



NEC3 Professional Services

Short Contract (PSSC3)

A contract between Eskom Rotek Industries SOC (Pty Ltd (Reg No. 1990/006897/30)

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

for (0-32 ton)
Operations Department Price Benchmarking
Exercise for a period of two (2) months

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CONTRACT No. []

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C1 Agreements & Contract Data

C1.1 Form of Offer and Acceptance

Offer

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

(0-32 ton) Operations Department Price Benchmarking Exercise for a period of two (2) months

The tenderer, identified in the signature block below, having examined the documents listed in the Tender Data and addenda thereto as listed in the Tender Schedules, 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 *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 (*)	[•]
Value Added Tax @ 15% is	[•]
The offered total of the Prices inclusive of VAT is	[•]
(in words) [•]	

(*) If the work is to be paid for on a time charge basis, state “**Not applicable; paid on time charge basis**”

This Offer may be accepted by the Client by signing the form of Acceptance overleaf 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) _____ Sitsabo Kuhlase

Capacity _____ General Manager Logistics Services

For the tenderer: _____ Eskom Rotek Industries SOC Ltd
Lower Germiston Road
Cleveland
2022

Name & signature of witness _____ Date _____

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Acceptance

By signing this part of this Form of Offer and Acceptance, the Client identified below accepts the tenderer's Offer. In consideration thereof, the Client 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 Client 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 1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)

Part 2 Pricing Data

Part 3 Scope of Work: The Scope

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 Tender Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Client 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, which must be signed by the duly authorised representative(s) for both parties.

The tenderer shall within one week of receiving a completed copy of this Agreement, including the Schedule of Deviations (if any), contact the Client (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 copy of this document, including the Schedule of Deviations (if any) together with all the terms of the contract as listed above.

Unless the tenderer (now *Consultant*) within five working days of the date of such receipt notifies the *Client* in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the Parties.

Signature(s)

Name(s) _____ Sitsabo Kuhlase

Capacity _____ General Manager Logistics Services

for the Client _____ Eskom Rotek Industries SOC Ltd
Lower Germiston Road
Cleveland
2022

Name & signature of witness _____ Date _____

Note: If a tenderer wishes to submit alternative tender offers, further copies of this document may be used for that purpose, duly endorsed, 'Alternative Tender No. _____'

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Schedule of Deviations

Note:

1. To be completed by the Client 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 Client 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	Refer to PSCM instruction note 06 of 2019 (Annexure M)	
2		
3		
4		
5		
6		
7		

By the duly authorised representatives signing this Schedule of Deviations below, the Client 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 Client 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 *Consultant*

For the *Client*

Signature _____

Name _____

Sitsabo Kuhlase

Capacity _____

General Manager Logistics Services

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

Eskom Rotek Industries SOC Ltd
Lower Germiston Road
Cleveland
2022

Name & signature of witness _____

Date _____

C1.2 Contract Data

Data provided by the *Client*

Clause	Statement	Data
General		
10.1	The <i>Client</i> is (Name):	Eskom Holdings SOC Ltd (Reg No. 2002/015527/30), a juristic person incorporated in terms of the company laws of the Republic of South Africa
	Address	Eskom Rotek Industries SOC Ltd Lower Germiston Road Cleveland 2022
	Tel No.	[011 629 8105]
	Fax No.	N/A
	E-mail address	[MphokaGJ@eskom.co.za]
11.2(6)	The <i>services</i> are	(0-32 ton) Operations Department Price Benchmarking Exercise for a period of two (2) months
11.2(7)	The Scope is in	The document called service information / scope of work in part 3 of this contract
30.1	The <i>starting date</i> is.	TBA
11.2(2)	The <i>completion date</i> is.	2 months after start date
12.2	The <i>law of the contract</i> is	The Republic of South Africa
13.3	The <i>period for reply</i> is	5 working days
41.1	The <i>defects date</i> is	2 weeks after Completion
50.1	The <i>assessment day</i> is the	Last day of the project
50.3		Work is to be carried out on a time charge basis
50.5	The <i>delay damages</i> for late Completion are	One percent, per day per delay
51.1	If the period for payment is not four weeks [Delete this row if the period for payment is 4 weeks]	The period for payment is 8 weeks. Payment will be made after assessment of the report and submission of timesheets.
51.2	If a rate less than 0.5% per week of delay has been agreed	N/A
82.1	The Consultant's total liability to the Client for matters for which insurance is provided is limited to	N/A
	The Consultant's total liability to the Client for other matters is limited to	N/A
93.1	The <i>tribunal</i> is:	Arbitration.

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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

Johannesburg, South Africa

The person or organisation who will choose the arbitrator if the Parties cannot agree a choice is:

the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.

The conditions of contract are the NEC3 Professional Services Short Contract (April 2013)¹ and the following additional conditions:

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.

¹ Can be obtained from Engineering Contract Strategies Tel 011 803 3008, Fax 011 803 3009 (see www.ecs.co.za).

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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 Party means, as the context requires, the *Consultant*, or any member thereof in the case of 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

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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

Z 12 .1 Replace condition of contract 81 with the following:

Insurance cover 81

- 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>	Whatever the <i>Consultant</i> deems necessary in respect of each claim, without limit to the number of claims	See Notes to Consultants in Annexure M
Liability for death of or bodily injury to a person (not an employee of the <i>Consultant</i>) or loss of or damage to property resulting from an action or failure to take action by the <i>Consultant</i>	Whatever the <i>Consultant</i> deems necessary for any occurrence or series of occurrences arising out of one event without limit to the number of claims.	See Notes to Consultants in Annexure M
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	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Consultant's</i> common law liability for people falling outside the scope of the Act with a limit of indemnity of not less than R500 000-00 (five hundred thousand) in respect of each claim, without limit to the number of claims	As <i>Consultant</i> deems necessary

81.3 The *Client* provides the insurances 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: N/A

- 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 44 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 44 of 1999, or any replacement section dealing with the same subject matter.
- Z13.5 The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.

Z14 Asbestos: N/A

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 *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.

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- 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.

Data provided by the Consultant (the Consultant's Offer)

The tendering consultant is advised to read both the NEC3 Professional Services Short Contract (April 2013) and the relevant parts of its Guidance Notes (PSSC3-GN)² in order to understand the implications of this Data which the tenderer is required to complete. An example of the completed Data is provided on page 26 of the PSSC3 Guidance Notes.

Completion of the data in full is essential to create a complete contract.

10.1	The <i>Consultant</i> is (Name):	[•]
	Address	[•]
	Tel No.	[•]
	Fax No.	[•]
	E-mail address	[•]

The *Consultant* offers to Provide the Services in accordance with the *conditions of contract* for an amount to be determined in accordance with the *conditions of contract*

22.2	The name, job, qualifications and experience of <i>Consultant's</i> key people are in	[•]
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50.3	The <i>staff rates</i> are
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	Person or Job	Unit of measure	Rate
	People not stated here are at open market or competitive tendered rates		

11.2(5)	The offered total of the Prices is:	R[•]
	[Enter the total of the Prices from the Price List. If all work is to be carried out on a time charge basis, enter 'Not Applicable'.]:	excluding VAT
		[in words]
		[•]
		excluding VAT

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

C2 Pricing Data

C2.1 Pricing assumptions

Entries in the first four columns in the Price List are made either by the *Client* or the tendering consultant.

For each row:

- **If the *Consultant* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tenderer enters the amount in the Price column only; the Unit, Quantity and Rate columns being left blank.**
- **If the *Consultant* is to be paid an amount for the item of work which is the rate for the work multiplied by the quantity completed, the tenderer enters the rate which is then multiplied by the expected quantity to produce the Price, which is also entered.**
- **If the work is to be paid on a time charge basis, only expenses should be included.**

All Prices are to be shown excluding VAT unless instructed otherwise by the *Client* in Tender Data or in an instruction the *Client* has given before the tenderer enters his Prices.

Costs incurred by the *Consultant* other than the listed expenses are included in the Rates and Prices and the *staff rates*. If expenses are paid at cost, then 'at cost' should be entered into the Rate column.

Delete or strike through unused rows.

If there is insufficient space in the Price List which follows, state in which document the Price List is contained.

C2.2 Price List

The Price List is as follows / contained in _____ (delete the text which does not apply and this note)

Pricing Schedule to be used

PRICING SCHEDULE FOR THE ENTIRE PROJECT:

1. The staff rates are:

No.	Designation (or category) or name of staff member	Rate per {hour} excluding VAT	Total billable hours excluding VAT	Total billable amount
1.	1x Chattered Accountant (Registration with SAICA) (mid-career 5-9 years' experience)			
2.	3x Business Analyst (mid-career 5-9 years' experience)			
3.	1x Admin officer (average early career 1-4 years' experience)			
4.	1x Project Manager (mid-career 5-9 years' experience)			
5	1x Auditor (mid-career 5-9 years' experience)			
6	1x Industrial Engineer (mid-career 5-9 years' experience)			
	Subtotal			R
7	Total breakdown of other expenses as indicated in number 2 below			R
	Total costs (subtotal + other expenses)			R

NB: Supplier should quote the above items in full, failure to do so the supplier will be disqualified

2. Breakdown of other expenses (please specify):

No.	Expense item	Amount / rate excluding VAT

C3: Scope of Work

C3.1 The Scope

Scope of Work: (0-32 ton) Operations Price Benchmarking Exercise

Introduction

The current systems and process within ERI Logistics Services (0-32 ton) Operations Department have not been reviewed in the past seven years as a result they might not be in line with the current business practices in the road freight industry,

The (0-32 ton) Operations Department prices might not be aligned to the market that offers same/ similar services as the ERI operations department.

- An analysis for direct competitor’s Enterprise Resource Planning systems used from at least 10 suppliers and how they build the costs into their pricing model, and
- An analysis of all vehicle categories as per the pricing schedule attached for at least ten direct competitors.

Example of a price breakdown

The base date for indices is

January 2022 and adjusted yearly but effective from January each year. (For the first time in 01 January 2023)

The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by
Maintenance account	0.10	L2	Seifsa
Fixed costs	0.27	D2	Seifsa CPI
Variable costs	0.16	D2	Seifsa CPI
Labour	0.17	C3	Seifsa
Diesel (adjusted monthly)	0.30	Statutory wholesale Diesel Price	Monthly escalation
	1.00		

Pricing Schedule to be Used

Current Pricing Schedule for Operations Department 0-32 Ton

NB: Pricing Schedule - TO BE COMPLETED IN FULL FOR ALL CATERGORIES

The rates and Prices entered for each item includes for all work and other things necessary to complete the item.

Eskom Rates:

***please note that 0-450kms is a flat rate while all other categories are rate per km**

*** All red blocks are to be fully populated**

Subcontracting

		DAILY RATE					
Distance		0-450	451 – 1000	1001 - 1500	1501 – 2000	2001 – 2500	2501 - 3000
Tonnage							
0-1	TON						
1.1-3	TON						
3.1-6	TON						
6.1-10	TON						
10.1-24	TON						
24.1-32	TON						

Schedule Rates	
Round trip from Rosherville – Brackenfell - Rosherville 10.1-24 ton truck	
Round trip from Middelburg RDC to CNCs as per below: 1(Middelburg to Monsterlus) 2 (Middelburg to Piet Retief (eMkhondo))	
Round trip from Nelspruit RDC to CNCs as per below: 1(Nelspruit to Hoedspruit) 2 (Nelspruit to Barbeton- Badplaas) 3 (Nelspruit to Malelane)	

Crane Rate:	
1-2.4 Ton Load mass per lift	
2.5 - 5 Ton Load mass per lift	

Labour (as and when required/ for projects)	labour / day	
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NB: ERI Logistics Services shall have the right to terminate the above contract on grounds of non-performance, or unsatisfactory performance on the part of the service provider in the execution of this project.

Termination shall take place only after thorough consideration and due notification of grounds being provided by the Project Manager in a form of non – conformance report (NCR) in writing, with a notice period of five (5) working days.

Purpose of the services

- The service provider will need to provide an analysis of (0-32 ton) Operations Department's Enterprise Resource Planning systems (freightware, SAP, e-docs, vehicle planning system) compared to the 5-10 direct competitors; and
- A comparison of (0-32) ton operations human capital structure with emphasis on specialised skills required in the road freight business
- Based on the outcome of the analysis, the service provider should provide recommendations to optimize the 0-32 ton operations pricing structure i.e. to make it competitive or increase profitability
- Financial benchmarking analysis considering top 10 financial ratios e.g. RONA, overheads as a % of Revenue, Gross Profit.
- To benchmark the (0-32 ton) Operations Department's current systems and processes with Logistics companies that provide similar services within road freight industry
- To benchmark the (0-32 ton) Operations Department's price to the market that offers same/similar services as the ERI Logistics Services operations department.

2. Description of the *services*

- An in-house analysis of the current pricing structure for (0-32 ton) Operations Department;
- An analysis for current warehouse rental rates per square meter in East Landon industrial
- Wilsonia industrial area from at least 5-10 direct competitors;
- An analysis of at least 5-10 direct competitors basic driver salaries;
- An analysis of at least 5-10 direct competitors applicable allowances for drivers in the road freight industry;
- An analysis of pricing strategies for businesses that offer similar services with the operation department, taking into account that (0-32 ton) Operation Department has built into their pricing the following value added services:
 - Consolidation warehousing costs (Prospecton, Brackenfell, Rocherville)
 - Fleet tracking and monitoring system
 - National planning function for all Eskom suppliers
 - 24/7 Operating Control room
 - National sales network of Client liaisons that are based at client premises with full time roles of ensuring that client transport requests are processed, queries resolved, billing for

- services rendered is processed, debtors are resolved
- Goods in transit insurance.
 - An analysis for direct competitor’s Enterprise Resource Planning systems used from at least 10 suppliers and how they build the costs into their pricing model, and
 - An analysis of all vehicle categories as per the pricing schedule attached for at least ten direct competitors.
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3. Existing information

- Freight ware
- Planning schedule
- Operational plan
- E-docs

4. Specifications and standards

Title	Date or revision	Tick if publicly available
<u>General Specifications:</u>		
Operational plan		
Shareholder compact		
Declaration of Interest		
Non-disclosure agreement		
SHEQ_policy		
OHSA 85 of 1993		
ISO 9001,14001,45001		
ERI Procument Policy		
Ethics policy		
<u>Technical specifications:</u>		

Operations Department Price Benchmarking Exercise for a period of two (2) months

National Road traffic act 93 of 1996		
AARTO act 46 of 2019		

5. Constraints on how the *Consultant* is to Provide the Services

- Remotely meeting, information not going timeously as normal due to Covid
- Not properly understanding of Logistics freight ware system
- Timeframe response for required information
- Availability of the information

5.1 Sequence, timing, method and conduct of work

	<p>The service provider must provide a project plan that determines necessary activities and tasks for the exercise. The plan shall consider a set of key elements including but not limited:</p> <ul style="list-style-type: none"> • The purpose of the project, activities and tasks to be carried out for the duration of the service including the delivery of the project • Necessary stages of the project including review, verification and validation activities e.g. are all dimensions adequately specified such reviews, test, analysis and audits • Verification activities needed to ensure that outputs meet the specified purpose and intended use of the project • Who is going to do specified activities i.e. necessary responsibilities • Internal and external resources needed e.g. organisational knowledge, equipment, technology, competence, support from customers or service providers, codes and standards of practice • Communication between those involved in the project considering the number of people and the most effective ways of sharing information such meetings, telecommunications and minutes • The potential involvement of customers and users in the project activities e.g. customer research and customer experience • What is needed in order to provide a quality product e.g. raw material (data), acceptance criteria and documents or records • Expected levels of control determined by ERI e.g. accuracy of information and time of delivery • Documented information needed to
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	demonstrate if the project requirements have been met and the process has been carried out appropriately at review, verification and validation stages such as project plans, meeting minutes, completion of action items, test reports, work instructions and process flows
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5.2 Quality management

- As per Consultant's standard policies and procedures and industry related codes and practices
- As per ISO 9001, 2015 compliance requirements
- Accuracy of the provided information
- Information from previous similar work done such as project files and reports which can enhance effectiveness to enable the service provider to build on good practices or avoid mistakes
- Statutory and regulatory requirements that relate directly to the product or service

5.3 Resolution of disputes by adjudication

If a dispute cannot be settled between the *Client* and the *Consultant* within 30 days of notification by either Party to the other, then either Party may refer the dispute for decision by an Adjudicator before any reference of the matter to the *tribunal* in terms of this contract.

The Adjudicator is chosen by the Party wishing to refer a matter to him from the ICE-SA List of NEC Adjudicators³. The Parties conclude a NEC3 Adjudicator's Contract (April 2013) with the chosen Adjudicator within 7 days of the selection.

The matter is then referred and decided by the chosen Adjudicator as though the matter had been referred to him in accordance with Option W1 Dispute Resolution procedures in the NEC3 Professional Services Contract, April 2013, (PSC3). The chosen Adjudicator acts in the role of the *Adjudicator* in PSC3 and the Parties in this contract act as though they were the *Employer* and the *Consultant* respectively in Option W1 of the PSC3 (April 2013).

5.4 Meetings

Depending on the size and complexity of the *service*, it is probably beneficial for the *Service Manager* to hold a weekly meeting. This could be used to discuss safety, progress, overall co-ordination and other matters of a general nature.
Adhoc meeting with relevant stakeholders for assistance should it be required.

5.5 Use of standard forms

Standard forms to be used during this contract as per the PSSC3 contract.

³ ICE-SA is a joint Division of SAICE and the ICE (London). See www.ice-sa.org.za for the List of NEC Adjudicators.

5.6 Invoicing and payment

In terms of core clause 50.1 the *Consultant* assesses the amount due and applies to the *Client* for payment. The *Consultant* applies for payment with a tax invoice addressed to the *Client* as follows:

The *Consultant* includes the following information on each tax invoice:

- Name and address of the *Consultant*
- The contract number and title;
- *Consultant's* VAT registration number;
- The *Client's* VAT registration number
- The total Price for *services* provided to date which the *Consultant* has completed;
- Other amounts to be paid to the *Consultant*;
- Less amounts to be paid by or retained from the *Consultant*;
- The change in the amount due since the previous payment being the invoiced amount - excluding VAT, the VAT and including VAT;
- (add other as required)

The *Consultant* attaches the detail assessment of the amount due to each tax invoice showing the Price for *services* provided to date for each item in the Price List for work which he has completed.

Invoices are to be submitted using the following email address: invoicserilocal85@eskom.co.za

Below are your invoice submission requirements:

- All Electronic invoices must be sent in PDF format only, no larger than 10mb.
- Only one PDF per mail, each PDF file must contain one invoice; or one credit note; etc. only, as Eskom ROTEK Industries SOC Ltd, SAP system does not support more than one PDF being linked into workflow at a time.
- Send all invoices in PDF straight from your system to Eskom ROTEK Industries SOC Ltd email address invoicserilocal85@eskom.co.za
- Subject line of your PDF invoice needs to read as follows:
Your Company Name; Your Vendor Number; Your Invoice number; Your Order Number.

Kindly ensure the following ERI details appear on all invoicing;

- Eskom ROTEK Industries SOC Ltd
- Registration Number: 1990/006897/30
- Vat Number: 4330196330
- Purchase order number (invoices with the incorrect order reference will be rejected)
- Physical address: Lower Germiston Road, Rosherville, Johannesburg
- Postal address: P O Box 40698, Cleveland, 2022 SA
- Telephone Number 011 621 3000

Ensure that the Eskom ROTEK Industries SOC Ltd Order number is clearly indicated on your invoice.

Kindly ensure the following details of Your Company appear on all invoicing;

- If you are a VAT registered vendor, kindly ensure your VAT number and address, appear on your invoice.
- Ensure if you are a registered Vat vendor that your invoice states "Tax Invoice"
- Ensure the detail of service or delivery is clearly stated on your invoice (description, quantity, nett value, vat, etc.) and that this does tie back to the order received from our procurement department.
- Banking details and your Vendor number must be quoted on your invoices when submitting.
- Note, no hand written invoices will be accepted.

Supporting documentation attached to receipting

Operations Department Price Benchmarking Exercise for a period of two (2) months

As a state owned entity we received a National Treasury instruction to attach the relevant supporting documentation (time sheets, proof of delivery, assessments, etc.) to goods receipting.

- It is absolutely imperative for vendors to ensure that end users receive all the relevant supporting documentation to attach to their goods receipting in SAP.
- Accounts Payable will park invoices where any goods receipting does not have relevant supporting documentation attached, meaning, no payment will be made.
- If the goods receipt is not done the invoice will be parked. This is tracked by Eskom ROTEK Industries SOC Ltd through weekly parked report distributions to all business units.
- Your company can request a parked invoice report from the relevant Custodian of your account, which can then be followed up and corrected with the relevant end users.

You are welcome to forward the details of resolved invoices to the relevant Accounts Payable Assistant Officer and their Accounts Payable Officers.

- It is in everybody's best interest to comply with the instruction note.

You do not require a goods receipt (GR) number to submit your invoices, although it has been found to be advantageous.

All queries and follow ups on status of submitted invoices or account status etc. should be made by contacting your allocated custodian or their Officer

5.7 BBBEE and preferencing scheme

Specify constraints which *Consultant* must comply with after contract award in regard to any Broad Based Black Economic Empowerment (B-BBEE) or preferencing scheme measures. **N/A**

5.8 Facilities to be provided by the *Consultant*

Report to be provided electronic and hard copy with editable Word document soft copy, PDF version and any related calculations.

List Software model and any other additional facilities used to conduct the exercise

5.9 Cataloguing Requirements by the *Consultant*

State whether cataloguing is applicable, if it is, reference the requirements for cataloguing that need to be satisfied by the *Consultant* (consult Procurement Instruction Number 1 of 2018 – Incorporating Cataloguing into the Procurement Environment, Unique Identifier 240-1289988974).

6. Requirements for the programme

Operations Department Price Benchmarking Exercise for a period of two (2) months

Detailed project plan with milestones should the supplier be unable to deliver within the stipulated 8 weeks the contract will be terminated.

Programme /project plan to be submitted one week before commencing the work.

Plan to have breakdown /timeline sequence of activities and dates attached to it

7. Information and other things provided by the *Client*

Describe what information and other things the *Client* is to provide and by when. Information is that which is not currently available, but which will become available during the contract. Other things could include access to a person, place (such as office space or a site) or the *Client's* information technology systems.

Item	Date by which it will be provided