



NEC3 Term Service Contract (TSC3)

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

and
for **The Maintenance, Outages and Management of
Sootblower on Units 1-10**

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CONTRACT No.

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PART C1: AGREEMENTS & CONTRACT DATA

C1 Agreements & Contract Data

C1.1 Form of Offer and Acceptance

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:

Maintenance, Outages and Management of Sootblower on Units 1-10

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	R
Value Added Tax @ 15% is	R
The offered total of the Prices inclusive of VAT is	R
(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:**

Power Station Manager

(Insert name and address of organisation)
Eskom Holdings Pty (Ltd)

Name &
signature of
witness

Date

Tenderer's CIDB registration number:

Acceptance

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

The terms of the Contract, are contained in:

Part 1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)

Part 2 Pricing Data

Part 3 Scope of Work: Works Information

Part 4 Site 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

Power Station Manager

**for the
Employer**

Eskom Holdings Pty (Ltd)

(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. _____'

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

(Insert name and address of organisation)

(Insert name and address of organisation)

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
		W1: Dispute resolution procedure
	dispute resolution Option	X1: Price adjustment for inflation
	and secondary Options	X2 Changes in the law
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract (June 2005) ¹	
10.1	The <i>Employer</i> is (name):	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
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	011 800 5843
	Fax No.	011 800 3244
10.1	The <i>Service Manager</i> is (name):	
	Address	Hendrina Power Station Private Bag X1003 Pullenshope 1096

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

The Maintenance, Outages Service and Management of Sootblower Systems on units 1 to 10

Tel **013 296 3841**

Fax **013 2963 037**

e-mail

11.2(2)	The Affected Property is	The area within jurisdiction as dictate by the core scope (Sootblower Systems on Units 1 to 10)
11.2(13)	The service is	The Maintenance, Outages and Management of Sootblower Systems on Units 1 to 10
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	7 calendar days (1 week)
2	The Contractor's main responsibilities	The Maintenance, Outages and Management of Sootblower Systems on Units 1 to 10
21.1	The Contractor submits a first plan for acceptance within	3 weeks of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	
30.1	The <i>service period</i> is	
4	Testing and defects	As per NEC document
5	Payment	
50.1	The <i>assessment interval</i> is	25 th 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	Within 60 days after receiving invoice
51.4	The <i>interest rate</i> is	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.
6	Compensation events	As per core clause 60.1(section 1 to 14) of the TSC3
60.1 (15)	These are additional compensation even:	Additional scope of work not in the contract
7	Use of Equipment Plant and Materials	The Contractor will provide Equipment Plant, and the Employer will free issue materials.

8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	1. Change to existing Safety Procedures/Regulations 2. Natural Disasters 3. Unavailability of Power Station Plant
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	As per NEC document (Core Clause 90,91&92)
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	One month
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.

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	Johannesburg, South Africa
	The person or organisation who will choose an arbitrator	
	- if the Parties cannot agree a choice or	The Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.
	- if the arbitration procedure does not state who selects an arbitrator, is	

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 60% 15% 10%	linked to index for C3 Labour L2 Transport D3 Consumables	Index prepared by
		15	non-adjustable	
		100		
X2	Changes in the law	As per the terms and conditions of NEC3 TSC.		
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?ItemID=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	One month after the end of the <i>service period</i> .
X19	Task Order	
X19.5	The Contractor submits a Task Order Programme to the Service Manager within	5 days of receiving the Task Order
X20.2	A report of performance against each Key Performance Indicator is provided at intervals of	3 months
Z	The <i>additional conditions of contract</i> are	Z1 to Z11 always apply.

Z1 Cession delegation and assignment

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

The Maintenance, Outages Service and Management of Sootblower Systems on units 1 to 10

- 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 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 *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

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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 from the last sentence in core clause 61.3, "unless the *Service Manager* should have notified the event to the *Contractor* but did not".

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 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/ had a business rescue order granted against it.

***Employer's* Step-in-rights**

- Z12.1 If the *Contractor* defaults by failing to comply with health and safety rules, and to comply to his obligations in terms of the contract and fails to remedy such default within 4 weeks of the notification of the default by the *Service Manager*, the *Employer*, without prejudice to his other rights, powers, and remedies under the contract, may remedy the default either himself or procure a third party (including any subcontractor or supplier of the *Contractor*) to do so on his behalf. The reasonable costs of such remedial works shall be borne by the *Contractor*.

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
Peter THURLOW	Gauteng	+27 11 787 6226 info@thurlowassoc.com

Information about the Panel and appointment of the selected *Adjudicator* is available from Eskom Supply Chain Operations management, by contacting Leighton Itholeng (Tel.: +27 (0)11 800 4031) (Fax : +27 (0)86 668 0419) E-mail : Leighton.Itholeng@eskom.co.za

C1.2 Contract Data

Part two - Data provided by the Contractor

Clause	Statement	Data
10.1	The Contractor 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	Access to site Unprotected strikes Delay in maintenance and management of the Sootblower System Progress of the works against the program
11.2(15)	The Service Information for the Contractor's 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: 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	Rands
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

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.

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

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.

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.

C2.2 the *price list*

**PROVISION OF SOOTBLOWER RESOURCES FOR OUTAGES AND MAINTENANCE
DEPARTMENT AT HENDRINA POWER STATION FOR A PERIOD OF 5 YEARS AS AND
WHEN REQUIRED**

**OUTAGE DEPARTMENT
Preliminaries and Generals**

Item No.	Description	UOM	Qty/Months	Rate Per Unit	Unit Price Total	
1	Site Establishment	Once-Off	1			
2	Site De-establishment	Once-Off	1			
3	Medical Screening	Yearly	5			
4	PPE Outage	Yearly	5			
5	Transport	Monthly	60			
	Total					

Outage type: GO

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	368		
2	Safety Officer		1	368		
3	Artisan Mechanical		4	368		
4	Artisan Electrical		4	368		
	Total					

Saturday and Overtime

1	Supervisor		1	184		
2	Safety Officer		1	184		
3	Artisan Mechanical		4	184		
4	Artisan Electrical		4	184		
	Total					

Sunday and holidays

1	Supervisor		1	144		
2	Safety Officer		1	144		
3	Artisan Mechanical		4	144		
4	Artisan Electrical		4	144		
	Total					

Outage type: MO

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	204		
1	Safety Officer		1	204		
1	Artisan Mechanical		4	204		
1	Artisan Electrical		4	204		
	Total					

Saturday and Overtime

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	115		
2	Safety Officer		2	115		
3	Artisan Mechanical		4	115		
4	Artisan Electrical		4	115		
	Total					

Sunday and holidays

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	66		
2	Safety Officer		2	66		
3	Artisan Mechanical		4	66		
4	Artisan Electrical		4	66		
	Total					

Outage type: IR

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	128		
2	Safety Officer		1	128		
3	Artisan Mechanical		4	128		
4	Artisan Electrical		4	128		
	Total					

Saturday and Overtime

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	69		
2	Safety Officer		1	69		
3	Artisan Mechanical		4	69		
4	Artisan Electrical		4	69		
	Total					

Sunday and holidays

	Resource	Rates	Skills	Duration/Days	Total	
1	Supervisor		1	60		
2	Safety Officer		2	60		
3	Artisan Mechanical		4	60		
4	Artisan Electrical		4	60		
	Total					

MAINTENANCE DEPARTMENT						
Preliminary and Generals						
Item No.	Description	UoM	Qty/Months	Rate Per Unit	Unit Price Total	
1	Site Establishment	Once-Off	1			
2	Site De-establishment	Once-Off	1			
3	Medical Screening	Yearly	5			
4	PPE Maintenance	Yearly	5			
6	Transport (Fixed within radius of 60km) Maintenance	Monthly	60			
	Total					

Labour

Item No.	Labour	Unit (hour)	Qty	Rate per hour	Rate per month	Total (60 months)
1	Site Manager	160	1			Non-shift
2	Site Supervisor	160	1			Non-shift
3	Safety Officer	160	1			Non-shift
4	Artisan Electrical	173	4			Shift
5	Artisan Mechanical	173	4			Shift
6	Semi-skills	173	4			Shift
	Total					

Monthly Overtime

Item No.	Labour	Unit (hour)	Qty	Rate per hour	Rate per month	Total (60 months)
	Fixed Monthly shift allowance from Monday to Sunday excluding site manager, supervisor & safety officer at 15% as per labour law.	60				Shift
	Total					

Monthly Overtime (Saturday)

Item No.	Labour	Unit (hour)	Qty	Rate per hour	Rate per month	Total (60 months)
	Site Supervisor	30	1			Non-shift
	Safety Officer	30	1			Non-shift
	Total					

Sunday and public holidays

Item No.	Labour	Unit (hour)	Qty	Rate per hour	Rate per month	Total (60 months)
	Site Supervisor	30	1			Non-shift
	Safety Officer	30	1			Non-shift
	Total					

Maintenance Total	
--------------------------	--

Prices are fixed for the first year of the contract period, and only 85% of the contract value is escalated from second year of this contract

_____ % allocated to health and safety.

_____ % allocated to Corporate Social Investment (CSI).

Criteria	Eskom's target	Tenderer's Proposal
CSI	3%	

.....
Tenderer

.....
Designation

.....
Name

.....
Signature

.....
Date

PART 3: SCOPE OF WORK

Document reference	Title	No of pages
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Total number of pages		

C3.1: EMPLOYER'S SERVICE INFORMATION

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1 Description of the service

1.1 Executive overview

The scope of work consists of core services and overhauling of sootblower equipment.

1.2 Employer's requirements for the service

i. BOUNDARIES OF RELEVANT PLANT

Plant	Limits
Super heater Sootblower Systems Boilers 1-10	From hand isolating valve to drain valves
Air heater Sootblower System Boilers 2-5	From air heater sectioning valve to drain valve but excludes the sootblower inside the air heaters
Fire Wall Gun Blowers Boilers 6-10	All fire wall gun sootblowers.
Air Heater Sootblower System Boilers 6-10	From air heater sectioning valve to drain valve but excludes the sootblower inside the air heaters and actuating devices.

Excluded:

- All C&I works
- Fire wall sootblower internal sleeve removal and renewal (this is done by Boiler OEM, but contractor will be expected to keep history or records of such works).
- All actuator overhauls, contractor shall only remove and/or install actuators.
- All high pressure pipeline adjustments, welding and fabrication works (but will be expected to gather from the outage coordinator the history or records of such works).
- All air heater internal Sootblowers and actuating devices.
- The contractor would not be responsible to carry any maintenance on the 380V non-essential boiler boards. All starter buckets will be the responsibility of Electrical Maintenance.
- If the Sootblower trips, Electrical Maintenance should be notified to investigate. Any defect on the starter buckets will be attended by Electrical Maintenance.

Included:

- Bergamot pressure control valve
- Pressure setting on the poppet valves and Bergamot pressure control valves.
- All electrical work within the above boundaries.
- If the cable needs to be erected or disconnected from the supply side on the 380V non-essential boiler board, the contractor should be accompanied by Electrical Maintenance personnel.

The contractor is to be aware that switchgear rooms are arc-flash hazard area, and appropriate PPE should be utilised.

ii. DAILY MAINTENANCE WORK (CORE SERVICES)

- Core services consist of preventative as well as corrective maintenance and shall be relevant to maintaining plant availability and reliability in a cost-effective way.
- Contractor is required to provide to Hendrina Power Station a labour force consisting of:
 - Manager
 - Supervisor
 - Safety Officer
 - Mechanical Fitters
 - Electricians
 - Semi-skilled

- The contractor ensures that his/her personnel are authorised to take out permits to work in accordance with Plant Safety Regulations within three months of being awarded the contract. At least, the supervisor, all the fitters and electricians must be authorised.
- The contractor provides a 24-hour service for any plant failures.
- The contractor provides a 24-hour inspection service during a sootblowing.
- Sootblowing is only done in the presence of the contractor, and the contractor is informed 2 hours before sootblowing commences, hence there must be a fitter, electrician and semi-skilled personnel available to monitor the sootblowing process at each time of sootblowing including after hours.
- The contractor supports and assists in promoting the Plant Fundamental Management policies (which can be obtained from the Project Manager or from Hendrina's document centre)
- The contractor makes available the Written safe working procedures for the maintenance and overhauling of:
 - Diamond Power IK 525b Retractable Lance Sootblower
 - Clyde Bergman Firewall Gun Blowers
 - Hopkinson Parallel Slide and Globe Stop Valves
 - Clyde Clyotoc Thermal Drain Valves and,
 - Bergamot Pressure Control Valves.
- Make available the Written Quality Inspection Plans for the Maintenance and Overhauling of:
 - Diamond Power IK 525B Rack and Pinion Blowers
 - Clyde Firewall Gun Blowers
 - Hopkinson Parallel Slide and Globe Stop Valves
 - Clyde Clyotoc Thermal Drain Valves and,
 - Bergamot Pressure Control Valves.
- The contractor provides printed check lists for all inspections carried out on sootblowing equipment.
- The contractor provides daily planning schedule to department planner with a 5 working day target window.
- The contractor compiles bills of materials for all spares and consumables 24 hours before commencement of maintenance works for stock items (available from Hendrina's stores) and three months before commencement of works for non-stock items (items that are not in Hendrina's stores) and outage work. The bills of materials are submitted to the contract manager and the delegated outage coordinator.
- The contractor compiles scope of work and bills of material for all outage works and confirms it with the system engineer.
- The contractor compiles a month end report of plant conditions experienced during the month and submit to the contract manager and his delegate and the system engineer.
- The contractor submits a weekly operational inspection plan of all sootblower systems and provides an outcome report to the contract manager and his delegate and the system engineer.
- The contractor provides a poppet valve pressure testing and adjustment service as per system Engineer's Instruction.
- The contractor changes oil and cleans the hub and re-greases it as per preventative maintenance required frequency.
- Every year the contractor inspections the outer lance nozzle's profile and carries out a wall thickness testing.
- The contractor originates a list of daily reactive works on as and when required basis.
- The contractor repairs the steam leak on gaskets, glands and joints.
- The contractor retracts sootblowers getting stuck in the boiler as it happens.
- The contractor transport, lifts, removes and replaces the outer lances, feed tubes, carriage drives, motors, gearbox drives, popper valves, gun blowers and actuators.
- The contractor replaces bearings, guides and rollers.
- The contractor repairs and makes settings of all negative pressure plates, linkage and travel stokes.
- The contractor repairs air leaks on the release valves.
- The contractor attends to all defects associated with the sootblower systems units 1 to 10.

On Gun Blowers the Contractor:

- Records total travel time of gun blowers (stopwatch required for this task)
- Records motor current when the gun blower is inserted and retracted out of the furnace (use radio communication to get the readings from the unit operator).
- Inspect limit switch mechanism: actuating cams must be into position for the total travel time to be correct when sootblower operates smoothly and correctly.
- Inspects contactors and relays.
- Checks for correct operation and possible shuddering.
- Inspects operation and condition of control panel isolation switch, stop start push buttons and panel indications (e.g. motor trip and low steam pressures)
- Inspects all covers, junction boxes and control panels, and ensure that they are clean inside and closed.

On Lance Blowers the Contractor:

- Records total travel time of Lance blowers (stopwatch required for this task).
- Records motor current when the lance blower is inserted and retracted out of the furnace (use radio communication to get the readings from the unit operator).
- Sets the thermal overload setting not to be greater than 20% over the motor current rating.

On the Expander Cable the Contractor:

- Visually inspects for loose cabling and switch gear, check for cuts or damages on the cables. Load a defect (notification) on SAP if there is any deviation noted.
- Attends to the defected cable as soon as possible. The contractor may only start work working on the cables only if the sootblower has been disconnected from the power supply.

Note: Do not touch the cables while the sootblower is still "live" (connected to the power supply).

On the Limit Switch Mechanism, the contractor:

- Inspect the limit switch mechanism where actuating cams remains in position for the total travel time to be correct when sootblower operates smoothly and correctly.
- Inspects for dust accumulation on limit switches and clean limit switches using a feather duster. Cleaning of limit switches is critical as the dust accumulation on contacts points is the main cause of stuck sootblowers.

On the Junction Boxes the Contractor:

- Inspects for dust accumulation on the junction box and clean junction box using a feather duster to dislodge the dust – using a cloth to remove traces of grease and/or oil around the junction box.

The Electrical scope of work for the Sootblowers

On the Sootblower Range System the contractor:

- Performs direction test or running motors, stripped valves or any changes in the electrical system. (The procedure is detailed in the Quality Plan Report HVI 75).
- Records motor current of the electrically actuated valves in every survey and observes the motors for smooth operation.
- Sets travel limit switches and confirms signals to control room.
- Measures and records travel time of the motors.
- Tests operation of torque switches.
- Checks the functioning of the valve interlock system.

- Inspects control & power cables for damaged installations, and connections plugs and cable entries to be sealed.
- Ensures that the limit and internal covers are tight and sealed correctly.
- Attends to all defect related to the power cable from the 380V non-essential boiler board towards the load.

iii. OVERHAULING OF SOOTBLOWER EQUIPMENT AND OUTAGE

The contractor overhauls the following on an as and when required basis:

- Diamond Power Carriage Drive
- Diamond Power Poppet Valve.
- Diamond Power Rack and Structure.
- Clyde Firewall Gun Blower.
- Clyde Clyotoc Thermal Drain Valve.
- Hopkinson Parallel Slide Valve.
- Hopkinson Globe Stop Valve.
- Sempell Safety Valve, contractor only responsible for removing and assembly of this valve.
- Bergamot Pressure Control Valve, contractor only responsible for removing and assembly of this valve.

iv. DRAWINGS

Consult the plant system engineer as and when drawings are required.

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
OBL	Outside battery limits
PSR	Plant Safety Regulation
C&I	Control and Instrumentation

2 Management strategy and start up.

2.1 The Contractor's plan for the service

- Contractor to ensure that they comply to the works management requirements
- Monthly technical report to be submitted to the Contract/Service Manager

2.2 Management meetings

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

Title and purpose	Approximate time & interval	Location	Attendance by:
Boiler maintenance departmental meeting	Monday and Wednesday	Hendrina Power Station	Employer and Contractor

Contractor safety meetings including Statutory meeting	Monthly	Hendrina Power Station	Employer and Contractor
All works management meetings	Working days as per schedule	Hendrina Power Station	Employer and Contractor
Plant focus meeting	Monday, Wednesday and Friday	Hendrina Power Station	Employer and Contractor
Unit shutdown planning meeting	As and when required	Hendrina Power Station	Employer and Contractor
Daily outage progress meeting	As and when required	Hendrina Power Station	Employer and Contractor

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

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

2.3 Contractor's management, supervision and key people

Provide the organogram of the company.

2.4 Provision of bonds and guarantees

N/A

2.5 Documentation control

All contractual communications shall be in the form of writing. All that relates to this contract must be kept in one original file and one duplicate file which will be compiled by the Contractor's resources according to documentation management system.

2.6 Invoicing and payment

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

The *Contractor* shall address the tax invoice to

Eskom Holdings SOC Limited
Hendrina Power Station
Accounts Payable
PO Box X 1003
Pullenshope
1096

and include on each invoice the following information:

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

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

2.7 Contract change management

This section is intended to deal with any additional requirements to the compensation event clauses in section 6 of the core clauses, such as the use of standard forms. Not the same thing as documentation control.

- Risk register form
- Compensation form
- Task order form

2.8 Training workshops and technology transfer

This will be address by the SDL department on the tender returnable requirements

2.9 Design and supply of Equipment

N/A

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

2.10.1 Equipment

None

2.10.2 Information and other things

None

2.11 Management of work done by Task Order

The execution of works to be handled by the use of a task order according to the price listing stipulated on this contract.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

The *Contractor* shall comply with the health and safety requirements required by Eskom.
The *Contractor* is to ensure that all his personnel attend a Health and Safety Induction Course presented by *Employer* daily from 09:00 to 11:00, free of charge prior to commencement of any *works*. This is a two (2) hour course and is valid for the duration of one (1) year at Hendrina Power Station.

- (a) The *Contractor* works strictly to regularly updated risk assessment.
- (b) The *Contractor* ensures supervised and authorised entry into the plant.
- (c) The *Contractor* ensures at all times compliance with the safety regulations imposed by any act of parliament, or any regulation or by law of any statutory authority.
- (d) The *Contractor* complies with the Occupational Health and Safety Act and Regulations, 1993 and all regulations made there under as well as the *Employer's* safety and operating procedures.
- (e) The *Contractor* acknowledges that he is fully aware of the requirements of all the above and undertakes to employ people who have received sufficient training that they can comply therewith.
- (f) The *Contractor* undertakes not to do, or not to allow anything to be done which will contravene any provisions of the act, regulations or operating procedures.
- (g) All employees of the *Contractor* must attend a safety induction course before they are allowed to work on site. It is the responsibility of the *Contractor* to ensure that all employees have attended the safety induction.
- (h) The *Contractor* holds a Toolbox Talk and inspects all PPE before any work commences and keep written proof of such actions.
- (i) The *Contractor* complies with all of the applicable procedures as required by the *Employer*; Procedures available from the *Employers* Documentation Centre on request.
- (j) The *Contractor* familiarizes himself with all permit requirements for work to be done on all plant systems and ensures that permits are applied for accordingly. The *Consultant* specifically addresses all risks related to work in any area by means of a written and approved risk assessment, which is compiled in liaison with the *Employer*.
- (k) The following risks have been identified by the *Employer*, and the *Contractor* shall include these in his risk assessment:
 - Injury caused by hand tools.
 - High noise level
 - Falling when working at heights
 - Welding which may result in burning.
 - Movement of stairs while walking
 - Falling into open trenches while walking
- (l) Any tampering with the *Employer's* fire equipment is strictly forbidden
- (m) All exit doors, fire escape routes, walkways, stairways, stair landings and access to electrical distribution boards must be kept free of obstruction, and not be used for work or storage at any time. Firefighting equipment always remains accessible
- (n) In case of a fire, report the location and extent of the fire to the Electrical Operating Desk at extension 5555
- (o) Take the necessary action to safeguard the area to prevent injury and spreading of the fire
- (p) *Employer* provides the *Contractor* with the baseline risk assessment to use it as a minimum requirement to compile a risk assessment identifying all the risks before the implementation commences the risk assessment compiled by the *Contractor* will clearly show all the mitigating strategies to minimize all the possible risks.

3.2 Environmental constraints and management

The *Contractor* shall comply with the environmental criteria and constraints required by Eskom.

The Contractor ensures that all equipment used in the designs conform to all applicable environmental legislation

The Contractor adheres to the Employer's Environmental Management System that must meet the requirements for the Code of Practice for Environmental Management Systems (EMS), ISO 14001:2015

The EMS requirements are detailed in the latest revision of the following documents, which are available from the *Service Manager* on request, and include:

- The Hendrina Power Station Environmental Policy SHEQ Policy 32-727 (rev6)
- The Environmental Emergency Preparedness Procedure (HSPPIN032)
- The Prevention & Cleaning of Oil Spills Procedure (HSPPON003)
- The Waste Management Procedure (HSPPIN003)
- The Roles and Responsibilities Procedure (HSPPIN028)
- The EMS Non-Conformance, Corrective and Preventative Action (HSPPIN034)
- The relevant Environmental Management Programmes (EMP's) and Aspects on the
- Environmental Management System (EMS) database - this is continually changing and is available from the Employer's Representative
- Compliance to all relevant environmental legislation, as detailed in the latest version of the Hendrina Power Station Legal Register available from the Employers Representative
- All operational procedures that include environmental requirements, relevant to the Works Information or Scope of this contract

The Contractor is responsible to comply with any new environmental requirements, relevant to the Works Information or Scope that may come into effect as part of Employer's EMS during the duration of this contract

The Contractor is responsible to ensure representation at Environmental meetings that may require input for the updating of the EMS as well as training on an ad-hoc basis

If there is uncertainty around any environmental issues, the Employer's Environmental Department may be contacted on (013) 296 3011 or (013) 296 3910 or (013) 296 3013

The *Contractor* shall comply with the environmental criteria and constraints stated in Annexure _____

3.3 Quality assurance requirements

QIP's from the *Contractor* shall be submitted to the system engineer for the approval before it can be used.

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

N/A

4.1.2 BBBEE and preferencing scheme

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

4.1.3 Supplier Development and Localization (SD & L)

1. Special Conditions of tendering

Pre-qualification criteria as stipulated in Regulation 4.1 of Preferential Procurement Regulation, 2017 affords State Owned Enterprises to set specific tendering conditions for advancement of certain designated groups.

The Special Condition for this tender is the following:

- N/A

NB: Failure to meet the above-mentioned **Special Condition** will render the submission nonresponsive.

2. Objective Criteria

The following are the objective criteria the organisation intends to apply in terms of section 2(1)(f) of the Preferential Procurement Policy Framework Act. Upon agreement with the contractor the proposals will form part of the contract commitment.

2.1 Local content & Production

The Local content target for this tender is set at 100% and it is further indicated that there are no commodities or materials needed for the execution of this project that are part of the designated sectors declared by DTI. That is, the Local content target does not have a mandatory threshold and should any of the recommended tenderer fail to meet the Eskom's target, this will form part of the negotiation and part of the contract once agreed upon.

Table 1

Criteria	Eskom's target	Tenderer's Proposal
Local content	100%	

5. Skills Development

Eskom intends to improve Skills Development by ensuring that technical support is directed towards enhancing supply capacity and capability within the industry or sector of operation. By doing this the capacity and competitiveness of the local supply base will be increased and the goals of shared growth, employment creation, poverty reduction and skills development will be achieved

Tenderers are encouraged to propose Skills Development initiatives in terms of the Skills required for this project as indicated in the table (matrix) below.

This will form part of the contractual obligation with the successful contractor

Type of Skills	Target	Proposal
Mechanical Artisan	4	
Electrical Artisan	4	
Safety Officer	3	
Total Skills Offered	11	

6. Job Creation

Suppliers should mention the number of jobs created and retained as a direct result of the contract. These proposals shall be made in the SD&L Compliance Matrix as shown below.

Suppliers are **required** to source local to site labour on semi-skilled and unskilled labour to increase job creation at the Local to site Feeder areas around Hendrina Power Station.

Table 2

Number of jobs to be created as a result of this contract	
Number of jobs to be retained as a result of this contract	

4.2 Subcontracting

30%

4.2.1 Preferred subcontractors

N/A

4.2.2 Subcontract documentation, and assessment of subcontract tenders

N/A

4.2.3 Limitations on subcontracting

N/A

4.2.4 Attendance on subcontractors

N/A

4.3 Plant and Materials

4.3.1 Specifications

All the defected plant under the Sootblower shall be corrected by the *Contractor* as per notification and scope of work provided by the Engineer and operating personnel

4.3.2 Correction of defects

Any defected plant shall be corrected shall be corrected by *Contractor* within the notification period and new replacement shall be replaced as per Engineer instructions.

4.3.3 Contractor's procurement of Plant and Materials

N/A. all the plant and materials shall be supplied by the *Employer*

4.3.4 Tests and inspections before delivery

N/A

4.3.5 Plant & Materials provided "free issue" by the Employer

All Plant and Materials shall be provided by the *Employer*

5 Working on the Affected Property

All the work shall be done in accordance with the Plant Safety Regulations.

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

Contractor shall adhere to all lifesaving rules.

5.2 People restrictions, hours of work, conduct and records

Contractor shall keep all the time sheets for all employees who will be on site at all times for the period of the contract.

5.3 Health and safety facilities on the Affected Property

As per section 2.3

5.4 Environmental controls, fauna & flora

1. As per the *Employer's* procedure: The Hendrina Power Station Environmental Policy SHEQ Policy 32-727 (rev. 6)

5.5 Cooperating with and obtaining acceptance of Others

The Contract supervisor shall communicate with the Boiler Engineering, Eskom QC and operating personnel to verify some of the defects and do inspections and signing of the QIP's, Inspection sheets and the defects.

5.6 Records of Contractor's Equipment

N/A

5.7 Equipment provided by the Employer

Employer shall provide Overhead crane and a winch.

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

Employer shall provide power supply, water, waste disposal, ablutions, and fire protection.

Employer supplies, free of charge, reasonable quantities of potable water required for the purposes of this contract from the existing points.

Power is available at the existing points. The *Contractor* provides his own portable 380V electrical distribution boards, and supply cables to and from the boards, for all his power supply requirements to execute the works. The *Employer* connects distribution boards to a 380V three-phase AC power supply, only after the *Contractor* has submitted the valid Certificate of Compliance. All *Contractors'* electrical distribution boards are earthed to the steel structure of the plant.

The *Employer* provides the *Contractor* access to identified existing ablution facilities.

The *Contractor* maintains the site to meet the requirements of the health and safety requirements as per the requirements of the *Service Manager*. The *Contractor* restores the site to its original state i.e., clean and no rubble. Inspection is held by the Project Manager and signed off.

5.8.2 Provided by the *Contractor*

Contractor shall provide service as per scope of work and provide manpower. *Contractor* shall provide everything else necessary for providing the Service.

Contractor provides, at his own cost, all connection fittings, pipe work, temporary plumbing, and pumps necessary to lead the water from the *Employer's* points of supply to the various points where it is required. *Contractor* provides his own portable 380V electrical distribution boards, and supply cables to and from the boards, for all his power supply requirements to execute the works. The *Contractors'* Electrical Distribution Boards shall comply with OHSA as referred to in the Electrical Installation Regulations and the Electrical Machinery Regulations. Each board brought onto site has a Certificate of Compliance issued by an accredited person.

Contractors' electrical distribution boards are installed at the works on a time negotiated with the Supervisor, prior to the possession date.

The *Contractor* maintains the site to meet the requirements of the health and safety requirements as per the requirements of the *Service Manager*. The *Contractor* restores the site to its original state i.e., clean and no rubble. Inspection is held by the *Service Manager* and signed off.

5.9 Control of noise, dust, water and waste

The *Contractor* shall adhere to the SHEQ policy and waste management procedure requirements.

5.10 Hook ups to existing works

N/A

5.11 Tests and inspections

5.11.1 Description of tests and inspections

N/A

5.11.2 Materials facilities and samples for tests and inspections

N/A

6 List of drawings

6.1 Drawings issued by the *Employer*

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