



NEC3 Term Service Contract (TSC3)

Between **ESKOM HOLDINGS SOC Ltd**
(Reg No. 2002/015527/30)

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

for **REWINDING ,REFURBISHMENT AND SUPPLY OF
LOW VOLTAGE (AC) AND DIRECT CURRENT(DC)
ELECTRIC MOTORS “AS AN WHEN REQUIRED”**

Contents:	No of pages
Part C1 Agreements & Contract Data	[•]
Part C2 Pricing Data	[•]
Part C3 Scope of Work	[•]

CONTRACT No. [Insert at award stage]

PART C1: AGREEMENTS & CONTRACT DATA

Contents:	No of pages
C1.1 Form of Offer and Acceptance	[•]
[to be inserted from Returnable Documents at award stage]	
C1.2a Contract Data provided by the <i>Employer</i>	[•]
C1.2b Contract Data provided by the <i>Contractor</i>	[•]
[to be inserted from Returnable Documents at award stage]	

Rewinding, refurbishment and supply of low voltage (ac) and direct current(dc) electric motors “as an when required”

C1.1 Form of Offer & Acceptance

Offer

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

Rewinding, refurbishment and supply of low voltage (ac) and direct current (dc) electric motors “as and when required”

The tenderer, identified in the Offer signature block, has examined the documents listed in the Tender Data and addenda thereto and by submitting this Offer has accepted the Conditions of Tender.

By the representative of the tenderer, deemed to be duly authorised, signing this part of this Form of Offer and Acceptance the tenderer offers to perform all of the obligations and liabilities of the *Contractor* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data.

Options A or C	The offered total of the Prices exclusive of VAT is	R [•]
Option E	The first forecast of the total Defined Cost plus the Fee exclusive of VAT is	R [•]
	Sub total	R [•]
	Value Added Tax @ 15% is	R [•]
	The offered total of the amount due inclusive of VAT is ¹	R [•]
	(in words) [•]	

This Offer may be accepted by the Employer by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *Contractor* in the *conditions of contract* identified in the Contract Data.

Signature(s)

Name(s)

Capacity

**For the
tenderer:**

(Insert name and address of organisation)

Name &
signature of

Date

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

Rewinding, refurbishment and supply of low voltage (ac) and direct current(dc) electric motors “as an when required”

witness

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 C1	Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
Part C2	Pricing Data
Part C3	Scope of Work: Service Information

and drawings and documents (or parts thereof), which may be incorporated by reference into the above listed Parts.

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Form of Offer and Acceptance. No amendments to or deviations from said documents are valid unless contained in this Schedule.

The tenderer shall within two weeks of receiving a completed copy of this agreement, including the Schedule of Deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data at, or just after, the date this agreement comes into effect. Failure to fulfil any of these obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed and signed original copy of this document, including the Schedule of Deviations (if any).

Signature(s)

Name(s)

Capacity

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

Note: If a tenderer wishes to submit alternative tenders, use another copy of this Form of Offer and Acceptance.

Rewinding, refurbishment and supply of low voltage (ac) and direct current(dc) electric motors “as an when required”

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)

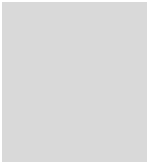

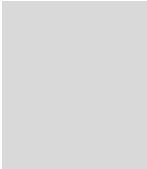
Name &
signature
of witness

Date

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

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
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1: Price adjustment for inflation
		X2: Changes in the law
		X17: Low service damages
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ¹ (TSC3)	
10.1	The <i>Employer</i> is (name):	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Tel No.	
	Fax No.	
10.1	The <i>Service Manager</i> is (name):	
	Address	Grootvlei Power Station Private Bag X Grootvlei 2040

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 www.ecs.co.za

Tel

Fax

e-mail

11.2(2)	The Affected Property is	Grootvlei Power Station generating plant and its auxiliary plant including Vaaldam
11.2(13)	The <i>service</i> is	Rewind, refurbishment and supply of low voltage(AC) and direct current (DC) Electric Motors on “as and when required basis “ at Grootvlei Power Station
11.2(14)	The following matters will be included in the Risk Register	<ul style="list-style-type: none"> • Mean time to repair. • Equipment breakdown rate after repairs. • Some will captured as they arise within the contract duration.
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	1 week for all contractual communication, for breakdown 12 hours
2	The <i>Contractor's</i> main responsibilities	Data required by this section of the core clauses is also provided by the <i>Contractor</i> in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data
21.1	The <i>Contractor</i> submits a first plan for acceptance within	2 weeks of the Contract Date
3	Time	
30.1	The <i>starting date</i> is.	[•]
30.1	The <i>service period</i> is	5 Years
4	Testing and defects	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
5	Payment	
50.1	The <i>assessment interval</i> is	Between the 25th day of each successive month.
51.1	The <i>currency of this contract</i> is the	South African Rand
51.2	The period within which payments are made is	4 weeks.
51.4	The <i>interest rate</i> is	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 Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and

(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the 6 month London Interbank Offered Rate quoted under the caption "Money Rates" in The Wall Street Journal for the applicable currency or if no rate is quoted for the currency in question then the rate for United States Dollars, and if no such rate appears in The Wall Street Journal then the rate as quoted by the Reuters Monitor Money Rates Service (or such service as may replace the Reuters Monitor Money Rates Service) on the due date for the payment in question, adjusted *mutatis mutandis* every 6 months thereafter (and as certified, in the event of any dispute, by any manager employed in the foreign exchange department of The Standard Bank of South Africa Limited, whose appointment it shall not be necessary to prove.

6	Compensation events	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
7	Use of Equipment Plant and Materials	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	Additional risks will be discussed and addressed as they arise within the contract duration.
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/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (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/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx (See Annexure A for basic guidance)
83.1	The <i>Contractor</i> provides these additional insurances:	[•]
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/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx

83.1	The insurance against loss of or damage to the <i>works</i> , Plant and Materials is to include cover for Plant and Materials provided by the <i>Employer</i> for an amount of [•]	
83.1	The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is:	Whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i> .
83.1	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is:	As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands)..
9	Termination	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
10	Data for main Option clause	
A	Priced contract with price list	
20.5	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the service at intervals no longer than	4 weeks
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	The person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
	Address	[•]
	Tel No.	[•]
	Fax No.	[•]
	e-mail	[•]
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see www.ice-sa.org.za) or its successor body.
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	The Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.		
	- if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is			

12 Data for secondary Option clauses

X1	Price adjustment for inflation			
X1.1	The <i>base date</i> for indices is	[•].		
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for	Index prepared by
	Labour	35%	Table C3 - AHPE	SEIFSA
	Electric motors	40%	Table J4	SEIFA
	Travelling	10%	Table L2 - A	SEIFA
	Fixed portion	15%	non-adjustable	
		100%		
X2	Changes in the law	There is no reference to Contract Data in this Option and terms in italics are identified elsewhere in this Contract Data.		
X17	Low service damages			
X17.1	The contractor will be penalised 5% of the total task order, see Annexure B			
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		
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 <ul style="list-style-type: none">the total of the Prices at the Contract Date andthe 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
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	<p>the total of the Prices other than for the additional excluded matters.</p> <p>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</p> <ul style="list-style-type: none"> • 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	3 months after the end of the <i>service period</i>.
X19	Task Order	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	2 days of receiving the Task Order
Z	The <i>additional conditions of contract</i> are	Z1 to Z11 always apply.

Z1 Cession delegation and assignment

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

Z2 Joint ventures

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

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

- Z3.1 Where a change in the *Contractor's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Contractor's* B-BBEE status, the *Contractor* notifies the *Employer* within seven days of the change.
- Z3.2 The *Contractor* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Service Manager* within thirty days of the notification or as otherwise instructed by the *Service Manager*.
- Z3.3 Where, as a result, the *Contractor's* B-BBEE status has decreased since the Contract Date the *Employer* may either re-negotiate this contract or alternatively, terminate the *Contractor's* obligation to Provide the Service.
- Z3.4 Failure by the *Contractor* to notify the *Employer* of a change in its B-BBEE status may constitute a reason for termination. If the *Employer* terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Confidentiality

- Z4.1 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.
- Z4.2 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*.
- Z4.3 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.
- Z4.4 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*.
- Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to core clause 12.3:

- Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, 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.

Z6 Health, safety and the environment: Add to core clause 27.4

- Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational

- Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
- warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
- undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

Z6.2 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.

Z7 Provision of a Tax Invoice and interest. Add to core clause 51

- Z7.1 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.
- Z7.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z7.3 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.

Z8 Notifying compensation events

- Z8.1 Delete the last paragraph of core clause 61.3 and replace with:

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

Z9 Employer's limitation of liability

- Z9.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z9.2 The *Contractor's* entitlement under the indemnity in 82.1 is provided for in 60.1(12) and the *Employer's* liability under the indemnity is limited to compensation as provided for in core clause 63 and X19.11 if Option X19 Task Order applies to this contract.

Z10 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

- Z10.1 or had a business rescue order granted against it.

Z11 Ethics

For the purposes of this Z-clause, the following definitions apply:

Affected Party	means, as the context requires, any party, irrespective of whether it is the <i>Contractor</i> or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,
Coercive Action	means to harm or threaten to harm, directly or indirectly, an Affected Party or the property of an Affected Party, or to otherwise influence or attempt to influence an Affected Party to act unlawfully or illegally,
Collusive Action	means where two or more parties co-operate to achieve an unlawful or illegal purpose, including to influence an Affected Party to act unlawfully or illegally,
Committing Party	means, as the context requires, the <i>Contractor</i> , or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,
Corrupt Action	means the offering, giving, taking, or soliciting, directly or indirectly, of a good or service to unlawfully or illegally influence the actions of an Affected Party,
Fraudulent Action	means any unlawfully or illegally intentional act or omission that misleads, or attempts to mislead, an Affected Party, in order to obtain a financial or other benefit or to avoid an obligation or incurring an obligation,
Obstructive Action	means a Committing Party unlawfully or illegally destroying, falsifying, altering or concealing information or making false statements to materially impede an investigation into allegations of Prohibited Action and
Prohibited Action	means any one or more of a Coercive Action, Collusive Action Corrupt Action, Fraudulent Action or Obstructive Action.

- Z 11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z 11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if a Committing Party has taken such Prohibited Action and the *Contractor* did not take timely and appropriate action to prevent or remedy the situation, without limiting any other rights or remedies the *Employer* has. It is not required that the Committing Party had to have been found guilty, in court or in any other similar process, of such Prohibited Action before the *Employer* can terminate the *Contractor's* obligation to Provide the Service for this reason.
- Z 11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Service for this reason, the procedures and amounts due on termination are respectively P1, P2, P3 and P4, and A1 and A3.
- Z 11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Additional exit clause:

- Z11.5 The Employer may terminate contractor's obligation to provide the service when the power station reaches the dead stop date within the validity of this contract.

Annexure A: Insurance provided by the Employer

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

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

http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx

ANNEXURE B

LOW DAMAGES

5% of the total task order	Focus Area	Indicators	Targets	Penalty per task order
	Plant	Rework	No rework	2%
		Callout response	2hrs	1%
	New spare motors	Delivery	3 weeks/before	1%
	reports	Report submission	On delivery	1%

C1.2 Contract Data

Part two - Data provided by the *Contractor*

Notes to a tendering contractor:

1. Please read both the both the NEC3 Term Service Contract April 2013 and the relevant parts of its Guidance Notes (TSC3-GN)¹ in order to understand the implications of this Data which the tenderer is required to complete.
2. The number of the clause which requires the data is shown in the left hand column for each statement however other clauses may also use the same data.
3. Where a form field like this [] appears, data is required to be inserted relevant to the option selected. Click on the form field **once** and type in the data. Otherwise complete by hand and in ink.

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

Clause	Statement	Data
10.1	The <i>Contractor</i> is (Name): Address Tel No. Fax No.	
11.2(8)	The <i>direct fee percentage</i> is	%
	The <i>subcontracted fee percentage</i> is	%
11.2(14)	The following matters will be included in the Risk Register	
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	
21.1	The plan identified in the Contract Data is contained in:	
24.1	The key people are: 1 Name: Job: Responsibilities: Qualifications: Experience: 2 Name: Job: Responsibilities: Qualifications:	

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 5391902 or www.ecs.co.za

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	N/A
C	Target contract with price list	
11.2(12)	The <i>price list</i> is in	
11.2(20)	The tendered total of the Prices is	R
E	Cost reimbursable contract	
11.2(12)	The <i>price list</i> is in	

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

1. How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract (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 <ul style="list-style-type: none">• the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and• where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

2. Function of the Price List

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

3. Link to the *Contractor's* plan

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

4. Preparing the *price list*

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

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

- Has taken account of the guidance given in the TSC3 Guidance Notes relevant to Option A;
- Understands the function of the Price List and how work is priced and paid for;
- Is aware of the need to link operations shown in his plan to items shown in the Price List;
- Has listed and priced items in the *price list* which are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk;
- Has priced work he decides not to show as a separate item within the Prices or rates of other listed items in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.
- Understands there is no adjustment to items priced as lump sums if the amount, or quantity, of work within that item later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the (lump sum) Prices is as a result of a compensation event.

4.1. Format of the *price list*

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

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

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

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

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

C2.2 the *price list*

This is rate base contract

Refer to the spread sheet below

Serial NO	RPM	KW/HP	Strip & Assess	Rewind	Assemble & Paint	Transport	New Motor
076 E 6	1485	160HP					
093348/03	1470	175HP					
964128/05	1475	100HP					
973235/04	1475	100HP					
281803	2900	30KW					
FJD	3450	0,75KW					
L6134/13	1430	1.5KW					
338064	1450	1.75HP					
FA6428/33	2820	5HP					
B 121403801	1400	0.45HP					
99565	1420	0.5HP					
F 56591	1440	3HP					
962507/05	703	3HP					
BD 7386/3	2950	50HP					
970112/08	945	3HP					
519759	950	1.75HP					
SD 5380/8	930	2HP					
G 043403	1420	3HP					
LDZ8768/6	915	1.5KW					
N719903	1420	3HP					
83782018	2800	0.75KW					
85907808	2850	2.2KW					
970112/25	945	2HP					
970112/30	945	2HP					
964305/03	945	2HP					
970112/06	945	2HP					
BD 7265/51	930	2HP					
BD7399/63	930	2HP					
	930	2HP					
NC7405/28	1415	2HP					
TDD 5474/14	2897	5.5KW					
TDD 5474/12	2897	5.5KW					

TDD 5474/34	2897	5.5KW					
TDD 5473/17	2902	5.5KW					
M 5009	950	1.5HP					
962741/04	935	1.5HP					
4360752	920	1.1KW					
FC1357030132	1430	4HP					
493376	1430	4HP					
HB 2306 3362	1440	3KW					
MDD 6622/10	2840	3HP					
KC 5845/13	2910	40HP					
GC43494	1420	3HP					
M 7680	1425	0.5HP					
986302/01	1455	25HP					
983255/04	1430	5.5HP					
PDD6043/1	1430	5.5HP					
K4 132147	1460	11KW					
M916611/09	944	5.5HP					
00CH 1	1462	75HP					
RC 5126/1	1460	25HP					
WC 5367/8	1440	15HP					
557084/14	1450	15HP					
557084/05	1450	15HP					
G 043407/1	1420	3HP					
928735	1430	4HP					
L 721566	940	3HP					
B 180523	950	2.2KW					
B 499610	945	2.2KW					
MDZ9242/196	1435	2.2KW					
RDZ 9663/313	1435	2.2KW					
PD 6877/20	1415	2.2KW					
RD5243/103	1415	2.2KW					
R 6118/6	1415	2.2KW					
82862 N	1420	0.5HP					
99578 L	1420	0.5HP					
15537 M	1420	0.5HP					
52263 P	1420	0.5HP					
99552 L	1420	0.5HP					
28117 N	1420	0.5HP					
28109 N	1420	0.5HP					
82863 N1	1420	0.5HP					
1077164	1465	30KW					

1043104	1435	30KW					
VD 5134/9	2910	25HP					
16483 W 1	1450	40HP					
961248/17	1455	30HP					
404733	2950	30KW					
958703/03	1440	10HP					
141012-AA-01	700	3HP					
854422	1420	20HP					
K4 60585	730	11.4KW					
11D9607/1	2900	11KW					
11D9607/2	2900	11KW					
537156/09	2920	20HP					
99606 L	940	1.0HP					
99608 L	940	1.0HP					
49479 P	940	1.0HP					
M933101/14	1410	1HP					
M946506/01	1410	1HP					
P 32358 T	1425	1.6HP					
K 12760 14	1425	0.5HP					
K 12755 35	1425	0.5HP					
T.88830 J	1420	0.5HP					
SDD 7529/1	1410	1.5HP					
M50709701/43	1410	1.1KW					
PDD 6246/8	1410	1.5HP					
PDD 5785/5	1410	1.5HP					
N 005564/2	1425	N/A					
M 050100	1400	1.0HP					
E7200309019088	2765	0.79KW					
91183	1370	0.37KW					
180012.5	10.2	N/A					
173517 R	1420	1.1KW					
EJ230/13122	1400	0.55KW					
KD 3	1400	0.75KW					
8611-0676	1380	0.15KW					
	1380	0.15KW					

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

C3.1: EMPLOYER'S SERVICE INFORMATION

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1 Description of the service

1.1 Executive overview

Grootvlei power station is in need of the contractor that will be responsible for Rewinding, refurbishment and supply of all low voltage (AC) and (DC) electrical motors installed at Grootvlei Power Station and its associated plant. All such work will be carried at the contractor's premises

1.2 Employer's requirements for the service

The contractor is responsible for all aspects of electrical motors (mechanical and electrical) and this includes, but not limited to, the following

- . Rewinding and refurbishment of motors
- . Improvement studies and failure reports
- . Maintaining records and statistics
- . Ensure compliance with legislation and standards
- . Ensure compliance with Eskom policies and procedures

Accessories fitted to motors that form an integral part of a motor such as the cooling fans, ventilation air pressure ,switches ,mounting blocks etc ,are included as part of the work.

The information however contained in this document is the minimum requirements for a motor rewinding contract. The contractor may suggest alternatives or additions for the practical implementation of a motor rewinding contract. The contractor must make a detailed submission in order for the employer to evaluate the proposals. This must also include samples of all documents that will be used, such as failure reports and repair procedures. The contractor must also provide full details of his quality management plan and safety management plan.

Reference could be made to an annexure for a detailed classification of services or price listing the case of option A or C and if the price list descriptions are complete.

1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
LV	Low Voltage
DC	Direct Current

1.4 Motors that fails while in service would have a probability of causing loss of production or causing unsafe condition for personnel or plant.

2 Management strategy and start up.

2.1 The Contractor's plan for the service

2.1.1 The contractor undertake to repair failed or defective motor from Grootvlei Power Station and it's associated plant. All repair work will be undertaken in accordance with original equipment manufacturer (OEM) specifications.

When a motor is collected from Grootvlei Power Station, the contractor will give the estimate of the repair lead-time to the Employer's personnel, within 24 hours of the motor being collected from site. Employer's representative will represent the Employer as an when required, when making initial inspections on faulty and damaged motors. The Contractor must inform the Employer on the date and time when the motor will be stripped for inspections. For critical motors, the contractor will report the progress of the repair to the Employer's personnel on a daily basis. The expected repair lead-time in the case of breakdowns will be 24 hours for refurbishment and 48 hours for rewind.

In the event that motor is not repairable because it is not technically possible or it is more economical to replace the motor, the contractor undertakes to replace the motor with the equivalent repaired motor. If an equivalent repaired motor is not available, the contractor will replace the damaged motor with a new motor.

The contractor may also offer an equivalent repaired motor if the repair lead-time of a failed or defective motor is unacceptable to the employer. All motors must be painted and colour coded with a multiple coat epoxy painting system to the employer's satisfaction. The employer reserves the right to scrap a motor. If a motor is beyond economical to repair, it must be returned to the employer, where he will decide on the channel to be followed when scrapping it.

2.1.2 FAULT FINDING

The Employer's appointed technicians would be responsible for first line fault finding and investigation if the employer suspects a faulty motor. If a faulty motor is suspected, the employer's personnel will inform the contractor to collect the motor. The repair may be undertaken as a breakdown or normal maintenance, as agreed with the contractor and employer's personnel.

2.1.3 FAILURE REPORT

The contractor must submit a failure report to the employer's personnel for every motor that is repaired by the contractor. The failure report must be available before the repair of the motor is completed

2.2 Management meetings

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

Title and purpose	Approximate time & interval	Location	Attendance by:
Risk register and compensation events	Whenever is required____	Project building 2,EMD Boardroom/Ms teams	All relevant stakeholders
Overall contract progress and feedback	Monthly	Project building 2,EMD Boardroom/Ms teams	<i>Employer, Contractor</i> and ____
Kick off meeting	2 days after contract award	Project building 2,EMD Boardroom/Ms teams	All relevant stakeholders

Meetings of a special 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*. The person convening the meeting within five days of the meeting shall submit records of these meetings to the Service Manager.

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

The contractor's personnel will manage all contractor's employees. The contractor's representative will ensure that the contractor's employees work in accordance to employer's standards and regulations. The contractor's representative will ensure that the contractor prepare and submit quotation for additional resources on time during breakdown.

2.4 Provision of bonds and guarantees

The form in which a bond or guarantee required by the *conditions of contract* (if any) is to be provided by the *Contractor* is given in Part 1 Agreements and Contract Data, document C1.3, Sureties.

The *Employer* may withhold payment of amounts due to the *Contractor* until the bond or guarantee required in terms of this contract has been received and accepted by the person notified to the *Contractor* by the *Service Manager* to receive and accept such bond or guarantee. Such withholding of payment due to the *Contractor* does not affect the *Employer's* right to termination stated in this contract.

2.5 Documentation control

All communication should follow NEC TSC3 requirements. The Contractor to submit a complete data package after completion of the works or upon delivery

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_____
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

The Employer will not be liable for any work executed without an official task order. When the compensation event arises, the contractor shall submit a quotation to the service manager for approval. Upon the approval, the contractor shall be issued with a new official task order for the additional work.

2.8 Records of Defined Cost to be kept by the *Contractor*

N/A

2.9 Insurance provided by the *Employer*

See C1.2 Annexure A

2.10 Training workshops and technology transfer

N/A

2.11 Design and supply of Equipment

Refer to quality requirements, scope and service information

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

2.12.1 Equipment

None

2.12.2 Information and other things

The contractor to provide full package, such as failure report, test results to the Employer

2.13 Management of work done by Task Order

The employer's representative, on the work that need to be done, will issue a task order to the contractor. A SAP 45 (order) number for reference purposes will accompany this task order when the contractor invoices.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

Refer to SHEQ SPECIFICATION ATTACHED for more information

- **General**

The Contractor ensures safety awareness at all times through continuous training.

The Contractor is appointed to act on behalf of the Employer in terms of the Occupational Health and Safety Act no 85 of 1993 for this contract.

All of the Contractor's staff complies with the Grootvlei Site health and safety requirements titled "Contractor's Health and Safety Requirements – GV6.4/ST/02

In carrying out its obligations to the Employer in terms of this contract; in Providing the Works; in using Plant, Materials and Equipment; and while at the Site for any reason, the Contractor complies and procures and ensures the compliance by its employees, agents, Subcontractors and mandatories with:

- The provisions of the Occupational Health and Safety Act 85 of 1993 (as amended) and all regulations in force from time to time in terms of that Act ("the OHSA"); and
- The health and safety plan prepared by the Contractor in accordance with the SHEQ Requirements.

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

The Contractor, at all times, consider itself to be the "Employer" for the purposes of the OHSA and shall not consider itself under the supervision or management of the Employer with regard to compliance with the SHEQ Requirements. The Contractor shall furthermore not consider itself to be a subordinate or under the supervision of the Employer in respect of these matters. The Contractor shall at all times be responsible for the supervision of its employees, agents, Subcontractors and mandatories and shall take full responsibility and accountability for ensuring they are competent, aware of the SHEQ Requirements and execute the Works in accordance with the SHEQ Requirements.

The Contractor ensures that all statutory appointments and appointments required by any Eskom Regulations are made and that all appointees fully understand their responsibilities and are trained and competent to execute their duties. The Contractor supervises the execution of their duties by all such appointees.

The Employer, or any person appointed by the Employer, may, at any stage during the currency of this contract:

- Conduct health and safety audits regarding all aspects of compliance with the SHEQ Requirements, at any off-site place of work, or the site establishment of the Contractor;

- Refuse any employee, Subcontractor or agent of the Contractor access to the premises if such person has been found to commit an unsafe act or any unsafe working practice or is found not to be qualified or authorised in terms of the SHEQ Requirements;
- Issue the Contractor with a stop order should the Employer become aware of any unsafe working procedure or condition or any non-compliance with any provision of the SHEQ Requirements.

The Contractor immediately reports any disabling injury as well as any threat to health or safety of which it becomes aware of on the Site to the Service Manager.

The Contractor appoints a person, qualified in accordance with the SHEQ Requirements, as the liaison with the Eskom Safety Officer for all matters related to health and safety, this person shall be contactable 24 hours a day.

The Contractor confirms that provided with sufficient written information regarding the health and safety arrangements and procedures applicable to the works to ensure compliance by it and all employees, agents, Subcontractors or mandatories with the SHEQ Requirements while Providing the Works in terms of this contract. As such, the Contractor confirms that this contract and the relevant Eskom Regulations referred to in this contract constitute written arrangements and procedures between the Contractor and the Employer regarding health and safety for the purposes of section 37(2) of the OHSA.

The Contractor agrees that the Employer is relieved of any and all of its responsibilities and liabilities in terms of Section 37(1) of OHSA in respect of any acts or omissions of the Contractor, and the Contractor's employees, agents or Subcontractors, to the extent permitted by the OHSA.

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

The *Contractor* shall comply with the health and safety requirements contained in SHE SPEC to this Service Information.

3.2 Environmental constraints and management

a. The Contractor will implement an Environmental Management System (EMS) and will maintain the EMS until the completion of the whole of the works. The EMS will be to the Employer's satisfaction and will be accepted prior to the commencement of any work on site.

b. The contractor will be subject to audits by the employer in order to ensure compliance with the EMS. Any deviations will be corrected to the Employer's satisfaction

c. Implementation of significant environmental aspects

d. Furthermore, the Contractor will be familiar with and comply with Eskom SHEQ policy, Grootvlei Power Station's environmental management statement and procedures. In particular, the attention is drawn to Grootvlei Power Station's environmental non-conformance procedure, waste management procedure and spill clean-up procedure.

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

3.3 Quality assurance requirements

- a) The Contractor conforms to the following Quality Management requirements:
- b) The quality requirements are as per ISO 9001 and Eskom Standard 7.1/ST/02 Quality Requirements for Engineering and Construction work (refer to forms QA001/A and QA001/ B for the applicable sections)
- c) Documents submitted for review and acceptance by the Service Manager after the Contract Date and prior to the commencement of work are referred to in 7.1/ST/02 page 4, item 4.3.
- d) The Contractor submits a fully detailed Quality Management Programme (QAP) for acceptance within four weeks of the Contract Date.
- e) No work is allowed on Site unless the Employer accepts the QAP.
- f) The Contractor utilises the Employer's quality documentation forms for requesting access, erection checks etc. These request forms is to be submitted to the Supervisor at least one week prior to the requested activity, or as agreed to by the Service Manager.
- g) Apart from any statutory data packages required, the Contractor also compiles a data package of the relevant drawings, test certificates etc, for each section of work which is to be reviewed and signed off by the Supervisor at erection check stage prior to the commencement of the commissioning phase.
- h) The Contractor is responsible for defining the level of QA/QC or inspection to be imposed on his Subcontractors and suppliers of material. This level should be based on criticality of Plant and Material and be submitted to the Service Manager for acceptance.
- i) The Contractor submits a schedule of unpriced orders to be placed that is updated monthly.
- j) The Contractor submits a quality report on a monthly basis, including the following:
- k) A list of Defects with those older than 30 days being flagged and an explanation attached
- l) Monthly updated Site and pre-site programmes
- m) Foreign inspection dates
- n) Inspections completed/outstanding
- o) Register of accepted Defects

- p) Project Quality progress report.

Also refer to Supplier Quality Management Specification : 240-105688000 (QM58)

4 Procurement

4.1 People

4.1.1 Minimum requirements of people employed

The contractor and its employees required to work onsite must first obtain the required access permit for site before commencing any work. This is obtained by completing a site-specific induction, medical and associated paper work. No vehicle will be allowed access to site unless this has been pre-approved by the Service manager/security and valid permit for vehicle access has been issued.

4.1.2 BBBEE and referencing scheme

Refer to SDI&L

4.1.3 Accelerated Shared Growth Initiative – South Africa (ASGI-SA)

N/A

4.2 Subcontracting

4.2.1 Preferred subcontractors

TSC3 does not make use of nominated subcontracting, but the *Employer* may list which subcontractors or suppliers the *Contractor* is required to enter into subcontracts with. This is usually only required where special services need to be obtained from a particular supplier or group of suppliers in order to comply with operational standards.

4.2.2 Subcontract documentation, and assessment of subcontract tenders

All Subcontractors are to be employer approved Contractor's /vendors/suppliers. If the contractor is uncertain of the approval status of the contractor's/vendors/suppliers the contractor formally requests from the service manager conformation of the status.

The contractor does not procure the services of contractor's/vendors/suppliers without the prior approval of the service manager. All Subcontractors are to be appointed under NEC with a back to back relationship with this main contract.

4.2.3 Limitations on subcontracting

Refer to SDI&L

The employer may require that the contractor must subcontract certain specialised work, the contractor shall not subcontract more than a specified proportion of the whole of the contract.

4.2.4 Attendance on subcontractors

The contractor shall submit a list of intended subcontractors to the employer. Where the contractor submit contracts, the contractor will still be liable for the works as if the contractor had no subcontractor.

4.3 Plant and Materials

4.3.1 Specifications

The contractor will provide all the relevant training records to the employer to verify the competency of the staff e.g. professional registration with ECSA for the professional engineer.

All OEM standards are applicable and must be followed when performing any type of task on motors at Grootvlei Power Station.

4.3.2 Correction of defects

The employer's appointed technicians will be responsible for first line fault-finding and investigation if the employer suspects a faulty motor. If a faulty motor is suspected, the employer's personnel to conduct an investigation will inform the contractor. The contractor will respond in writing by means of a fault report.

A fault report will be issued if the fault proves not to be related to the motor. The employer's personnel will then arrange corrective action with the responsible party.

4.3.3 *Contractor's* procurement of Plant and Materials

N/A

4.3.4 Tests and inspections before delivery

The inspections shall be carried out by the employer's quality controller but the contractor shall assist the quality controller should she/he requires assistance.

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

The employer should provide the crane for loading and offloading the spares

4.3.6 Cataloguing requirements by the *Contractor*

N/A

5 Working on the Affected Property

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

The Contractor is informed of the access procedure through site regulations and note that such procedures may change depending on the prevailing situation.

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

If any Contractor's staff are transferred from Grootvlei or leave Site, the person's permit is handed over to the supervisor

No firearms, weapons, alcohol, illegal substances and cameras (including cell phones with cameras) are permitted on site. No private work is carried out for or on behalf of any Eskom employee. Any person suspected of being under the influence of alcohol is tested and if proved positive, is refused entry to the security area.

5.2 People restrictions, hours of work, conduct and records

The Contractor's employees will be called out as and when required basis

5.3 Health and safety facilities on the Affected Property

Refer to the SHE specifications

5.4 Environmental controls, fauna & flora

The *Contractor* complies with Grootvlei Power Station's environmental management system, procedures and policies. It is important to note that all Environmental related incidents must be reported immediately or before the end of the shift. It is the responsibility of the contractor to ensure that all waste generated is stored in the designated bin and area

The *Contractor* must also conform to the following Standard requirements:

- ISO 14001: 2015 standards and subsequent procedures.
- Adherence to the 'Duty of Care' as stipulated in section 28 of the National Environmental Management Act 107 of 2008
- Adherence to the Environmental incident management requirements as enshrined in corporate procedure-GVLE 0002

Compliance to Grootvlei and Environmental Waste Management Procedure -240-133087117

5.5 Cooperating with and obtaining acceptance of others

Periodic Audit can happen anytime during the contract therefore as a service provider you are expected to comply

5.6 Records of *Contractor's* Equipment

The repairs will be done at Contractor's workshop

5.7 Equipment provided by the *Employer*

The Employer to provide overhead crane when loading and offloading motors

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

Contractors are allowed to utilise ablution facilities at the plant during execution. We also have Canteen within the station that is open to anyone at an individual cost. All other requirements for facilities and connection on the contractor's yard have been stipulated on the document.

5.8.2 Provided by the *Contractor*

The service provider will only use their transport to collect and deliver the motors

5.9 Control of noise, dust, water and waste

Adhere to life saving rules and refer to SHE specifications

5.10 Hook ups to existing works

Risk assessment to be conducted prior to execution

5.11 Tests and inspections

5.11.1 Description of tests and inspections

The employer's quality controller shall carry out the inspections, but the Contractor shall assist the quality controller should he/she requires assistance.

5.11.2 Materials facilities and samples for tests and inspections

5.11.3 Site Acceptance tests to be done as well as Factory Acceptance and be witnessed by all relevant stakeholders.

6 List of drawings

6.1 Drawings issued by the *Employer*

N/A

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

Drawing number	Revision	Title