

PROVISION OF HAZARDOUS AND GENERAL WASTE MANAGEMENT SERVICES FOR TRANSNET PIPELINES FACILITIES LOCATED WITHIN MPUMALANGA PROVINCE (DEPOTS, PUMP STATIONS, WORKSHOPS AND FACILITIES) ON AN "AS AND WHEN REQUIRED BASIS" FOR A PERIOD OF THREE (3) YEARS

SECTION 1: BACKGROUND AND SCOPE OF REQUIREMENTS

BACKGROUND

Transnet Pipelines (TPL) operates and maintains a petroleum pipeline network, which is of National Interest and Strategic importance to the South African economy. The TPL pipeline network and associated facilities (Depots, Terminals, Pump Stations and Workshops) is geographically spread across five (5) provinces. Due to operational requirements within TPL facilities located in Mpumalanga Province; various forms of general and hazardous waste are generated on a continual basis.

In addition, projects undertaken by TPL generate general and hazardous waste that needs to be recycled or disposed of in compliance with legislation and TPL's environmental specifications and standards. The project sites are also included in TPL facilities located in Mpumalanga Province.

Facilities within Mpumalanga Province include:

<u>Facility</u>	<u>Address</u>	<u>Coordinates</u>
Kendal Depot	Road to Hooglandboerdey adj Alpha Mine, Kendal	28.96949958 -26.00811325
Witbank Depot	9 Schonland Drive, Ferrobank, Witbank	29.16643836 -25.86294002
Secunda Depot	Behind Sasol, Brandspruit Mine, Secunda	29.14369479 -26.58960740
Standerton Workshop	Heidelberg Road (R23), Standerton	29.22541735 -26.94979611

Some of the common waste streams generated at these facilities include, but not limited to:

- Contaminated rags and absorbent material
- Contaminated PPE
- Contaminated lab glassware
- Contaminated sand/ soil
- Contaminated paper
- Contaminated plastic
- Contaminated cardboard
- Off spec foam
- Fluorescent tubes

- Printer Cartridges
- Glass
- Paper
- Cardboard
- Plastic
- Empty oil drums
- Cans and containers (hazardous)
- Cans and containers (general)
- General waste from administrative functions
- Sludge and contaminated water from the separator/spill basin/sump tank
- Sludge from septic tank
- Used oil and grease
- Used Batteries
- Contaminated Gaskets, Filters, spheres
- Scrap metal waste
- Fire system foam containers
- Chemical waste
- Drag Reducing Agent (DRA)
- Wood waste/ timber waste
- Electrical waste
- Paint, including paint containers
- Builders rubble
- Medical waste
- Asbestos waste
- Old chairs and other furniture

It is TPL's intention to source a partner to provide a waste management solution for its various facilities located in Mpumalanga Province. TPL would also like to improve its current operating processes for disposal of waste and would like to work with the successful Service Provider to reduce the quantities of waste disposed by pursuing waste recycling initiatives.

The selected Service Provider will share in the mission and business objectives of TPL and will be relied on to analyse the current way business is being done in order to enhance current practices and systems, as this will allow TPL to reach higher levels of quality, service and compliance.

TPL seeks to benefit in the following ways:

- Best value for money waste disposal and recycling.
- Cutting waste disposal costs. Efficient waste management will reduce the amount of waste your business produces - meaning less to get rid of.
- Meeting your environmental obligations.

1. OBLIGATIONS OF THE SERVICE PROVIDER

1.1. The Service Provider shall:

- 1.1.1. Comply with all applicable national, provincial and local legislations/ legal requirements, including but not limited to National Environmental Management Act 107 of 1998, National Water Act 36 of 1998, National Environmental Management: Waste Act 59 of 2008 and municipal bylaws which are applicable to the service;
- 1.1.2. provide all Employees, personnel and supervision necessary for the proper, efficient, timeous, safe and compliant service to TPL. This service will be performed in such a way that all waste will be removed from TPL facilities and disposed of at a registered Landfill Site or recycled where applicable;
- 1.1.3. provide and make available such Equipment and Vehicle(s) as may be necessary for the performance of the Service, all of which shall be maintained by the Service Provider in good working order and condition at all times;
- 1.1.4. be responsible for the safe loading, removal and transportation, consolidation and recycling (if applicable) and disposal of the Waste; in accordance with the prevailing legislation and in terms of this agreement, while protecting TPL, the environment and the public from unsound waste management practices.
- 1.1.5. the Service Provider is required to provide a quote prior to the work being undertaken. The quote will be submitted to TPL to be used to generate an instruction for approval by the Project Manager).
- 1.1.6. The service provider shall provide the service within the stipulated response times below from the time of receiving a signed instruction from the Project Manager:
 - Provide waste containers within 48 hours;
 - Remove general and hazardous waste within 48 hours for disposal and recycling (excluding contaminated water and sludge);
 - High pressure cleaning of the manifold/ separator/ spill basin/ sump tank/ other areas within 24 hours.
 - Remove sludge and contaminated water from the separator/spill basin/sump tank/ other areas within 24 hours.
- 1.1.7. The Service Provider is required to provide trained personnel in line with and comply with all requirements of NEM: Waste Act, Act 59 of 2008.

SERVICE PROVIDER'S EMPLOYEES

1.1.8. ensure that all its Employees:

- 1.1.8.1. comply with the identification requirements of TPL by means of identity document (ID) at all relevant times.
- 1.1.8.2. when at a TPL facility, and when performing the Service:
 - (a) wear personal protective equipment (such as flame retardant overalls, safety boots, hard hats, dust masks (when required), ear plugs (when required) and any other requisite safety gear) as may be agreed to between the parties (and failing agreement, as may be prescribed by TPL), all of which shall be provided by the Service Provider at its own cost;
 - (b) are in possession of the prescribed and requisite Equipment and Vehicle(s) (which shall at all times be clean and in working order and condition) so as to enable him to perform his duties in terms of this Agreement pursuant to the obligations of the Service Provider to provide the service;
 - (c) are available during operating hours;
- 1.1.8.3. are subject to and comply strictly with the code of conduct as may be agreed upon between the Parties, and as shall be prescribed from time to time by TPL;
- 1.1.8.4. are made aware of the relevant provisions of the Agreement on or before the Commencement Date and confirm this fact to TPL in writing prior to the Commencement Date;
- 1.1.8.5. are aware and have consented in writing (prior to entering TPL premises) to TPL carrying out identity checks, searches of property or persons and/or conducting drug, alcohol, monitoring and/or polygraph tests on all or any employee at any time and from time to time.
- 1.1.8.6. maintain a high standard of housekeeping for all sites utilised by the Service Provider at all TPL facilities;

1.1.9. The Service Provider shall ensure that:

- 1.1.9.1. at all times the relevant TPL representative is in given of a current and updated list of the Service Provider's employees contact details including their home and cellular numbers, allowing them to be contacted during the operating hours;

- 1.1.9.2. the service and its obligations are performed in a good, proper, efficient and workmanlike manner and in accordance with sound principles, standards, methods and practice generally accepted in the Republic of South Africa and with the degree of skill, care and diligence normally practiced by a competent prudent Service Provider whilst performing the service or work and/or services of a similar nature;
- 1.1.9.3. in the performance of the service, that all potential hazards to the health and safety of persons are eliminated or adequately mitigated and further prescribe or enforce precautions to prevent against such hazards occurring, and provide the necessary means to apply such precautions, by instructing, training and supervising the Service Providers employees so as to provide and maintain, so far as is reasonably practicable, a safe working environment without risk to the health and safety of persons; and
- 1.1.9.4. each employee exercises all necessary care and diligence in and about his duties arising out of the fulfillment by the Service Provider;

TRAINING

1.1.10. The Service Provider undertakes to ensure that:

- 1.1.10.1. there are sufficient and available employees or resources together with supervision who shall have the requisite skill and experience to perform the service;
- 1.1.10.2. each employee engaged by the Service Provider in performing the service in connection with this agreement is competent and properly qualified as required by law and to the extent reasonably required by TPL to execute his respective tasks, is properly trained and adequately supervised;
- 1.1.10.3. Employees are trained and undergo continuous re-training as may be required by applicable legislation and / or every six (6) months or at such particular periods as may be agreed upon from time to time between the parties for the duration and due performance of this Agreement, and the costs thereof will be accepted by the Service Provider;
- 1.1.10.4. the training plan and / or necessary proof of training or re-training is submitted to TPL for inspection by it upon request at all reasonable times;

- 1.1.10.5. prior to any of the Service Provider's employees commencing with his or her duties in terms of this agreement at the relevant TPL facility, all relevant Service Provider staff must attend the required induction specific to each TPL facility; and
- 1.1.10.6. should any employee of the Service Provider be found unsuitable for the performance of the service by TPL for any reason whatsoever, in its sole and unfettered discretion, then such employee will be replaced forthwith by the Service Provider.

EQUIPMENT AND VEHICLE/S

- 1.2. The Service Provider undertakes irrevocably in favour of TPL that it will at no stage during the performance of the service, use equipment or vehicle/s which is not to its knowledge and belief in safe, good, and proper working order.
- 1.3. The service provider shall use diesel powered vehicles, pumps and any other equipment within TPL premises;
- 1.4. The service provider shall use flame proof electrical equipment inside the manifold area and spill basin;
- 1.5. The service provider shall use equipment that does not exceed 135 degrees Celsius when in operation when working in the manifold and spill basin;
- 1.6. The Service Provider without limitation, undertakes at all times to:
 - 1.6.1. supply all necessary equipment (including bins or skips) in which waste will be placed for the duration of this agreement, and ensure that all the equipment (including bins or skips) are colour coded according to TPL's requirements and duly labeled with signage as required by legislation;
 - 1.6.2. supply all necessary equipment, vehicle(s), signage, transport, competent employees, adequate supervision, and each and every item of expense necessary for the timeous and safe performance of the service;
 - 1.6.3. provide comprehensively insured, roadworthy and duly licensed vehicle(s) to perform the service, with all the requisite road transport permits;
 - 1.6.4. ensure that all maintenance, servicing and mechanical repairs (hereinafter referred to as "maintenance"); of the equipment and the vehicle(s) including all adjustments necessary to keep the equipment in an operational condition and the vehicle(s) in a roadworthy condition shall be provided by the Service Provider at its own cost. All maintenance records provided for in terms of this

agreement shall be made available to TPL by the Service Provider whenever such request is made by TPL;

- 1.6.5. ensure that if any equipment or vehicle(s) provided by the Service Provider breaks down, and/or is involved in an accident, is replaced immediately to continue with the performance of the Service.
- 1.6.6. have sufficient and properly maintained (at its own cost) equipment and vehicle(s) which are available timeously to perform the service and such equipment and vehicle(s) shall remain the sole property of the Service Provider and the Service Provider shall not without the prior written consent of TPL permit any of the equipment or vehicle(s) to be removed from the performance of the service at TPL facilities pursuant to this agreement other than for the purpose of servicing, maintaining or repairing them;
- 1.6.7. ensure that the equipment and vehicle(s) are utilised by the Service Provider to perform the Service in terms of this agreement. In the event, that the capacity of such equipment and vehicle(s) are to be exceeded, then the Service Provider shall inform TPL in writing and obtain TPL's written consent prior to rendering of any service;
- 1.6.8. keep all its equipment and vehicle(s) marked in such a way as to be readily identified as being the property of the Service Provider;
- 1.6.9. properly document all equipment removed from, or re-installed in compliance with the TPL facility access control;
- 1.6.10. ensure the driver of each of the vehicle(s) performing the service:
 - 1.6.10.1. is in possession of suitable protective equipment during loading, removal and transportation, consolidation (if applicable) and disposal of the waste;
 - 1.6.10.2. is in possession of a valid Professional Drivers Permit for dangerous goods ("PDP-DG") and applicable permits, which must be in the drivers possession at all times; and
- 1.7. The travelling mileage (round- trip) from the Service Provider's offices to TPL facility, to the disposal facility and back to the Service Provider's offices must not exceed 800 km.

LOADING, REMOVAL AND TRANSPORTATION AND RECYCLING OF WASTE

1.8. The Service Provider undertakes to comply with the following conditions which apply to the loading, removal and transportation of the waste. The Service Provider shall:

- 1.8.1. remove all waste from designated TPL facilities and along TPL servitude within Mpumalanga Province;
- 1.8.2. on an ongoing basis load, transport and/or remove waste generated by TPL in Mpumalanga Province, or designated collection and loading points and transport such waste to the registered landfill or recycling site as required by TPL;
- 1.8.3. ensure that the waste is loaded onto the vehicle(s) provided and operated by the Service Provider;
- 1.8.4. ensure that during the loading, removal, consolidation (if applicable) and transportation of the waste that no spills and/or dust is generated;
- 1.8.5. ensure that each load of waste on each vehicle shall be covered prior to the transportation thereof from the actual point of loading;
- 1.8.6. ensure that all waste removed by the Service Provider is fully traceable from the time of waste generation to the registered landfill or recycling site. This includes the use of waste manifests, safe disposal certificates and weighbridge slips in line with the applicable legislation.
- 1.8.7. where contaminated waste is destined for reuse or recycling, the paperwork detailing the ultimate use thereof must be provided;
- 1.8.8. appoint a supervisor who shall manage the performance of the Service to TPL.

1.8.8.1. The supervisor shall:

- (a) monitor the equipment, vehicles and waste receptacles.
- (b) monitor the removal of the waste so as to ensure that no waste is spilt during each loading operation or during transportation and that there is no accumulation of waste which occurs during or after its removal;
- (c) ensure that all equipment and vehicle(s) are covered when containing or carrying the waste during transportation;

- (d) ensure that if required, permits are obtained to enable its Vehicle/s to enter into the required TPL facilities;
- (e) ensure that no vehicle is overloaded prior to such vehicle performing any movement;
- (f) ensure that all requisite and appropriate details or permits are displayed on the vehicle;
- (g) accept responsibility for the safe transport of the waste from each collection and loading point to each point of final disposal, including without limitation, instances where spillage of any nature may occur from any vehicles;
- (h) obey all reasonable instructions of the TPL representative in the performance of the service;

CONSOLIDATION OF WASTE

1.8.8.2. In the event of there being a critical need for interim storage of the Waste after it leaves the TPL facility but before being taken to the registered Landfill or recycled site, then the Service Provider shall:

- (a) obtain prior written approval from the Senior Manager: Environment and Sustainability/ Project Manager;
- (b) transport such waste to its registered Consolidation facility that has been approved and permitted by Department of Forestry, Fisheries and the Environment (DFFE) and/or Department of Water and Sanitation (DWS) or any Local or Municipal Authority.
- (c) strictly adhere to all terms and conditions embodied in the Consolidation Facility permit;
- (d) be responsible for all and any costs incurred in relation of the waste being transported to and from the consolidation facility and thereafter to the registered landfill site.

DISPOSAL OF WASTE

1.9. The Service Provider shall ensure:

- 1.9.1. that proper documentation for classification of Waste is obtained from TPL facilities in compliance with the applicable legislation;

- 1.9.2. that the disposal of Waste at the registered Landfill Site complies with all DWS, DFFE and National Nuclear Regulator requirements, and any other national, provincial and municipal legislation and /or other applicable legislation;
- 1.9.3. that the disposal of the waste at the registered landfill site is always supervised by and subjected to the direction and approval of the duly authorized person, landfill manager or employee in charge of the registered landfill site;
- 1.9.4. that all waste is disposed at a registered landfill site;
- 1.9.5. that it obtains a duly signed manifest for each load of waste disposed at the registered landfill site and submits each duly signed manifest together with a weighbridge slip to TPL therefore ensuring cradle-to-grave control.
- 1.9.6. the Service Provider shall furnish to the Service Manager, prior to the commencement and performance of the Service, the following:
 - 1.9.6.1. all relevant hazardous waste transportation, handling, consolidation permits and certificates as required by the DWS, DFFE, Provincial, National and/or municipal regulatory authorities;
 - 1.9.6.2. proof of Landfill Site registration with DWS or DFFE and also provide evidence to indicate that the landfill site is authorized to dispose of the types of waste and loading rates of the landfill site(s); and
 - 1.9.6.3. the permit(s) and/or license required to dispose of waste in the registered Landfill Site.
- 1.9.7. the Service Provider undertakes to:
 - 1.9.7.1. obtain the written approval from the Service Manager prior to introducing improvements to TPL's current waste management practices in terms of an integrated waste management system or a new recycling initiative;
 - 1.9.7.2. obtain the written approval from the Service Manager prior to the Service Provider performing any supply or service beyond the scope of this agreement and if it is agreed in writing that the Service Provider may supply goods or render services outside of the scope of this agreement, then the provisions of this agreement shall apply mutatis mutandis thereto;

- 1.9.7.3. accept from TPL the quantity of waste to be handled from time to time as determined by TPL in its sole and unfettered discretion pursuant to this agreement;
- 1.9.7.4. remove waste or waste water or provide high pressure cleaning service at any of the facilities. The response time for the service is one working day after receipt of task order from TPL. This response time period only applies to notification (sending of task order) by TPL during normal working hours. Failing to provide service within the agreed timelines after receipt of the task order will result in penalties as per clause 3.1;
- 1.9.7.5. not supply any information of any nature relating to the performance of the service or the waste, the loading, handling, transportation, consolidation and disposal (or recycling if applicable) of the waste, the contents or composition of the waste nor any chemical analysis or components thereof to any unauthorised third party whatsoever;
- 1.9.7.6. ensure that the performance of the service shall, without limitation, be in the interests of TPL, the environment, public health, hygiene and anti-pollution and that the Service Provider will at all times provide the service so as to avoid or reduce to a minimum the risks relating to odour, dust, flies and rodents by using approved sanitary procedures; and
- 1.9.7.7. be liable for and bear all costs of making good any damage or harm caused by it to any person, area within the TPL facility, public road, path or street, private or third party property, environment including but not limited to animals and plants/ vegetation. The Service Provider indemnifies TPL in respect of any damage or harm caused by the Service Provider.

SPILLAGES BY THE SERVICE PROVIDER

- 1.9.8. the Service Provider shall ensure that in the event of a spillage occurring:
 - 1.9.8.1. during the loading, removal, transportation, consolidation (if applicable) and disposal of the waste, all necessary and reasonable measures are taken by it to prevent the spillage of waste at TPL facilities, on public roads, onto third party property and into and onto the environment. The cost of any spillage clean up shall be for the sole account of the Service Provider and the Service Provider hereby indemnifies TPL against all costs, charges and claims of whatsoever

nature and howsoever arising which may be made against it by any person, entity or organisation;

- 1.9.8.2. that the chemicals used by the Service Provider, in the clean-up process are bio-degradable and that the Service Provider will ensure that the chemicals will not contaminate storm water and/or cause any damage or harm to the environment;
- 1.9.8.3. that the Service Provider has adequate hazmat resources;
- 1.9.8.4. that the Service Provider will adhere to the emergency turn-around time which will be provided to the Service Provider prior to the commencement date;
- 1.9.8.5. that the Service Provider will not leave the affected area until the spillage has been completely cleaned-up to the satisfaction of the environmental authorities and/or the TPL Representative.

AUDITS AND CONDITIONS

- 1.10. the Service Provider acknowledges and agrees that TPL will engage the service of a third party inspectorate to furnish TPL with a report regarding the performance of the service by the Service Provider;
- 1.11. The Service Provider undertakes to grant TPL and its duly authorised agent access to all appropriate and relevant documentation relating to the performance of the service and to co-operate so as to enable TPL to achieve the objectives as set out in this clause, including, but not limited to:
 - 1.11.1. TPL requesting copies of all third party invoices, accounts and all other financial documents (including costing sheets) and records of the Service Provider for the purpose of auditing and satisfying itself as to the reasonableness of any amount paid or to be paid in terms hereof;
 - 1.11.2. the Service Provider making available to TPL a copy of the Service Provider's quality and/or environmental management manual, procedure manual, or other quality control documentation, for inspection;
 - 1.11.3. the Service Provider authorising access to TPL or its duly appointed representative, to inspect work-in-progress, the equipment and vehicle(s) used in the performance of the service.
 - 1.11.4. the Service Provider to provide TPL with monthly waste volume reports specific for each waste stream

- 1.11.5. the Service Provider to be fully compliant in terms of all South African Waste Information System requirements, including all reporting requirements.

2. SAFETY, HEALTH AND ENVIRONMENTAL REQUIREMENTS

The Service Provider shall at all times comply with Safety, Health and Environmental Requirements prescribed by law as they may apply to the services. The Service Provider shall comply with the provisions of the Occupational Health and Safety Act, 85 of 1993 and applicable regulations. The Service Provider perform duties of the employer, and is in every respect responsible for compliance with the provisions of the Act. The Service Provider will be responsible for the safety, health and environmental rules that TPL may require to be implemented and shall comply with the Transnet Contractor Management Procedure (TRN-IMS-GRP-PROC-014). The Service Provider shall ensure that all employees working on site have valid medical certificates of fitness specific to the work to be performed and issued by an occupational health practitioner. The Service Provider is required to compile and submit a SHE Compliance File to Transnet Pipelines. Site access and commencement of execution of the scope of work will be subject to the review and approval of the SHE Compliance File."

3. PENALTIES FOR NON-COMPLIANCE TO THE SCOPE OF WORK

3.1. Penalties for Non-compliance

Where the Service Provider fails to provide waste management service at TPL facilities on an "As and When Required Basis" within the agreed and accepted timelines as per 1.1.6. above and provided that the cause of the delay was not due to a fault of TPL, penalties will be levied on the service, based on the agreed delivery times. The penalty rate per instruction for every late service delivery shall be imposed as per the table below:

Service/ activity	Response time from the time of receiving a signed instruction from TPL Project Manager	Penalty
Provide waste containers within 48 hours.	> 48 hours to <= 72 hours	R5 000.00
	> 72 hours to <= 96 hours	R8 000.00
	> 96 hours	R10 000.00
Remove general and hazardous waste within 48 hours for disposal and recycling (excluding contaminated water and sludge).	> 48 hours to <= 72 hours	R5 000.00
	> 72 hours to <= 96 hours	R8 000.00
	> 96 hours	R10 000.00
High pressure cleaning of the manifold/ separator/ spill basin/ other areas within 24 hours.	> 24 hours to <= 48 hours	R10 000.00
	> 48 hours to <= 72 hours	R15 000.00
	> 72 hours	R20 000.00
Remove sludge and contaminated water from the separator/spill basin/sump tank/ other areas within 24 hours.	> 24 hours to <= 48 hours	R10 000.00
	> 48 hours to <= 72 hours	R15 000.00
	> 72 hours	R20 000.00