a specialist nature may be convened as specified elsewhere in this Service Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the service. Records of these meetings shall be submitted to the *Service Manager* by the person convening the meeting within five days of the meeting.

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

2.2.1 Contractor's management, supervision and key people

The *Contractor* submits to the *Service Manager* an organogram showing his people and their lines of authority / communication. All of the *Contractors* supervision and key people must be authorised as per Eskom's Plant Safety Regulations, this includes but not limited to:

- Project Leader (National Diploma Technical, 3 yrs Power Station experience)
- Supervisor (Technical Qualification with Trade Test, 5 yrs Power Station Valve experience)
- Safety Coach (National Diploma in Safety Management, 3 yrs Power Station experience/SAMTRAC with Grade 12 and 3 yrs Power Station experience)
- Fitters (Trade Test, 5 yrs Power Station Valve experience)
- QC (SAIW Level 2, with 3 yrs Power Station Valve experience)

2.3 Provision of bonds and guarantees

N/A

2.4 Documentation control

Feedback required must include the following information for works or task completed or to be carried out:

- Summary of work done
- Estimated time duration with regard to the future work required
- Budget cost price with regard to the future work required
- Bill of materials with regard to future work required
- Criticality of the work

Data books completion and submissions as per Eskom standard and requirements please refer to QM 58 section 3.5.10.1 for contractors responsibilities with regards to Data Books

2.5 Invoicing and payment

On specific occasions the Contractor may submit an application for payment on or before the assessment date.

The *Service Manager* assesses the amount due to issuing a payment certificate based on services provided to date and other amounts due to the Contractor, less amounts to be retained or deducted. The certificate shall show the accumulated Payment due from which shall be deducted the accumulated Payments made, including the monthly calculation of price adjustments for inflation.

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

The *Contractor* shall address the tax invoice to
GROOTVLEI POWER STATION
PROJECTS AND OUTAGE BUILDING
PRIVATE BAG X
GROOTVLEI

1520

and include on each invoice the following information:

- Name and address of the *Contractor* and the *Service Manager*;
- The contract number and title
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Description of service provided for each item invoiced based on the Price List;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- (add other as required)

Add procedures for invoice submission and payment (e. g. electronic payment instructions)

2.6 Contract change management

Refer to the NEC Term Services Contract Core Clause 6, in the event any changes to the contract must be managed. Change management process shall be adhered to at all times when a change arises.

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

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

2.8 Insurance provided by the *Employer*

Refer to NEC3 Terms Services Contract, Eskom Insurance policies.

2.9 Training workshops and technology transfer

The Contractor shall comply with Procurement (SDL&I requirements)

2.10 Design and supply of Equipment

N/A

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

2.11.1 Equipment

None

2.11.2 Information and other things

- i. Service reports at the end of Task order
- ii. Data books
- iii. QCP
- iv. Safety file at the end of service
- v. Access cards and all other badges at the end of Task order

All other reports that may be requested by the Employer

2.12 Management of work done by Task Order

Task order starting with a 45# series no will be issued to the Contractor before the commencement of the works. Refer to the NEC Document: Data by Employer Secondary Clause x19

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

The *Contractor* shall comply with the health and safety requirements contained in SHE specification for Refurbishment of Turbine and Boiler valves for Outages at Grootvlei Power Station. Information is detailed in roles and Responsibilities section.

The Contractor shall also comply with the health and safety requirements contained in SHE Specification for Refurbishment of Turbine and Boiler valves for outages at Grootvlei Power Station that is attached in this tender package. In addition to the requirements of the laws governing health and safety, Eskom have some additional requirements particular to the service and the Affected Property for this contract.

Particular consideration must be given to the following Eskom Life Saving Rules

1. Isolate, test before touch
2. Hook up on heights
3. Buckle up
4. Be sober
5. Permit to work

3.2 Environmental constraints and management

All documents mentioned in the list are compulsory and must be submitted

SHE Knowledge: Base requirements.

Proof of environmental training and awareness.

A letter guaranteeing the protection of workers refusing to do environmentally hazardous work in terms of section29 of NEMA

Presentation of sound environmental Management Strategy.

Statement committing resources to environmental management (Environmental Policy).

Appointment of a qualified Safety or Environmental Officer.

3.3 Quality assurance requirements

SECTION A: Quality Management System Requirements ISO 9001

(Option 1) Valid certification of Quality Management System by an ISO accredited body.

A.1 Product / Service Scoping on ISO 9001 certificate is defined and relevant.

A.2 Certificate by Approved and Authorized certification authority.

A.3 Certification Authority has Recognized International Accreditation.

A.4 Validity (expiry date) of certificate.

SECTION A: Quality Management System Requirements ISO 9001

(Option 2) Objective evidence of documented QMS that is not certified but complies with ISO 9001.

A.1 QMS Manual or a document that defines and describes the QMS and its scope.

A.2 Quality Policy Approved by top management.

The scope of work and/ or specification.

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

Comply to the local recruitment practice that will be provided

4.1.2 BBBEE and preferencing scheme

N/A

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

N/A

4.2 Subcontracting

4.2.1 Preferred subcontractors

Subcontractors shall comply with all Eskom requirements and standards given to the main contractor and they remain the responsibility of the main contractor.

4.2.2 Subcontract documentation, and assessment of subcontract tenders

Subcontractors remain the responsibility of the main contractor and the main contractor shall make sure they comply to all Eskom requirements, procedures and standards.

4.2.3 Limitations on subcontracting

Refer to SDL&I

4.2.4 Attendance on subcontractors

None

4.3 Plant and Materials

4.3.1 Specifications

Plant and material provided by the Contractor and the preventative maintenance thereof forms part of the Contractor's responsibility as set out in the signed scope of work.

4.3.2 Correction of defects

The defects will be listed and corrective actions will be planned according to the priority of the defects. Where Permits to Work are required, the work will be planned with the Production Department.

All work will be scheduled via the Employer's SAP System. The Employers Plant Safety Regulations will be adhered to under a responsible person in terms of the plant safety regulations.

Where history needs to be captured, defects will be raised on the SAP Stem and the history will be captured on the Works Orders. Comprehensive reporting is to be submitted after each inspection.

4.3.3 Contractor's procurement of Plant and Materials

The Contractor shall provide equipment and tools to ensure that service is executed successfully.

4.3.4 Tests and inspections before delivery

N/A

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

Plant and Materials to be provided by the Employer shall include but not limited to:

Scaffolding will be provided by the Employer, request for scaffolding must be made at least 24hrs in advance. The employer will make available equipment such as mobile crane, forklift, cherry picker, and tractor.

All instrumentation and equipment bought or supplied by the *Employer* for the purpose of the work will remain the property of the *Employer* after the end of the contract.

The *Contractor* provides accommodation and transport for all his employees engaged in the execution of the works. This includes the needs of his subcontractors.

4.3.6 Cataloguing requirements by the *Contractor*

N/A

5 Working on the Affected Property

The access will be provided by the employer which stipulates the boundaries.

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

The Contractor shall ensure that all employees are inducted by the Employer and access permits are issued. When the Contractor employees are on site they shall comply to;

- The speed limit on site
- The Contractor must note that areas that are PPE free zones are demarcated and indicated but PPE must always be worn when required to do so.

5.2 People restrictions, hours of work, conduct and records

People Restrictions

- People are restricted to the Affected area only

Hours of work

- Normal working hours will be determined by the parties
- A standby rooster will be determined by parties

Conducts

- The Contractor and his employees are required to maintain professional and ethical conduct at all times, that upholds Eskom values to the highest standard.
- Should the Contractor's employees be found to contravene the Eskom Values, Life Saving Rules and / or any of the afore- mentioned regulations, the Contractor must institute disciplinary action, which may include removal from site., until the disciplinary process is concluded.

Records

- The Contractor is expected to keep appropriate and sufficient records (including but not limited to) of his employees.
- Attendance Register
- Employee performance
- Contractor's performance
- Production
- Safety and environmental statistics
- QCP's
- Data books
- Any other required records as communicated by the Employer.

5.3 Health and safety facilities on the Affected Property

The *Contractor* provides, at his cost, a First Aid service to his employees. In the case where these prove to be inadequate, like in the event of a serious injury, the *Employer's* Medical Centre and facilities will be available.

Outside the *Employer's* office hours, the *Employer's* First Aid Services will only be available for serious injuries and life threatening situations.

The *Employer* will be entitled, however, to recover the costs incurred, for the use of the above *Employer's* facilities, from the *Contractor*.

5.4 Environmental controls, fauna & flora

The Contractor shall comply with the environmental criteria and constraints stated in the Grootvlei power station Document SHE specification, Grootvlei power station Environmental Management Requirements for Suppliers and Contractor's, as well as all applicable policies relating to the conservation of the Grootvlei fauna and flora.

5.5 Cooperating with and obtaining acceptance of Others

- Contractor shall share the Programme with the Employer so that it can be integrated to the Outage baseline programme.
- Contractor shall co-operate with other contractors and provide access when required.
- Should the Contractor request any interface with Others it will be co-ordinated by the Employer, should the need arise

5.6 Records of Contractor's Equipment

- The Contractor shall declare all their tools and equipment's on entry and keep a proper detailed list
- A copy of the list will be submitted to Eskom.
- Revised and updated list must be provided

5.7 Equipment provided by the *Employer*

- Radio communication
- Furniture
- Spares

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

5.8.1.1 Electricity

All points of supply requested by the *Contractor* are provided in terms of quantity and location at the discretion of the *Service Manager*.

No connection is made to the permanent installation at the Power Station without the prior acceptance of the *Service Manager*.

No guarantees of power supply quality are given and power supply outages of some duration may occur without warning. Planned outages are also a possibility. The *Contractor* makes arrangements at his own expense to improve continuity and quality of power where necessary for any reason and no claim of any nature relating to power failures is considered.

220 and 380V power source will be available near the off-terrace site area. It is the *Contractor's* responsibility to connect to this power source and obtain statutory Certificate of Compliance for such a connection or installation. The use of this power supply is used to cater for the *Contractor's* office requirements and is not to be used for any construction purpose. Construction power is available to the *Contractor* within the main turbine and boiler house.

All installations or equipment connected to a supply of electricity provided free of charge by the *Employer* shall comply with all relevant safety regulations and requirements. Failure to comply with the safety requirements may lead to immediate disconnection.

The *Contractor* shall provide, at his own expense, all temporary wiring and cabling to lead power from the point of supply or distribution boards, to the various points where it is required, maintain same and remove on completion.

5.8.1.2 Compressed Air

Compressed air is available for the *Works*. The variation of pressure in the air supply and or breakdown in the supply shall not be grounds for an extension of time or compensation if it causes a delay.

5.8.1.3 Water

The *Employer* provides a water connection point at the *Contractor's* off-terrace site yard. The *Contractor* provides, at his own cost, all connection fittings, pipe work, temporary plumbing and pumps necessary to lead the water from the *Employer's* points of supply to the various points where it is required. The *Contractor* is responsible to maintain these facilities and to remove it at completion of the whole of the *Works*.

The *Project Manager* does not guarantee continuity of supply and the *Contractor* makes his own provision for standby supplies to maintain continuity of work. Claims of any nature relating to discontinuity of water supply are not considered.

5.8.1.4 Telecommunication

The *Contractor* provides his own telecommunication facilities.

5.8.1.5 Roads

Main access roads are surfaced and complete and may be used by the *Contractor* with the necessary care. The *Employer* maintains the site roads, described above, to a fair condition. Any costs incurred by the *Project Manager* from damage caused to underground services, structures and the like as a result of the *Contractor* not using the prescribed routes, is recovered from the *Contractor*.

The *Contractor* provides temporary access points from the prescribed routes and roads to the points where the *Contractor* is required to perform work, having first obtained permission in writing from the *Supervisor*.

5.8.1.6 Sanitary Facilities

All the *Contractor's* personnel are expected to make use of the Station Terrace sanitary facilities. The *Contractor* provides additional facilities as required at own cost.

5.8.2 Provided by the *Contractor*

The Contractor shall provide all tools and equipment to provide the service.

- Vehicles
- Medical Clearance certificates
- Accommodation
- Home-work-home transport
- SHE file prior to site establishment
- Communication (Cell Phones)
- All periodical training
And others as per agreed price list

5.9 Control of noise, dust, water and waste

- The Contractor will be required to use appropriate PPE at all times to mitigate and minimise exposure to noise and dust.
- The Contractor must treat the water as a scarce resource and recycle where possible.
- The Employer advocates the appropriate disposal of waste to enhance recycling.

5.10 Hook ups to existing works

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

The Contractor shall get permission to hook up to existing works from the Employer before hooking up

5.11 Tests and inspections

5.11.1 Description of tests and inspections

The Contractor shall commission i.e. (stroke checking) the plant and ensure it is in operation before handing over to the Employer.

5.11.2 Materials facilities and samples for tests and inspections

The Materials facilities and samples for tests and inspections to be carried out by the Contractor. The Employer and others will be determined and communicated by the Employer when this contract commences.

6 List of drawings

6.1 Drawings issued by the *Employer*

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

N/A