



## NEC3 Term Service Contract (TSC3)

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

and

for **The Maintenance and Repairs on Ducting and  
Dampers on an "as and when required" basis at  
Arnot Power Station for a period of three (3) years**

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**CONTRACT No.**

## **PART C1:      AGREEMENTS & CONTRACT DATA**

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# C1 Agreements & Contract Data

## 1. C1.1 Form of Offer and Acceptance

### 2. Offer

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

**The Maintenance and Repairs on Ducting's and Dampers on an "as and when required" basis at Arnot Power Station for a period of three (3) years.**

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 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.

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)	

This Offer may be accepted by the Employer 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 Contractor in the conditions of contract identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the  
tenderer:**

*(Insert name and address of organisation)*

Name &  
signature of  
witness

Date

Tenderer's CIDB registration number:

### 3. 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 1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)

Part 2 Pricing Data

Part 3 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 Tender 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, 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 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 copy of this document, including the Schedule of Deviations (if any) together with all the terms of the contract as listed above.

Signature(s)

Name(s)

Capacity

**for the  
Employer**

*(Insert name and address of organisation)*

Name &  
signature of  
witness

Date

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

## 4. Schedule of Deviations

**Note:**

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

No.	Subject	Details
1	N/A	N/A

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

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

### 5. For the tenderer:

Signature \_\_\_\_\_

Name \_\_\_\_\_

Capacity \_\_\_\_\_

On behalf of \_\_\_\_\_  
(Insert name and address of organisation)

Name & signature of witness \_\_\_\_\_

Date \_\_\_\_\_

### 6. For the Employer

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Insert name and address of organisation)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## C1.2 TSC3 Contract Data

### Part one - Data provided by the *Employer*

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

Clause	Statement	Data
1	<b>General</b>	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		<b>A: Priced contract with price list</b>
	dispute resolution Option	<b>W1: Dispute resolution procedure</b>
	and secondary Options	
		<b>X1: Price adjustment for inflation</b>
		<b>X2: Changes in the law</b>
		<b>X17: Low service damages</b>
		<b>X18: Limitation of liability</b>
		<b>X19: Task Order</b>
		<b>Z: Additional conditions of contract</b>
	of the NEC3 Term Service Contract (June 2005) <sup>1</sup>	
10.1	The <i>Employer</i> is (name):	<b>Eskom Holdings SOC Limited (Reg No: 2002/015527/06), a juristic person incorporated in terms of the company laws of the Republic of South Africa</b>
	Address	<b>Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg</b>
	Tel No.	<b>013 693 2093</b>
	Fax No.	<b>086 662 3162</b>
10.1	The <i>Service Manager</i> is (name):	<b>Nigel Walters</b>
	Address	<b>Arnot Power Station</b>
	Tel	<b>( 013) 297 9123</b>
	Fax	<b>086 662 3162</b>
	e-mail	<a href="mailto:walternt@eskom.co.za"><b>walternt@eskom.co.za</b></a>
11.2(2)	The Affected Property is	<b>Arnot Power Station</b>

<sup>1</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

11.2(13)	The <i>service</i> is	Maintenance and Repairs on Ductings and Dampers at Arnot Power Station
11.2(14)	The following matters will be included in the Risk Register	the document called 'Service Information' in Part 3 of this contract.
11.2(15)	The Service Information is in	walternt@eskom.co.za
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	48 hours
2	<b>The Contractor's main responsibilities</b>	
21.1	The <i>Contractor</i> submits a first plan for acceptance within	1 week of the Contract Date
3	<b>Time</b>	
30.1	The <i>starting date</i> is.	01 January 2024
30.1	The <i>service period</i> is	36 months
4	<b>Testing and defects</b>	
		No data is required for this section of the <i>conditions of contract</i> .
5	<b>Payment</b>	
50.1	The <i>assessment interval</i> is	26 <sup>th</sup> day of each 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	One month after the assessment date.
51.4	The <i>interest rate</i> is	(i) zero percent above the publicly quoted prime rate of interest (calculated on a 365 day year) charged by from time to time by the Standard Bank of South Africa (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and  (ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the

Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted *mutatis mutandis* every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.

6	<b>Compensation events</b>	(If the optional statement for this section is not used, no data will be required for this section)
	These are additional compensation events:	1 [N/A]
7	<b>Use of Equipment Plant and Materials</b>	No data is required for this section of the <i>conditions of contract</i> .
8	<b>Risks and insurance</b>	
80.1	These are additional <i>Employer's</i> risks	1. Late access on the plant 2. Interaction with other contractors
83.1	The <i>Employer</i> provides these insurances from the Insurance Table	as stated for "Format TSC3" available on <a href="http://www.eskom.co.za/live/content.php?Item_ID=9248">http://www.eskom.co.za/live/content.php?Item_ID=9248</a> (See Annexure A for basic guidance).
83.1	The <i>Employer</i> provides these additional insurances	as stated for "Format TSC3" available on <a href="http://www.eskom.co.za/live/content.php?Item_ID=9248">http://www.eskom.co.za/live/content.php?Item_ID=9248</a> (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 <a href="http://www.eskom.co.za/live/content.php?Item_ID=9248">http://www.eskom.co.za/live/content.php?Item_ID=9248</a>
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 <a href="http://www.eskom.co.za/live/content.php?Item_ID=9248">http://www.eskom.co.za/live/content.php?Item_ID=9248</a>
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	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



in connection with this contract for any one event is:

the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..

<b>9</b>	<b>Termination</b>	The following clauses of the NEC TSC applies Clause 90.1 Clause 90.3 : Reason 2, Reason 3 and Reason 4. Clause 90.5 : Reason 8		
<b>10</b>	<b>Data for main Option clause</b>			
<b>A</b>	<b>Priced contract with price list</b>			
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	2 weeks.		
<b>11</b>	<b>Data for Option W1</b>			
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.		
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 <a href="http://www.jointcivils.co.za">www.jointcivils.co.za</a> )		
W1.4(2)	The <i>tribunal</i> is:	arbitration		
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.		
	The place where arbitration is to be held is	South Africa		
	The person or organisation who will choose an arbitrator	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
	- if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is			
<b>12</b>	<b>Data for secondary Option clauses</b>			
<b>X1</b>	<b>Price adjustment for inflation</b>			
X1.1	The <i>base date</i> for indices is			
	The proportions used to calculate the Price Adjustment Factor are:	propor tion	linked to index for	Index prepared by
		80%	Labour table C3	Selfsa Table
		10%	Transport table L2	Selfsa Table
				Selfsa Table

		The service provider is invited to submit a its own escalation proposal if required
<b>X2</b>	<b>Changes in the law</b>	<b>No data is required for this Option</b>
<b>X17</b>	<b>Low service damages</b>	<b>Rework penalty</b>
X17.1	The <i>service level damages</i>	Any defects on the unit after outage within 2 months will incur a penalty of 0.5% and any corrective maintenance activities within the period of 3 months will incur a penalty 0.5% of the task order or for each item
		<b>Delay delivery</b> 3% per week per valve or item on the task order
		<b>The service damages are limited to 10% of the Contract Value.</b>
<b>X18</b>	<b>Limitation of liability</b>	
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	<b>R0.0 (zero Rand)</b>
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	<b>the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on <a href="http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a></b>
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	<b>The greater of</b> <ul style="list-style-type: none"> <li>• the total of the Prices at the Contract Date and</li> <li>• 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 <a href="http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a></li> </ul>
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	<b>the total of the Prices other than for the additional excluded matters.</b>  <b>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</b>  <b>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</b> <ul style="list-style-type: none"> <li>• Defects due to his design, plan and specification,</li> </ul>

- Defects due to manufacture and fabrication outside the Affected Property,
- loss of or damage to property (other than the *Employer's* 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	<b>12 months after the end of the <i>service period</i>.</b>
<b>X19</b>	<b>Task Order</b>	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	<b>2 days of receiving the Task Order</b>
<b>Z</b>	<b>The <i>additional conditions of contract</i> are</b>	<b>Z1 to Z11 always apply.</b>

## **Z1 Cession delegation and assignment**

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

## **Z2 Joint ventures**

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

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

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Service.

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

## **Z4 Ethics**

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

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

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

## **Z5 Confidentiality**

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

## **Z6 Waiver and estoppel: Add to core clause 12.3:**

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

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

- Z7.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the “Principal Contractor” (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) (“the Construction Regulations”) for the Affected Property;
  - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
  - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor’s* direction and control, likewise observe and comply with the foregoing.
- Z7.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor’s* direction and control, likewise observe and comply with the foregoing.

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

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

**Z9 Notifying compensation events**

- Z9.1 Delete the last paragraph of core clause 61.3 and replace with:

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

**Z10 Employer’s limitation of liability**

- Z10.1 The *Employer’s* liability to the *Contractor* for the *Contractor’s* indirect or consequential loss is limited to R0.00 (zero Rand)

Z10.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to 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 business rescue order granted against it.

**Z12 SD & L functionary**

### **Skills**

### **Corporate Social Investment**

The successful tenderer shall be expected to select from predetermined list and fund a CSI Project as a direct beneficiation of the Local to site communities of Rietkuil or the surrounding areas that are **within 60km** radius from Arnot Power Station.

### **Job Creation**

Tenderers to source general labourers from communities that are **within 50km** radius from Arnot Power Station.

### **Sub-Contract**

Tenderers shall sub-contract 30% of the contract value. This should include the activities to be subcontracted to EME and QSE entities that are more than 51% black owned and residing within the previously disadvantaged communities. The selection of the subcontractors shall be done in consultation with SD & L functionary.

## 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. The Contractor must obtain its own advice. 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/Tenders/InsurancePoliciesProcedures/Pages/EIMS\\_Policies\\_From\\_1\\_April\\_2014\\_To\\_31\\_March\\_2015.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx)

## C1.2 Contract Data

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

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:	ref to the scope
21.1	The plan identified in the Contract Data is contained in:	-
24.1	The key people are:  1 Name:  2 Name:	CV's (and further key person's data including CVs) are in the file.
<b>A</b>	<b>Priced contract with price list</b>	
11.2(12)	The <i>price list</i> is in	<b>Page 12</b>
11.2(19)	The tendered total of the Prices is	(in words)



**PART 2: PRICING DATA**  
**TSC3 Option A**

<b>Document reference</b>	<b>Title</b>	<b>No of pages</b>
C2.1	Pricing assumptions: Option A	2
C2.2	The <i>price list</i>	5

## C2.1 Pricing assumptions: Option A

### How work is priced and assessed for payment

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

<b>Identified and defined terms</b>	11 11.2	(12) The Price List is the <i>price list</i> unless later changed in accordance with this contract.  (17) The Price for Services Provided to Date is the total of <ul style="list-style-type: none"><li>the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and</li><li>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.</li></ul> (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.
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This confirms that Option A is a priced contract where the Prices are derived from a list of items of service which can be priced as lump sums or as expected quantities of service multiplied by a rate or a mix of both.

### Function of the Price List

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

### Link to the *Contractor's* plan

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

### Preparing the *price list*

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

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

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;

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

## Format of the *price list*

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

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

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

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

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

## C2.2 the *price list*

### LABOUR PRICELIST

No	Resources	Normal/Rate	Sat/Rate	Sunday/rate
1	Site establishment			
2	Site de-establishment			
3	Site Manager			
4	Site Supervisor			
5	Clerk Admin			
6	Storeman			
7	Driver			
8	B Class Welder			
9	Boiler Maker			
10	Fitter			
11	Rigger			
12	General Worker			
13	Safety Officer			
14	Quality Control Officer			

- The rates to include Transport and Accommodation
- All rates exclude VAT.
- Rates will be fixed for the first year. 10% will be fixed and 90% will be increased with CPI for the second and third year

<b>Document reference</b>	<b>Title</b>	<b>No of pages</b>
	This cover page	1
C3.1	<i>Employer's Service Information</i>	18
C3.2	<i>Contractor's Service Information</i>	1
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## C3.1: EMPLOYER'S SERVICE INFORMATION

### Contents

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Otherwise insert list of contents manually.

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## C3: Scope of Work

### C3.1 Service Information

The *Contractor* maintains the Ductings and Dampers. The *Contractor* is on stand-by for 7 days a week for any unforeseen break down.

The service comprises:

- Supply of all the required tools to do the work
- Supply of all labour

**The Maintenance and Repairs on Ducting and Dampers on an “as and when required” basis at Arnot for a period of three (3) years.**

#### Exclusions:

- Instrumentation
- Motors

#### Inclusions:

- Wind boxes
- FFP Plant
- Lockheed Hydraulic system

### DECOMMISSIONING AND PRESEVATION

- **Draught group ducting** - positive furnace pressure test to identify leaks
- **Dampers** -damper issues and defects to be noted during shut down
- **Gas ducting** - conduct pre-outage duct leakage tests
- **FFP dirty flue gas distribution screens and stay bars** - Visual inspection for wear, repair the damaged cross bars, displaced and worn screens and all the steelwork repairs that is worn must be repaired.
- **FFP dirty flue gas distribution screens and stay bars** - Visual inspection for wear. Repair the damaged cross bars, displaced and worn screens and all the steelwork repairs that is worn must be repaired



COMPONENT DESCRIPTION	ACTIVITY TYPE (INSPECTION / TEST / REFURBISH / REPLACE)
Air Heater Gas Inlet & Outlet Expansion Joints	Open expansion joint from inside and outside. Replace Gas Inlet and Outlet joint Replace and repair cover plate. Close expansion joint from outside
Air Heater crossover duct expansion joint	Open expansion joint from inside and outside. Replace joint Replace and repair cover plate. Close expansion joint from outside
Air Heater stays and stay erosion protection	Repair damage to all stays and stay erosion protection plates
Air Heater inlet and outlet ducting (including bypass ducts)	Visually inspect ducting for erosion and holes Do spot checks on WT of ducting in areas where erosion is present Window cut-out repair areas where erosion is identified and where WT is less than 3mm
Air Heater duct structural supports and braces	Visually inspect for wear and cracks Repair all supports and braces
Air heater Gas Outlet turning vanes	Repair eroded vanes Replace missing vanes Secure loose vanes Ensure leading edge of vane is parallel with flow path
Air Heater gas inlet and gas outlet thermocouples	Repair damage to thermocouple shielding inside air heater Replace shielding if missing
FFP Inlet duct	Visually inspect ducting for erosion and holes Do spot checks on WT of ducting in areas where erosion is present Window cut-out repair areas where erosion is identified and where WT is less than 3mm
FFP inlet duct structural support	Replace damaged stays and stay protections
FFP Outlet duct to ID Fan Inlet	Visually inspect ducting for erosion and holes Do spot checks on WT of ducting in areas where erosion is present - Window cut-out repair areas where erosion is identified and where WT is less than 3mm
FFP inlet & outlet duct expansion joints	Open expansion joints from inside and outside Replace joints Replace cover plate Repair cover plate Close expansion joints
FFP Inlet & Outlet duct turning vanes	Repair eroded vanes Replace missing vanes Secure loose vanes Ensure leading edge of vane is parallel with flow path
ID Fan Inlet Crossover duct	Visually inspect internally Window cut-out repair areas where erosion is identified Check if blanking of duct is still secure and in place
ID Fan discharge ducting	Visually inspect ducting for damage Window cut-out repair areas where erosion is identified
ID fan discharge turning vanes	Repair eroded vanes Replace missing vanes Secure loose vanes Ensure leading edge of vane is parallel with flow path
ID Fan Discharge expansion joint	Open expansion joints from outside Visually inspect expansion joints Repair holes in joint Replace joints if not repairable Replace cover plate Repair cover plate
Economiser expansion joints	Replace expansion joints
Economizer outlet duct	Visually inspect for erosion damage. Window cut-out repair areas where erosion is identified Blank off old O2 probe holes
Economizer Hoppers	Repair hopper walls and top flanges Visually inspect condition of rubber expansion joint Replace if joint is damaged
Air Heater Gas Inlet & Outlet Expansion Joints	Open expansion joint from inside and outside. Replace Gas Inlet and Outlet joint Replace and repair cover plate. Close expansion joint from outside

COMPONENT DESCRIPTION	ACTIVITY TYPE (INSPECTION / TEST / REFURBISH / REPLACE)
Air Heater Gas Inlet & Outlet Expansion Joints	Open expansion joint from inside and outside. Replace Gas Inlet and Outlet joint Replace and repair cover plate. Close expansion joint from outside
Air Heater crossover duct expansion joint	Open expansion joint from inside and outside. Replace joint Replace and repair cover plate. Close expansion joint from outside
Air Heater stays and stay erosion protection	Repair damage to all stays and stay erosion protection plates
Air Heater inlet and outlet ducting (including bypass ducts)	Visually inspect ducting for erosion and holes Do spot checks on WT of ducting in areas where erosion is present Window cut-out repair areas where erosion is identified and where WT is less than 3mm
Air Heater duct structural supports and braces	Visually Inspect for wear and cracks Repair all supports and braces
Air heater Gas Outlet turning vanes	Repair eroded vanes. Replace missing vanes. Secure loose vanes Ensure leading edge of vane is parallel with flow path
Air Heater gas inlet and gas outlet thermocouples	Repair damage to thermocouple shielding inside air heater. Replace shielding if missing
FFP Inlet duct	Visually inspect ducting for erosion and holes Do spot checks on WT of ducting in areas where erosion is present Window cut-out repair areas where erosion is identified and where WT is less than 3mm
FFP inlet duct structural support	Replace damaged stays and stay protections
FFP Outlet duct to ID Fan Inlet	Visually inspect ducting for erosion and holes. Do spot checks on WT of ducting in areas where erosion is present. Window cut-out repair areas where erosion is identified and where WT is less than 3mm
FFP inlet & outlet duct expansion joints	Open expansion joints from inside and outside. Replace joints. Replace cover plate Repair cover plate. Close expansion joints
FFP Inlet & Outlet duct turning vanes	Repair eroded vanes. Replace missing vanes. Secure loose vanes Ensure leading edge of vane is parallel with flow path
ID Fan Inlet Crossover duct	Visually inspect internally Window cut-out repair areas where erosion is identified Check if blanking of duct is still secure and in place
ID Fan discharge ducting	Visually inspect ducting for damage Window cut-out repair areas where erosion is identified
ID fan discharge turning vanes	Repair eroded vanes. Replace missing vanes. Secure loose vanes Ensure leading edge of vane is parallel with flow path
ID Fan Discharge expansion joint	Open expansion joints from outside. Visually inspect expansion joints. Repair holes in joint Replace joints if not repairable. Replace cover plate. Repair cover plate
Economiser expansion joints	Replace expansion joints
Economizer outlet duct	Visually inspect for erosion damage. Window cut-out repair areas where erosion is identified. Blank off old O2 probe holes
Economizer Hoppers	Repair hopper walls and top flanges. Visually inspect condition of rubber expansion joint Replace if joint is damaged
Windbox expansion joints	Replace cloth expansion joints with Stainless Steel expansion joints. Lagging and cladding on windboxes needs to be stripped. Ducting needs to be cut back and flanges welded on as per drawing. The necessary drain lines on the rear of the boiler need to be cut to allow access for joint replacement. Drain lines to be reinstalled after work is complete. Install Stainless Steel expansion joints.
Bus main duct	Visually Inspect for damage. Repair damage found. Replace hopper drain pipes (front and back). Repair hopper walls. Remove ash build up inside duct
Bus main duct expansion joints	Do first line inspection on joints, might have to be opened from outside to prevent loosening of joint. Remove expansion cover plates. Visually inspect expansion joints Repair joints. Replace cover plates
Bus Main duct turning vanes	Repair eroded vanes,. Secure loose vanes
Ring main duct	Visually Inspect for damage. Repair damage found Clean ash build up inside duct

COMPONENT DESCRIPTION	ACTIVITY TYPE (INSPECTION / TEST / REFURBISH / REPLACE)
Ring main duct expansion joints	Do first line inspection on joints, might have to be opened from outside to prevent loosening of joint. Remove expansion cover plates Visually inspect expansion joints. Repair joints. Replace cover plates
Air Heater Air Inlet turning vanes	Inspect vanes for looseness and cracks Secure loose vanes and repair cracks
Air Heater Air Outlet turning vanes	Inspect vanes for looseness and cracks. Secure loose vanes and repair cracks
Duct hangers	Visually Inspect Report. Repair or replace as required
ID fan discharge dampers (12 off) linkages/bushes/Actuator	Cut hole in duct so damper blades are visible Close hole with new plate and seal weld after stroking is complete. Stroke Check Check operation for full open and full close. Remove hydraulic cylinder Repair oil leaks on Lockhyd components Visually inspect damper link-arm to actuator shaft. Check bush condition and replace worn bushes.Repair/replace limit switches and cabling
Air Heater Outlet/FFP inlet dampers (20 off )/ linkages/bushes/Actuator	Replace 10 off damper blades and shafts Repair 10 off damper blades and shafts. Replace all damper external links and swivel arms with new ones Create 20 off damper shaft half-moons, with hard face welding on the front Hard face welding on top of plate covering damper shaft connecting bolts. Replace worn bushes Remove actuator Visually inspect damper link-arm to actuator shaft Install actuator Stroke Check. Check operation for full open and full close
FFP outlet/ID fan inlet dampers (12 off) linkages/bushed/Actuator	Visually Inspect for wear.Repair Stroke Check. Check operation for full open and full close Replace worn bushes. Remove actuator Visually inspect damper link-arm to actuator shaft. Install actuator. Visually inspect actuator for damage. Check operation for full open and full close
Lockheed Hydraulic System	Replace Flex hoses on ID and FD fan discharge dampers Drain hydraulic oil from tank. Inspect tank internally and clean. Sandblast and repaint if rust is found on the inside. Disconnect hydraulic piping and flush to clear any foreign objects. Remove motors and pumps and overhaul. Replace couplings. Overhaul Nitrogen buffer cylinder. Replace Isolation Valve on Nitrogen buffer cylinder. Clean oil level gauge glass. Replace if required. Repair oil leaks on pumps, tank and piping. Replace all oil seals. Replace both PRV Replace breather. Replace oil filters with new. Replace Isolation Valve for oil tank and oil delivery line. Reassemble tank and tank components. Check condition of accumulator priming line isolation valve. Replace if required. Connect all piping. Refill tank with correct oil. Ensure pump rotation correct after reassembly. Ensure hydraulic pressure correct. Set oil pressure relief valves. Charge nitrogen buffer cylinders during commissioning

**FLUE GAS DUCTING SCOPE OF WORK**

COMPONENT DESCRIPTION	ACTIVITY TYPE (INSPECTION / TEST / REFURBISH / REPLACE)
FFP dirty flue gas distribution screens and stay bars	Visual inspection for wear. Repair the damaged cross bars, displaced and worn screens and all the steelwork repairs that is worn must be repaired.
Casing	-Check for damage and repair the tube plate after all bags are removed. -Weld the former vent fans ducting's. Weld from the internal casing roof. - Repair roof FFP casing leaks and ducting leading to the dampers. Spray water to identify leaks immediately after gas pass PTW issue and after repairs - Joints between the steel and concrete structure to be repaired.
Air Heater stays and stay erosion protection	Repair damage to all stays and stay erosion protection plates

### C3.3 Reports

- a. The *Contractor* submits two hard copies of a technical report to Employer's Agent, after maintenance within a period of one (1) week.
- b. The reports include the following as a minimum:
  - Defects and deviations noted.
  - Spares used for each maintenance interval.
  - Highlights of problematic areas and proposed interventions.

## 3. Constraints on how the *Contractor* Provides the Service

### 3.1 Meetings

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	Monthly on the last Thursday at 14:00	Employer's Agent office	<i>Employer's agent,, Contractor, Buyer and Supervisor</i>
Overall contract progress and feedback	Monthly on the last Thursday at 14:00	Employer's Agent office	<i>Employer's Agent, Contractor</i>
Contractor safety meeting	Monthly	Employee's site office	<i>Employer's Agent, Contractor</i>
Toolbox talk	Daily	Employee's site office	<i>Contractor's employees</i>

### 3.2 Use of standard forms

All communication regarding contract administration is in the approved NEC format.

### 3.3 Invoicing and payment

In terms of core clause 50 the *Contractor* assesses the amount due and applies to the *Employer's* agent for payment. The *Contractor* applies for payment with a tax invoice addressed to the *Employer's* agent as follows:

Eskom Holdings SOC Ltd  
Arnot Power Station  
Private Bag X2  
RIETKUIL  
1097

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

- Name and address of the *Contractor*
- The contract number and title;
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- The total of
  - The Price for each lump sum item in the Price List or Task Order which the *Contractor* has completed;

- Where a quantity is stated for an item in the Price List or Task Order, an amount calculated by multiplying the quantity which the *Contractor* has completed by the rate,
- Other amounts to be paid to the *Contractor*;
- Less amounts to be paid by or retained from the *Contractor*;
- 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 *Contractor* attaches the detail assessment of all work done for each item in the Price List to each tax invoice showing

- the Price for each lump sum item in the Price List or Task Order which the *Contractor* has completed and
- where a quantity is stated for an item in the Price List or Task Order, an amount calculated by multiplying the quantity which the *Contractor* has completed by the rate.

### 3.4 Records of Defined Cost

The Contractor keeps all records for a period of five years.

## 4. Requirements for the plan

A service plan is to be presented and approved by *Employer's agent* before the Works commences.

## 5. Services and other things provided by the *Employer*

Item	Date by which it will be provided
Water	At contract start date
Electrical supply: 220V AC	At contract start date

## 6. Property affected by the service list it

### a. Site Information

The site is Arnot Power Station Ductings and Dampers which is situated in each of U1 – U6.

### 6.2 General

The Power Station is situated approximately 50km in an eastern direction from Middelburg. It is approximately 20km from the N4.

### 6.3 Climate

Arnot Power Station is situated in a summer rainfall area with an average annual precipitation of about 650mm falling almost entirely during the months of October to April. The average rainfall per month generally exceeds 40 mm during this period, although drought periods do occur which can last for 20 days or longer. Drought periods occur most frequently during the months of October/November and March/April. December is statistically the highest rainfall month with an average monthly rainfall of about 125mm. July has the lowest rainfall with an average monthly rainfall of about 3 mm. approximately 85% of the annual rainfall occurs in the months between October to February.

January is normally the hottest month with an average daily maximum temperature of 38°C with a minimum daily temperature in winter being about 6°C. During the hottest season it is expected that the indoor ambient temperature may reach 420C at ground level.

With the following:

Altitude (Elevation above sea level)	1636 m
Mean Annual Barometer Pressure	84, 0 kPa
Maximum ambient temperature	38° C
Minimum ambient temperature	6° C
Maximum relative humidity	79%
Minimum relative humidity	10%

#### 6.4 Site roads

The Contractor's vehicles may use the roads.

(Any costs incurred from damage caused to underground services, structures, roads, etc. as a result of the Contractor not using the prescribed routes, will be recovered from the Contractor.)

#### 6.5 Accommodation

The provision of accommodation for the Contractor's personnel is the responsibility of the Contractor.

#### 6.6 Employer's catering facilities

- The Contractor or any of his employees or Sub Contractors are not allowed to use the Employer's dining facilities, unless a specific agreement has been made between the *Contractor* and the *Employer*.
- The *Contractor* or any of his employees or Sub Contractors may purchase take-away meals from the fast foods outlet on site.

#### 6.7 Toilet facilities

The *Employer* provides the *Contractor* access to toilet facilities, free of charge.

#### 6.8 Medical facilities

- The *Contractor* provides a first aid service to his employees and Subcontractors. In the case where these prove to be inadequate, like in the event of a serious injury, the *Employer's* medical centre and facilities will be available.
- Outside the *Employer's* office hours, the *Employer's* first aid services will only be available for serious injuries and life threatening situations.
- The *Employer* shall be entitled, however, to recover the costs incurred, through the use of the above *Employer's* facilities, from the *Contractor*.

#### 6.9. Transport

The Contractor provides transport for his employees.

## 7. KPI's and KPA's

- a. **Budget:** The majority of the risks that lead to compensations are identified with mitigating actions on the risk assessment. Assessments are done as per the contract task order. Compensation events are notified immediately to enable accurate financial commitments. In the Event of the *Contractor* contravening any of the financial requirements, Defect notifications will be issued, after the second Defect notification has not been adhered to, Termination will be considered.
- b. **Time:** The *Contractor* responds to a task order within a week. Spares are available within 24 hours of request. The *Contractor* responds to breakdowns within 24 hours. As per the contract delay damages of 10% of the total of the Prices at the section date per day. If the matter is not resolved after issuing two Defect Notifications, the Employer may consider terminating the contract as per core clause 91.
- c. **Quality:** The *Contractor* complies with the *Employer's* Quality Procedure QM 58 document. The *contractor* develops Quality Inspections plans (QIP's) for all critical work to be carried out. The QIP's is approved by the Employer's agent prior commencing work. On completion of the works, the QIP is signed by the *Employer's agent*. It shows all hold points and witness points for all critical activities. QIP's are signed before assessments are made. For non-compliance, Early Warnings shall be issued with follow-up meetings and in case of continuance, Defect Notifications shall be issued. If the *Contractor* fails to comply after two Defect Notifications have been issued, the *Employer* may terminate the contract.
- d. **Safety:** The *Contractor* attends induction and submits a safety file. The *Contractor* is required to supply personnel to perform the Works that have been trained, tested and Authorized in terms of the Plant Safety Regulation as an Authorized Supervisor. Training, testing and Authorization will be provided through the *Employer's* ETD department. The *Employer* Permit regulations are strictly adhered to and monitored. In case of Safety violations, the work shall be stopped and Defect Notifications Issued. 0% tolerance on safety issues, ignorance will lead to termination of contract.
- e. **Environmental:** The *Contractor* conforms to all the *Employers* environmental policies. Any deviations will be dealt with as follow; Early Warnings will be issued, a Defect Notification will be issued, after two Defect Notifications have been issued and if the non-conformance has not been corrected the *Employer* 'will have the choice to terminate the contract.