



NEC3 Term Service Contract (TSC3)

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

and

for **The provision of services for belt splicing,
repairing, inspections and pulley lagging at
Arnot Power Station**

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CONTRACT No. []

PART C1: AGREEMENTS & CONTRACT DATA

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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:

The provision of services for belt splicing, repairing, belt inspections and pulley lagging

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	The offered total of the Prices exclusive of VAT is	R
	Sub total	R
	Value Added Tax @ 14% is	R
	The offered total of the amount due inclusive of VAT is ¹	R
	(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:			
Name & signature of witness	(Insert name and address of organisation)	Date	
Tenderer's CIDB registration number:			

¹ This total is required by the *Employer* for budgeting purposes only. Actual amounts due will be assessed in terms of the *conditions of contract*.

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 original copy of this document, including the Schedule of Deviations (if any).

Signature(s)			
Name(s)			
Capacity			
for the Employer			
Name & signature of witness	(Insert name and address of organisation)	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:		For the Employer
Signature			
Name			
Capacity			
On behalf of	<i>(Insert name and address of organisation)</i>		<i>(Insert name and address of organisation)</i>
Name & signature of witness			
Date			

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

[Instructions to the contract compiler: (delete these two notes in the final draft of a contract)]

1. Please read the relevant clauses in the conditions of contract before you enter data. 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.
2. Whenever a cell is shaded in the left hand column it denotes this data is optional and would be required in relation to the option selected. In the event that the option is not required select and delete the whole row. Where the following symbol is used “**●**” - data is required to be inserted relevant to the specific option selected.]

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:	
		A: Priced contract with price list
6	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1: Price adjustment for inflation
		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 (June 2005) ²	
10.1	The <i>Employer</i> is (name):	Eskom Holdings Limited (Reg no: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	
	Fax No.	

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

10.1	The <i>Service Manager</i> is (name):	Gretchen Garner
	Address	Arnot Power Station Private Bag X02 Rietkuil 1097
	Tel	013 297 9080
	Fax	n/a
	e-mail	garnerg@eskom.co.za
11.2(2)	The Affected Property is	Arnot Power Station Generation plants and Arnot Power Station Common plant and associated peripheral equipment
11.2(13)	The <i>service</i> is	The service for provision of belt splicing, belt repairs, belt inspections and pulley lagging at Arnot Power Station.
11.2(14)	The following matters will be included in the Risk Register	To be discussed in the initial meeting.
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	One(1) day
2	The Contractor's main responsibilities	(If the optional statement for this section is not used, no data will be required for this section)
21.1	The <i>Contractor</i> submits a first plan for acceptance within	Within the first week of accepting of the contract.
3	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	Three (3) years
4	Testing and defects	No data is required for this section of the <i>conditions of contract</i> .
5	Payment	
50.1	The <i>assessment interval</i> is	Between the 25 th day of each successive month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	Four (4) weeks.
51.4	The <i>interest rate</i> is	
6	Compensation events	(If the optional statement for this section is not

		used, no data will be required for this section)	
	These are additional compensation events:	1	
		2	
7	Use of Equipment Plant and Materials	No data is required for this section of the <i>conditions of contract</i> .	
8	Risks and insurance		
80.1	These are additional <i>Employer's</i> risks	1.	
		2.	
		3.	
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for “Format TSC3” available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance).	
83.1	The <i>Employer</i> provides these additional insurances	as stated for “Format TSC3” available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance)	
83.1	The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is	the amount of the deductibles relevant to the event described in the “Format TSC3” insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248	
83.1	The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is:	the amount of the deductibles relevant to the event described in the “Format TSC3” insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248	
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	Whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .	
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..	
9	Termination	There is no Contract Data required for this section of the <i>conditions of contract</i> .	
10	Data for main Option clause		

A	Priced contract with price list			
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	4 weeks.		
11	Data for Option W1			
W1.1	The <i>Adjudicator</i> is (Name)	The person selected from the Eskom Panel of Adjudicators listed in Annexure B to this Contract Data by the Party intending to refer a dispute to him.		
	Address	N/A		
	Tel No.	N/A		
	Fax No.	N/A		
	e-mail	N/A		
W1.2(3)	The <i>Adjudicator nominating body</i> is:	The Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za)		
W1.4(2)	The <i>tribunal</i> is:	arbitration		
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.		
	The place where arbitration is to be held is	South Africa		
	The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is	The Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
12	Data for secondary Option clauses			
X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is	[•].		
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by
		0.		
		0.		
		0.		
		0.		
		0.		
		[•]	non-adjustable	

X2	Changes in the law	No data is required for this Option		
		The items & activities will be paid in the other currency - in accordance with an alternative payment method agreed with the <i>Employer</i> before the Contract Date.		
X17	Low service damages			
X17.1	The <i>service level table</i> is in	As per the Quality Control Plan of the Contractor and based on the criticality of the plant.		
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 described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248		
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	The greater of - 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 in the <i>Employer's</i> assets and works / maintenance policies available on http://www.eskom.co.za/live/content.php?Item_ID=9248		
X18.4	The <i>Contractor's</i> total liability to the <i>Employer</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	the total of the Prices other than for the additional excluded matters. The <i>Contractor's</i> total liability for the additional excluded matters is not limited. The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for - Defects due to his design, plan and specification, - Defects due to manufacture and fabrication outside the Affected Property, - loss of or damage to property (other than the <i>Employer's</i> property, Plant and Materials), - death of or injury to a person and		

		• Infringement of an intellectual property right.
X18.5	The <i>end of liability date</i> is	Four months after the end of the <i>service period</i>.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	One (1) day of receiving the Task Order
Z	The <i>additional conditions of contract</i> are	Z1 to Z11 always apply.
Z1	Cession delegation and assignment	
Z1.1	The <i>Contractor</i> does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the <i>Employer</i> .	
Z1.2	Notwithstanding the above, the <i>Employer</i> may on written notice to the <i>Contractor</i> cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry and the Electricity Distribution Industry.	
Z2	Joint ventures	
Z2.1	If the <i>Contractor</i> 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 <i>Employer</i> for the performance of this contract.	
Z2.2	Unless already notified to the <i>Employer</i> , the persons or organisations notify the <i>Service Manager</i> within two weeks of the Contract Date of the key person who has the authority to bind the <i>Contractor</i> on their behalf.	
Z2.3	The <i>Contractor</i> does not substantially alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the <i>Employer</i> having been given to the <i>Contractor</i> in writing.	
Z3	Change of Broad Based Black Economic Empowerment (B-BBEE) status	
Z3.1	Where a change in the <i>Contractor's</i> legal status, ownership or any other change to his business composition or business dealings results in a change to the <i>Contractor's</i> B-BBEE status, the <i>Contractor</i> notifies the <i>Employer</i> within seven days of the change.	
Z3.2	The <i>Contractor</i> is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the <i>Service Manager</i> within thirty days of the notification or as otherwise instructed by the <i>Service Manager</i> .	
Z3.3	Where, as a result, the <i>Contractor's</i> B-BBEE status has decreased since the Contract Date the <i>Employer</i> may either re-negotiate this contract or alternatively, terminate the <i>Contractor's</i> obligation to Provide the Works.	
Z3.4	Failure by the <i>Contractor</i> to notify the <i>Employer</i> of a change in its B-BBEE status may constitute a reason for termination. If the <i>Employer</i> terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.	

Z4	Ethics
Z4.1	Any offer, payment, consideration, or benefit of any kind made by the <i>Contractor</i> , which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the <i>Contractor's</i> obligation to Provide the Service or taking any other action as appropriate against the <i>Contractor</i> (including civil or criminal action).
Z4.2	The <i>Employer</i> may terminate the <i>Contractor's</i> obligation to Provide the Service if the <i>Contractor</i> (or any member of the <i>Contractor</i> where the <i>Contractor</i> constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices. Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the <i>Employer</i> or other people or organisations and including in circumstances where the <i>Contractor</i> or any such member is removed from the an approved vendor data base of the <i>Employer</i> as a consequence of such practice.
Z4.3	Notwithstanding the provisions of core clause 90.2, the procedures on termination in terms of this clause are P1, P2 and P4 as stated in the core clause 92 and the amount due is A1 and A3 as stated in core clause 93.
Z5	Confidentiality
Z5.1	The <i>Contractor</i> 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 <i>Contractor</i> , enters the public domain or to information which was already in the possession of the <i>Contractor</i> at the time of disclosure (evidenced by written records in existence at that time). Should the <i>Contractor</i> disclose information to Others in terms of clause 25.1, the <i>Contractor</i> ensures that the provisions of this clause are complied with by the recipient.
Z5.2	If the <i>Contractor</i> is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the <i>Service Manager</i> .
Z5.3	In the event that the <i>Contractor</i> is, at any time, required by law to disclose any such information which is required to be kept confidential, the <i>Contractor</i> , to the extent permitted by law prior to disclosure, notifies the <i>Employer</i> 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 <i>Contractor</i> may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
Z5.4	The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the <i>service period</i> , requires the prior written consent of the <i>Service Manager</i> . All rights in and to all such images vests exclusively in the <i>Employer</i> .
Z5.5	The <i>Contractor</i> ensures that all his subcontractors abide by the undertakings in this clause.
Z6	Waiver and estoppel: Add to core clause 12.3:
Z6.1	Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the <i>Service Manager</i> or the <i>Adjudicator</i> does not constitute a waiver of rights, and does

	not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.
Z7	Health, safety and the environment: Add to core clause 27.4
Z7.1	The <i>Contractor</i> undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the <i>service</i>. Without limitation the <i>Contractor</i>: • accepts that the <i>Employer</i> may appoint him as the “Principal Contractor” (as defined and provided for under the Construction Regulations 2003 (promulgated under the Occupational Health & Safety Act 85 of 1993) (“the Construction Regulations”) for the Affected Property; • warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the <i>service</i>; and • undertakes, in and about the execution of the <i>service</i>, 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 <i>Contractor’s</i> direction and control, likewise observe and comply with the foregoing.
Z7.2	The <i>Contractor</i> , in and about the execution of the <i>service</i> , 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 <i>Contractor’s</i> direction and control, likewise observe and comply with the foregoing.
Z8	Provision of a Tax Invoice and interest. Add to core clause 51
Z8.1	Within one week of receiving a payment certificate from the <i>Service Manager</i> in terms of core clause 51.1, the <i>Contractor</i> provides the <i>Employer</i> with a tax invoice in accordance with the <i>Employer’s</i> procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
Z8.2	If the <i>Contractor</i> does not provide a tax invoice in the form and by the time required by this contract, the time by when the <i>Employer</i> 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 <i>Employer</i> in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
Z8.3	The <i>Contractor</i> (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 <i>Employer’s</i> VAT number 4740101508 on each invoice he submits for payment.
Z9	Notifying compensation events
Z9.1	Delete from the last sentence in core clause 61.3, “unless the <i>Service Manager</i> should have notified the event to the <i>Contractor</i> but did not”.
Z10	<i>Employer’s</i> limitation of liability
Z10.1	The <i>Employer’s</i> liability to the <i>Contractor</i> for the <i>Contractor’s</i> indirect or consequential loss is limited to R0.00 (zero Rand)
Z10.2	The <i>Contractor’s</i> entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the

	<i>Employer's</i> liability under the indemnity is limited to compensation as provided for under the compensation events stated in this contract.
Z11	Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":
Z11.1	or had a judicial management order granted against it.
Z12	Employer's right to review the contract
	The <i>Employer</i> will review the contract after twelve (12) months and reserve the right to reduce the number of people or to terminate the contract if the service is no longer required.

Annexure A: Insurance provided by the Employer

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

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

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

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

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

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

Information about the Panel and appointment of the selected *Adjudicator* is in _____

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Notes to a tendering contractor:

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

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

	Qualifications:	
	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

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

The conditions of contract

1. How work is priced and assessed for payment

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

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

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

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

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

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

2 If the *Contractor* has decided not to identify a particular item in the *price list* at the time of tender the

cost to the *Contractor* of doing the work must be included in, or spread across, the other Prices and rates in the *price list* in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.

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

4 Hence the Prices and rates tendered by the *Contractor* in the *price list* are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk.

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

4.1 Format of the *price list*

(From page 73 of the TSC3 Guidance Notes)

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

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

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

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

The *price list*

Call out: Normal hours (In accordance with Eskom normal working hours).
Activity rates will comprise of the service delivery including the labour portion.
Splicing in accordance with Eskom standard 240-55864495

Item no	Description	Belt Class	Belt width	u/ m	Quantity	Rate	Price
1	Hot splice	800/4ply	1050	ea.	100		
2	Cold Splice	800/4ply	1050	ea.	160		
3	Hot splice	630/3ply	1200	ea	75		
4	Hot splice	800/4ply	900	ea	15		
5	Hot splice	800/4ply	1200	ea	15		
6	Splice repair (Cold)	800/4ply	1050	ea.	180		
7	Splice repair (Cold)	630/3ply	1200	ea	70		
8	Splice repair (Cold)	800/4ply	900	ea	15		
9	Splice repair (Cold)	800/4ply	1200	ea	15		
10	Diamond pulley lagging 12mm thick	Various	Various	M ²	2100		
11	Ceramic pulley lagging (labour) Arnot Free issue material Auxiliary belts – 6-off belts	-	1050	ea.	18		
12.1	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 820mm	Face 1300 mm	ea.	3		

12.2	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 680mm	Face 1300 mm	ea.	2		
12.3	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 860mm	Face 1300 mm	ea.	3		
12.4	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 840mm	Face 1300 mm	ea.	3		
12.5	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 600mm	Face 1350 mm	ea.	2		
12.6	Ceramic pulley lagging (labour and material) Coal Stock Yard Belts	Diameter 820mm	Face 1350 mm	ea.	2		
12.7	Ceramic pulley lagging (labour) Arnot Free issue material Coal Stock Yard Belts	Diameter 630mm	Face 1050 mm	ea.	2		
12.8	Ceramic pulley lagging (labour) Arnot Free issue material Coal Stock Yard Belts	Diameter 600mm	Face 1050 mm	ea.	2		
13	Conveyor clip joint (labour per clip joint)	800/4ply	1050	ea.	50		
14	Conveyor clip joint (labour per clip joint)	630/3ply	1200	ea	5		

15	Conveyor clip joint (labour per clip joint)	800/4ply	900	ea	5		
16	Conveyor clip joint (labour per clip joint)	800/4ply	1200	ea	5		
17	Tripper car pulley lagging 12mm thick (material and labour)	circumference	width	ea.	90		
		2.5m	100 mm				
18	Generator 380V		/ Day		10		
19	Monthly conveyor belt inspection with report (Auxiliary belts)		ea		36		
20	Travelling		km		535 000		
	The total of the Prices (excluding VAT):						

Call out: After hours/Weekends/Public Holidays.

Below listed activity rates will comprise of the addition labour costs arising from overtime only.

Splicing in accordance with Eskom standard 240-55864495

Item no	Description	Belt Class	Belt width	u/ m	Quantity	Rate	Price
1	Hot splice (additional labour cost)	800/4ply	1050	ea.	30		
2	Cold Splice (additional labour cost)	800/4ply	1050	ea.	60		
3	Hot splice (additional labour cost)	630/3ply	1200	ea	25		
4	Hot splice (additional labour cost)	800/4ply	900	ea	5		

5	Hot splice (additional labour cost)	800/4ply	1200	ea	5		
6	Splice repair (Cold) (additional labour cost)	800/4ply	1050	ea.	60		
7	Splice repair (Cold) (additional labour cost)	630/3ply	1200	ea	25		
8	Splice repair (Cold) (additional labour cost)	800/4ply	900	ea	5		
9	Splice repair (Cold) (additional labour cost)	800/4ply	1200	ea	5		
10	Diamond lagging 12mm thick	Various	Various	M ²	200		
11	Ceramic pulley lagging (additional labour cost) Auxiliary belts – 6-off belts	Various	Various	ea.	3		
12	Ceramic pulley lagging (additional labour cost) Coal Stock Yard Belts	Various	Various	ea.	3		
13	Conveyor clip joint (additional labour cost)	800/4ply	1050	ea.	200		
14	Conveyor clip joint (additional labour cost)	630/3ply	1200	ea	100		
15	Conveyor clip joint (additional labour cost)	800/4ply	900	ea	20		

16	Conveyor clip joint (additional labour cost)	800/4ply	1200	ea	20		
17	Tripper car pulley lagging 12mm thick (additional labour cost)	circumference	width	ea.	45		
		2.5m	100 mm				
18	Monthly conveyor belt inspection with report (Auxiliary belts) (additional labour cost)	ea			0		0
	The total of the Prices (excluding VAT):						

PART 3: SCOPE OF WORK

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

C3.1: EMPLOYER'S SERVICE INFORMATION

1. Description of the service

1.1 Executive overview

The objective of this contract is for the *Contractor* to provide a 24hour standby service for conveyor belt splicing, splice repair and installation of pulley lagging, as and when required by the *Client*, at Arnot Power Station. The conveyors on-site are divided into coal stockyard, staithes (over and under), and terrace and bunker conveyors.

The *Client's* conveyor systems are regarded as level 1 plant (of highest importance) and therefore, critical to allow normal operations for electricity generation to continue uninterrupted. For this reason the *Contractor* is required to have an effective quality management system in place which is ISO 9001 approved. Furthermore all activities are to be done as per the level of quality management stipulated therein and also according to the Eskom standards 4.2.1 Specifications

The *Contractor* provides a qualified and competent team with all the necessary equipment (including tools and spares) to do conveyor splicing, splice repair, pulley lagging and re-lagging. The *Contractor* is competent and able to do splicing of belts up to and including 1200mm wide. The *Contractor's* team/s is always led by an experienced and competent splice supervisor. Call-outs by Arnot Coal Plant Maintenance (Outside plant & ERI Roshccoal) is done telephonically and the Contractor is expected to report to site within 3 hours for emergency work, otherwise at the time given by the Client for all pre-planned work.

1.2 Employer's requirements for the service

1.2.1 Belt splicing, belt repairs & repairs and pulley lagging

Supplier must ensure that all belt splicing, belt repairs, belt inspections, scrapper repairs and pulley lagging are performed according to the philosophies and recommendations of the original equipment manufacturers and/or the *Employer*. The *supplier* must ensure compliance to the *Employer's* standards, policies and procedures at all times.

The *supplier* provides equipment, tools, special tools and consumables for the effective execution of the *Service*.

The *supplier* provides all necessary resources to provide the *Service*.

The *supplier* to take reasonable care at all times to protect the Coal Plant Systems and all items on site, belonging to the *Employer* from damage while providing the *Service*.

The *supplier* must comply and adhere to Arnot Power Station's maintenance strategies, philosophies, policies and other related maintenance documents.

1.2.2 Breakdowns

This refers to emergency breakdowns requiring immediate action to be taken. It is a corrective maintenance (retro-active strategy) whereby action is only taken when a system or component failure has occurred. The *supplier* will be responsible for arranging all the resources (this include but is not limited to manpower, tools, tools and consumables) required attending to breakdowns. The *supplier* shall provide a 24-hour per day, 7-day per week stand-by service for emergencies/breakdowns/defects of conveyor belt after the *supplier* regular working hours and the *supplier* must be on site within 180 minutes of a call out as and when required.

If the *supplier* does not have a team available at the time of a breakdown he will be responsible to arrange for a sub-contractor(as well as arrange Safety induction with SRM of Arnot Power Station) to do the work

under the same conditions and pricing structure as agreed upon under this contract, unless otherwise agreed with the *Employer*.

In addition to the repair of the breakdown, the *supplier* will also conduct a thorough inspection in order to determine the root cause of the failure. Where necessary, the *supplier* will recommend corrective actions to the *Employer*.

The *supplier* must provide warranties and or guarantees for all the splices, repairs and pulley lagging done on all conveyor belt systems. (Take note All splices done shall be marked and put date on them). If using a knife to carve out the date and other details of the splice – The *Contractor* ensures that the fabric of the belt is not damaged by any means due to marking of the splice on the bottom cover of the belt

The *supplier* will be responsible for the cleaning of the surfaces and surrounding areas on each of the areas where work has to be performed. On completion, all oil, rubble and grease spillages will be properly cleaned and other materials will be removed and disposed of by the *supplier* in accordance with the *Employer's* policies and procedures. In case where the services of a subcontractor have been obtained by the *supplier*, the *supplier* shall also be responsible for the cleaning of the work area.

1.2.3 Conveyor belts at Arnot Power Station

1.2.3.1 Auxiliary Maintenance Conveyor Belts: 26 Belts

1050mm wide 800 4-ply 4mm top cover x 2mm bottom cover belt: (26 Belts)

- 8A/B/C/D/E/F (6-off)
- 13A/B/C/D (4-off)
- 9A/B/C (3-off)
- 14A/B/C (3-off)
- 19BC (2-off)
- 10A/B (2-off)
- 11A/B (2-off)
- 15A/B (2-off)
- 16A/B (2-off)

1.2.3.2 Coal Stockyard Conveyor Belts: 28 Belts

1200mm wide 630 3-ply 4mm top cover x 2mm bottom cover belt: (18 Belts)

- 2A/B (2-off)
- 3A/B (2-off)
- 4A/B (2-off)
- 5A/B (2-off)
- 6A/B (2-off)
- 7A/B (2-off)
- 12A/B (2-off)
- 21C (1-off)
- 17 (1-off)
- 18 (1-off)
- Reclaim 2 (1-off)

1050mm wide 800 4-ply 4mm top cover x 2mm bottom cover belt: (8 Belts)

- 20 (1-off)
- 21A/B (2-off)
- 4C (1-off)

- Reclaim 19 (1-off)
- Stack-out (1-off)
- SR1A (1-off)
- SR1B (1-off)

900mm wide 800 4-ply 4mm top cover x 2mm bottom cover belt: (2 Belts)

- SR2A (1-off)
- SR3A (1-off)

1.2.4 Inspection of fabric plies conveyor belting

The condition of the belting is monitored through basic visual inspection and a report is submitted monthly by the *Contractor*.

2. Management strategy and start up.

2.1 The *Contractor's* plan for the service

The *Contractor* supplies the *Employer* with their *Contractor's* plan. The *Contractor* must submit the *Contractor's* plan at the inception of this contract. The *Contractor's* plan must include but is not limited to the following:

- Quality management system implementation programme.
- A Quality Control Plan (QCP) for each Task Order with hold, witness and verification points for The *Employer* to check and monitor progress. Number of splices present on each of the 54 Conveyor belts and their condition, as well as pulley lagging condition.
- Safety plan including implementation programme.
- Staff Qualifications and experience and/or time frame for appointment of staff.
- A programme and resource schedule for the service and for each Task Order. Bar charts or Other reporting formats, as may be required by the *Employer*, are provided for all Task Orders Indicating start, inspection and completion dates, resources and costs. **For every job done on site in the plant, it will start with Employer's SAP NOTIFICATION number, PM WORK ORDER number creation then Contractor JOB CARD number and to be SIGN ON IT, The Contractor shall enter PM WORK ORDER or NOTIFICATION number on his JOB CARD. PM WORK ORDER, the second operation will be created for the SERVICE PROVIDER to enter his history of what he has done. Both PM WORK ORDER and JOB CARD shall be signed by both parties after the job has been completed.**
 - Names of the possible /potential candidates/employees.
 - Any staff replacement should be accepted by the *Employer* and the replacement must meet the Conditions stipulated above. The Contractor or Service Provider must have a list of all of his/her employees used at Arnot Power Station and make sure have undergone Safety Induction and kept current.

Programmed maintenance will be carried out during the *Contractor's* working hours and as required in terms of the 24 hour standby provision. In case of any major breakdowns and/or when required by the *Employer*, a repair plan of action must be submitted to the *Employer*. Repair work must commence no later than the time agreed between the *Employer* and the *Contractor* on his plan of action.

The following reports are required as supporting documentation to the program:

- Time analysis print-out
- Critical activities report
- Key event report

Planning and scheduling meetings will be held when necessary and the *Employer* will inform the *Contractor* of the format and time of these meetings.

The *Contractor* submits progress reports with copies of occurrence sheets attached. The occurrence sheet

records all events, which may affect the compensation events. The *Contractor* may under no circumstances see or use, the submission of daily occurrence sheets and progress reports, as an Early Warning or Compensation Event notification, in terms of the Term Services Contract (TSC).

If the *Contractor's* available manpower is not sufficient to meet the *Contractor's* plan, the *Contractor* submits labour alert reports for performance of the work.

During the latter stages of completing the *service* and prior to delivering notice of Completion, the *Contractor* submits his plan for demobilisation to the *Service Manager* for acceptance.

The *Contractor* submits a procurement schedule for the procurement and receipt of Equipment and sub-contracts by the *Contractor* and a monthly status report of all such Equipment.

The *Contractor* commences with the work in accordance with the *Contractor's* plan, and completes the *service* not later than the Completion Dates indicated on the *Contractor's* plan.

If the *Contractor* fails to complete any part of the *service* according to the *Contractor's* plan or it becomes apparent to *Service Manager* that the *service* not to be completed according to the *Contractor's* plan and if such failure is due to the *Contractor* then the *Contractor* submits his plan of action to the *Service Manager* to deal with the delay and the *Contractor* reports on the success of his plan of action

2.2 Management meetings

The *Contractor's* representative and *Employer's* representative will hold monthly contract management meetings where all safety, quality and other contract issues will be discussed, which should include the following as a minimum

- 2.2.1 Review the overall performance of the contract.
- 2.2.2 Formulate strategies to address loop holes should they be found.
- 2.2.3 Review contract statutory compliance.
- 2.2.4 The *Contractor* does not procure the services of *Contractors* / vendors / suppliers without the prior approval of the *Employer's Representative*. Furthermore the contract between the *Contractor* and the Sub-*Contractor* must be aligned with this contract.

Meetings of a specialist nature may be convened by either party and at times and locations to suit the Parties, the nature and the progress of the *Service*.

All meetings shall be recorded using minutes and an attendance register (which must be signed by all present) prepared and circulated by the person who convened the meeting. All these documents must be kept safe for the duration of the contract and thereafter stored in the *Employer's* documentation centre. Regular meetings of a general nature may be convened and chaired by the *Service Manager*.

2.3 Documentation control

The standard forms to be used by the *Contractor* in the administration of the contract, such as early warning and compensation event notifications are to be submitted to the *Employer* and shall be on the NEC document format which shall be made available to the *Contractor* by the *Employer*.

2.4 Invoicing and payment

Within two working days of receiving a payment certificate from the *Employer* 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 *Employer's* payment certificate.

The *Contractor* shall address the tax invoice to:

Finance Department (Accounts Payable Section)
Arnot Power Station
P/Bag X02
Rietkuil
1097

and include on each invoice the following information:

- Name and address of the *Contractor* and the *Employer's* rep;
- 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;
- Breakdown of the labour, tools and or equipment used (i.e. hourly rate per person, etc)
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- Order number which will be provided by the *Employer* on a monthly basis

2.4 Services and other things provided by the Employer

The *Employer* shall ensure that the plant is isolated and the permit is issued and accepted before the work commence.

2.5 Management of work done by Task Order

- Work is to be done in accordance with the written Task Order issued by the *Employer*.
- All work done is valued in accordance with the Price List unless otherwise specified. Actual quantities will be determined where applicable based on the requirements of each Task Order. The *Contractor* provides all necessary information required by the *Employer* to determine the cost at the assessment date for monthly costs and for each Task Order.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

- Cost of *Contractor's* medical examination, safety induction are for the *Contractor's* account. All employees on the list must undergo medical examination periodically as required by the Employers Health and Safety risk management systems.
- The *Contractor* is responsible for procurement of Personal Protective Equipment (PPE) and equipment in accordance with the Occupational Health and Safety Act (OHSACT) and site specific requirements, including the use thereof as necessary.
- The *Contractor* to submit material safety data sheets (MSDS) on all hazardous chemical substances to be used on site at the inception of this contract. The *Contractor* will not be allowed to use any hazardous chemical substances on site without permission by the *Employer*. All the chemical substances used in the power station must be in line with Specification for Chemical Products and Material used in a Power Plant (GGSS1181)
- The *Contractor* must familiarise themselves with the waste management policies and procedures at the start of this contract.
- The *Contractor* to ensure that all work performed is according to applicable standards, including, Safety, Health and Environmental Specifications for Contractors which will be supplied by the *Employer*.
- The *Contractor* must submit a safety policy and maintains the safety system until the completion of the whole works. The safety policy will as a minimum, contain PPE information, written safe work procedures, job specific risk assessments, safety meetings, etc. This safety policy must comply to safe working procedures and it must be approved by the *Employer's Representative* prior to the commencement of any work.
- The *Contractor* will be subject to periodic audits by the *Employer* in order to ensure compliance with the policy. Any deviations will be corrected to the *Employer's* satisfaction.
- The *Employer's Representative* has the right to stop the *Contractor's* work activities which, in the opinion of the *Employer's Representative*, is unsafe. The *Contractor* may only continue with work activities when all safety deficiencies have been corrected to the *Employer's Representative's* satisfaction. The *Contractor* shall have no claim against the *Employer* in respect of delay due to the above.
- *Contractor* to conduct job observation to monitor work practices.
The *Contractor* ensures safety awareness at all times through continuous training.
- The *Contractor* will be the *Employer* in terms of the Occupational Health and Safety Act (OHSA) 85

of 1993.

- All of the *Contractor's* staff complies with the Arnot Site health and safety requirements titled "*Contractors' Health and Safety Requirements*."
- In carrying out its obligations to the *Employer* in terms of this contract; in Providing the *works*; in using Plant, Materials and Equipment; and while at the Site for any reason, the *Contractor* complies and procures and ensure the compliance by its employees, agents, Subcontractors and mandataries with:
 - the provisions of the Occupational Health and Safety Act 85 of 1993 (as amended) and all regulations in force from time to time in terms of that Act ("the OHSA"); and
 - The health and safety plan prepared by the *Contractor* in accordance with the SHEQ Requirements.

(The OHSA and Eskom Regulations are collectively referred to as the "SHEQ Requirements".)

- The *Contractor*, at all times, consider itself to be the "*Employer*" for the purposes of the OHSA and shall not consider itself under the supervision or management of the *Employer* with regard to compliance with the SHEQ Requirements, the *Contractor* shall furthermore not consider itself to be a subordinate or under the supervision of the *Employer* in respect of these matters. The *Contractor* shall at all times be responsible for the supervision of its employees, agents, Subcontractors and mandataries and shall take full responsibility and accountability for ensuring they are competent, aware of the SHEQ Requirements and execute the *works* in accordance with the SHEQ Requirements.
- The *Contractor* ensures that all statutory appointments and appointments required by any Eskom Regulations are made and that all appointees fully understand their responsibilities and are trained and competent to execute their duties. The *Contractor* supervises the execution of their duties by all such appointees.
- The *Employer*, or any person appointed by the *Employer*, may, at any stage during the currency of this contract:
 - conduct health and safety audits regarding all aspects of compliance with the SHEQ Requirements, at any off-site place of work, or the site establishment of the *Contractor*;
 - refuse any employee, Subcontractor or agent of the *Contractor* access to the premises if such person has been found to commit an unsafe act or any unsafe working practice or is found not to be qualified or authorised in terms of the SHEQ Requirements;
 - Issue the *Contractor* with a stop order should the *Employer* become aware of any unsafe working procedure or condition or any non-compliance with any provision of the SHEQ Requirements.
- The *Contractor* immediately reports any incident and/or disabling injury as well as any threat to health or safety of which it becomes aware of on the Site to the *Service Manager*.
- The *Contractor* appoints a person, qualified in accordance with the SHEQ Requirements, as the liaison with the Eskom Safety Officer for all matters related to health and safety, this person shall be contactable 24 hours a day.
- The *Contractor* confirms that provided with sufficient written information regarding the health and safety arrangements and procedures applicable to the *service* to ensure compliance by it and all employees, agents, Subcontractors or mandataries with the SHEQ Requirements while providing the *service* in terms of this contract. As such, the *Contractor* confirms that this contract and the relevant Eskom Regulations referred to in this contract constitute written arrangements and procedures between the *Contractor* and the *Employer* regarding health and safety for the purposes of section 37(2) of the OHSA.
- The *Contractor* agrees that the *Employer* is relieved of any and all of its responsibilities and liabilities in terms of Section 37(1) of OHSA in respect of any acts or omissions of the *Contractor*, and the *Contractor's* employees, agents or Subcontractors, to the extent permitted by the OHSA.

The *Contractor* hereby indemnifies the *Employer* and holds the *Employer* harmless in respect of any and all loss, costs, claims, demands, liabilities, damage, penalties or expense that may be made against the *Employer* and/or suffered or incurred by the *Employer* (as the case may be) as a result of, any failure of the *Contractor*, its employees, agents, Subcontractors and/or mandatories to comply with their obligations in terms of Section 37(1) of OHSA, and/or the failure of the *Employer* to procure the compliance by the *Contractor*, its employees, agents, Subcontractors and/or mandatories with their responsibilities and/or obligations in terms of or arising from the OHSA

3.2 Environmental constraints and management

- The *Contractor* will implement an Environmental Management System (EMS) and will maintain the EMS until the completion of the whole of the works. The EMS will be to the *Employer's* satisfaction and will be accepted prior to the commencement of any work on site.
- The *Contractor* will be subject to periodic audits by the *Employer* in order to ensure compliance with the EMS. Any deviations will be corrected to the *Employer's* satisfaction.
- Furthermore, the *Contractor* will be familiar with and comply with Arnot Power Station's environmental management policies and procedures. In particular, attention is drawn to Arnot Power Station's environmental non-conformance procedure, waste management procedure and spill clean-up procedure.
- The *Contractor* meets the following environmental requirements:
 - a) Storm water
The *Contractor* ensures that clean and polluted storm water is and remains separated. All drains are cleaned on a scheduled basis to ensure the drains working at all times
 - b) Contaminated soil
All contaminated soil outside the contained stock yard is removed and dumped at an approved and demarcated area.
 - c) Redundant Plant and Materials
Redundant Plant and Materials is removed from Site to the reclamation yard using the appropriate procedures. The *Employer's Representative* provides approval for all material to be removed from site to the reclamation yard.
 - d) General Control of Site Activities
The site is controlled in an environmentally responsible manner. Note the following: Noise and pollution levels for all construction equipment is monitored and managed. Equipment with oil leaks, excessive emission, or unacceptable noise levels are repaired or removed from site. Temporary services are maintained in a good and proper manner.
 - e) Plant and material wash-down facilities, wash down of plant and material can only be done in areas designated by the *Employer's Representative*.

3.3 Quality assurance requirements

- The *supplier* implements a quality system and maintains the quality system until the completion of the whole of the *Works*. The system, will as a minimum, comply with the provisions of the ISO9001:2008 standard and Contract Quality Management The system will be to the *Employer's* satisfaction and will be accepted prior to the commencement of any work on site.
- The *Contractor* is responsible for defining the level of Quality Control Plan (QCP) or inspections to be imposed. The level should be based on criticality of plant and material and must be submitted to the *Employer's Representative* for acceptance prior to the commencement of any work activities.
- The *Contractor* compiles a data package of relevant drawings, test certificates, design checks and other technical information for each section of work or Task Order which is to be reviewed and signed off by the *Employer's Representative*
- The *Contractor* will be subject to periodic audits by the *Employer* in order to ensure compliance with the system. Any deviations will be corrected to the *Employer's* satisfaction.

- The *Employer's Representative* has the right to stop the *Contractor's* work activities which, in the opinion of *Employer's Representative*, does not meet the requirements of the system and will have a detrimental effect on plant performance.
- The *Contractor* may only continue with work activities when all deficiencies have been corrected to the applicable standard. The *Contractor* shall have no claim against the *Employer* in respect of delay due to the above.
- The *Contractor* ensures that all plant and materials for the *service* are to the standard and quality accepted by the *Employer* and ensures that they are suitable for the purpose intended by the manufacturer. **If the job fails while job still under guarantee, the *Contractor* will be liable for the repairs with no cost from *Employer*.**
- Testing of belt strength to be done on all cold and hot splices by the *Contractor* and certificate issued to *Employer*
- The *Contractor* will work according to the *Employer's* standards, specifications, guidelines and procedures. Where no standards, specifications, guidelines and procedures are available, the *Contractor* will work according to the Generation Quality manual and professional guidelines. Where possible, standards will be reflected in the Task Order.

4. Procurement

4.1 Subcontracting

- All Subcontractors are to be *Employer* approved *Contractors* / vendors / suppliers. If the *Contractor* is uncertain of the approval status of the *Contractors* / vendors / suppliers the *Contractor* formally requests from the *Service Manager* confirmation of the status.
- The *Contractor* does not procure the services of *Contractors* / vendors / suppliers without the prior approval of the *Service Manager*. Furthermore the contract between the *Contractor* and the subcontractor must be aligned with these contracts.
- No work shall commence without all employees having done safety and medical checks prescribed by the *Employer*.
- The *Contractor* must submit a safety file at the inception of this contract.
- The *Contractor* complies with all site regulations issued by the *Employer*.

4.2 Plant and Materials

4.2.1 Specifications

Number	Title	Issued by
Act 85 of 93	Occupational Health and Safety Act	<i>Contractor</i>
240-55864509	Ceramic Lagging for Pulleys Specification	<i>Employer</i>
240-55864495	On-Site Splicing of Plied Textile Conveyor Belting Procedure	<i>Employer</i>
SANS 1669-2	Conveyor belt pulleys Part 2: Lagging	<i>Employer</i>

Note: These documents and standards may be reviewed from time to time. In all cases, the latest revision will be applicable, unless the *Employer* indicates otherwise in writing.

4.2.2.1 Lagging

The contractor does lagging as per the details below

- For drive pulleys – Ceramic lagging of pulleys shall conform to latest revision of SANS 1669-2 Conveyor belt pulleys Part 2: Lagging.
- For other pulleys – Diamond Rubber lagging of pulleys shall conform to latest revision of SANS 1669-2 Conveyor belt pulleys Part 2: Lagging.

5. Working on the Affected Property

5.1 Supply of 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*.

The *Employer* guarantees power supply quality and reliability. No guarantees of power supply quality are given and power supply breaks 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.

5.2 Lighting

Temporary local lighting in accordance with the requirements of the Factories Inspector is provided by the *Contractor* at his own expense. No local lighting will be provided by the *Employer* except for the existing lighting in the relevant areas where the conveyors and pulleys are located.

5.3 Compressed Air

The *Contractor* uses his own compressor for compressed air usage during the *Works*.

5.4 Water

The *Service 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.

5.5 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 *Service Manager* from damage caused to underground services, structures, etc as a result of the *Contractor* not using the prescribed routes is recovered from the *Contractor*.

5.6 Sanitary facilities

All the *Contractor's* personnel are expected to make use of the Station Terrace sanitary facilities.

5.7 Equipment

Any Equipment, or appliances, used by the *Contractor* conforms to the applicable OHS Act safety standards and is maintained in a safe and proper working condition. The *Service Manager* has the right to stop the *Contractor's* use of any Equipment which, in the opinion of *Service Manager*, does not conform to the foregoing.

5.8 Lay down

No Plant, Material and Equipment lay down areas are permitted on the terrace. The *Contractor* delivers all Plant, Materials and Equipment to the point of erection as and when needed. Plant, Materials and Equipment not used within 14 days are removed from the terrace and stored in the site yard.

5.9 Site regulations

Note that the speed limit on the site is 40 km/h. The vehicle permit of any persons contravening any traffic act on site is cancelled.

5.10 General

The *Contractor* complies with the Arnot Site Regulations, a copy of which is available for perusal at the *Service Manager's* offices.

Any subject within the authority of the *Service Manager* may be addressed by a Site Regulation. Before work starts on Site, an inaugural meeting is held with the *Contractor* and the *Service Manager*, to explain in detail all requirements of the Site Regulations.

The *Contractor* is issued with a file of current Site Regulations on arrival. The file remains the property of the *Service Manager* and the *Contractor* is responsible for its maintenance and updating to include new or revised regulations as issued by the *Service Manager* during this contract.

5.11 Permits

No work commences without the acceptance of the permit to work by the *Employers* Responsible Person (RP) and all workers sign the workman's register.

5.12 Communication and correspondence

All correspondence includes:

- Arnot Power Station
- *Employer's* Contract number
- Contract description
- Correspondence subject matter
- Project Manager's name and contact details
- *Contractor* contact details
- Date

Where appropriate the correspondence includes the *Service Manager's* reference and is delivered as a single package.

All communications from the *Contractor* are numbered sequentially with a prefix as advised by the *Service Manager*. The *Service Manager* responds in like manner. The prefix and numbering system is decided upon at the Inaugural meeting

5.13 Accommodation and transportation

The *Contractor* provides his own accommodation and transport for all his employees engaged in the execution of the works. This includes the needs of his *Subcontractors*. The cost for accommodation, as well as for transportation to and from Site is included in the Prices.

5.14 Contractor's organisation

The *Contractor* submits a project organogram to the *Service Manager* for acceptance, indicating the *Contractor's* and the *SubContractors* employees.

5.15 Security

The *Contractor* provides security necessary for the protection of the works at all times until the Completion of the whole of the works.

The *Contractor* is informed of the access procedures through Site Regulations and note that such procedures may change depending on the prevailing security situation.

All persons entering the Arnot Site pass through the control points at the main access gate and are required to have temporary permits that are issued to *Contractor's* staff on request. All persons submit ID documents with the application for temporary permits. If it is necessary to bring Equipment onto site a list is submitted which is verified by security staff prior to Equipment entering the security area.

If any *Contractor's* staff are transferred from Arnot or leave Site, the person's permit is handed over to the Supervisor. The *Contractor* ensures that personnel leaving site are transported out of the security area and that the permit is returned.

No firearms, weapons, alcohol, illegal substances and cameras (including cell phones with cameras) are permitted on Site. No 'Private Work' is carried out for or on behalf of any Eskom employee. Any person

suspected of being under the influence of alcohol is tested and if proved positive, is refused entry to the security area.

5.16 Environment

The *Contractor* complies with Arnot Power Station environmental management system. This includes the identification, collection, storage, transportation and disposal of waste. Hazardous waste shall be disposed off in line with the applicable environmental legislation. It is important to note that all spillages must be cleaned immediately and reported to the project manager as soon as possible. It is the responsibility of the polluter to clean all spillages and for the rehabilitation of the polluted land.

5.17 Employer's Working Hours (For information only)

The normal working hours are as follows:

Mondays – Thursdays: 07h00 – 16h15

Fridays: 07h00 – 12h00

Lunch breaks are 30 minutes from 12h00

5.18 Medical Facilities

Ambulance and first aid facilities are available on the Main Station Terrace.

5.19 Safety and Accident Prevention

The *Contractor* will be familiar with and comply with Arnot Power Station's safety policies and procedures. Furthermore, the *Contractor* will comply with the provisions of the Occupational Health and Safety Act and in particular, the provisions of the Construction Regulations.

The *Employer* follows an accident prevention policy that includes the investigation of all accidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incidents. The *Contractor* is expected to fully co-operate to achieve this objective. The *Contractor* will report any incident and accidents to Arnot Power Station within 24 hours.

NOTE! This report does not relieve the *Contractor* of his legal obligation to report certain incidents to the Department of Labour, or to keep records in terms of the Occupational Health and Safety Act, and Compensation for Occupational Injuries and Diseases Act.

5.20 Confidentiality

This document in its entirety is for the sole use of the *Employer*. No part of this document may be discussed, distributed, disseminated, copied or transmitted in any form to any third party without the prior consent of the *Employer*.

5.21 Records of Contractor's Equipment

All materials, Tools and Equipment brought onto site are the responsibility of the *Contractor*, and shall comply with the *Employer's* policies and procedures. A proper system of recording these materials, tools and equipment must be in place and submitted for approval by the *Service Manager*. Differentiation must be made between materials, tools and equipment owned or hired by the *Contractor*.

5.22 Equipment provided by the Employer

The *Contractor* may use any Equipment he sees fit for the purpose as long as the use thereof does not damage or interfere with any Plant, buildings or roads. All equipment used shall be in good order and comply with all the relevant safety rules and regulations.

6. List of drawings

Drawings can be made available on request.