

NEC3 Term Service Contract (TSC3)

Between **ESKOM ROTEK INDUSTRIES SOC Ltd**
(Reg. No. 1990/006897/30)

and **(Reg. No.)**

for **PROVISION OF CNC AND CONVENTIONAL
TURNING SERVICES FOR TURBO GEN SERVICES -
ALL DEPARTMENTS**

Contents:

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Part C3	Scope of Work

CONTRACT No.	RRR00
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Documentation prepared by:

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PART C1: AGREEMENTS & CONTRACT DATA

Contents:

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C1.1 Form of Offer & Acceptance

Offer

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

PROVISION OF CNC AND CONVENTIONAL TURNING SERVICES FOR TURBO GEN SERVICES - ALL DEPARTMENTS

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

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

Options A	The offered total of the Prices exclusive of VAT is	R
	Value Added Tax @ 15% is	R
	The offered total of the amount due inclusive of VAT is ¹	R
	Estimated Cost ???? including VAT.	

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 witness _____ 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*.

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**

General Manager
 Turbo Gen Services
 Eskom Rotek Industries SOC Ltd.
 Lower Germiston Road
 Cleveland
 Johannesburg
 2022

Name &
signature of
witness

Date

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

Schedule of Deviations to be completed by the *Employer* prior to contract award

Note:

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

No.	Subject	Details
1		Not applicable.
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 _____

Name &
signature
of witness _____

Date _____

General Manager
Turbo Gen Services

Eskom Rotek Industries SOC Ltd.
Lower Germiston Road
Cleveland
Johannesburg
2022

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
		X18 Limitations of Liability
		X19 Task Order
		Z: <i>Additional conditions of contract</i>
10.1	of the NEC3 Term Service Contract April 2013 ² (TSC3)	
	The <i>Employer</i> is (name):	Eskom Rotek Industries SOC Ltd (Reg no: 1990/006897/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Roshland Office Park Lower Germiston Road Rosherville
	Tel No.	011 629 4295
10.1	The <i>Service Manager</i> is (name):	Nhlakanipho Blose
	Address	ERI Rosherville Workshops
	Tel	011 629 4295
	e-mail	BloseNG@eskom.co.za
11.2(13)	The Affected Property is	Equipment from various Eskom Sites.
11.2(14)	The <i>service</i> is	Provision of CNC and Conventional Turning

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 www.ecs.co.za

		services for Turbo Gen Services - all departments
11.2(15)	The following matters will be included in the Risk Register	Not applicable.
12.2	The Service Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference
13.1	The <i>law of the contract</i> is the law of	the Republic of South Africa
13.3	The <i>language of this contract</i> is	English
2	The <i>period for reply</i> is	One (1) week
21.1	The Contractor's 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
3	The <i>Contractor</i> submits a first plan for acceptance within	One week of the Contract Date
30.1	Time	
30.1	The <i>starting date</i> is.	
	The <i>service period</i> is	
4	Testing and defects	
50.1	Payment	.
51.1	The <i>assessment interval</i> is	As stated on each individual Task Order
51.2	The <i>currency of this contract</i> is the	Rand
51.4	The period within which payments are made is	Within 30 days of receipt of the Contractor's tax compliant invoice.
	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 Rand.
6	Compensation events	Refer to each individual Task Order.
7	Use of Equipment Plant and Materials	
80.1	Risks and insurance	
80	Risks and insurance	

80.1 These are additional *Employer's* risks **None**

83.1 The *Employer* provides the insurances stated in the Insurance Table below.

INSURANCE TABLE

Insurance against	Minimum amount of cover or minimum limit of indemnity as stated for "Format TSC3" available on
Assets All Risk	As per the insurance policy document.
Project insurance	As per the insurance policy document.
General and Public Liability	As per the insurance policy document.
Environmental Liability	As per the insurance policy document.
Transport (Marine)	As per the insurance policy document.
Motor Fleet and Mobile Plant	As per the insurance policy document.
Terrorism	As per the insurance policy document.
Cyber Liability	As per the insurance policy document.

There are no additional Employer's risks.

83.1 The *Contractor* provides the insurances stated in the Insurance Table

The insurances provide cover for events which are at the *Contractor's* risk from the *starting date* until the end of the *service period* or a termination certificate has been issued

INSURANCE TABLE

Insurance against	Minimum amount of cover or minimum limit of indemnity
Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at contract date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Plant and Materials	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at contract date, where covered by the <i>Employer's</i> insurance.
Loss of or damage to Equipment	The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at contract date, where covered by the <i>Employer's</i> insurance.
The <i>Contractor's</i> liability for 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	<u>Loss of or damage to property</u> The replacement cost <u>Bodily injury to or death of a person</u> The amount required by the applicable law.
Liability for death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment	The amount required by the applicable law

in connection with this contract

9	Termination	As per NEC3 TSC Terms and Conditions
	Data for main Option clause	Option A
20.5		Priced contract with price list
	The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than	Not applicable as the full supply of the <i>service</i> is unknown
W1.1	Data for Option W1	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 <i>Adjudicator</i>	the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).the Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za)
	Address	Johannesburg, South Africa
W1.2(3)	e-mail	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>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(5)	The <i>tribunal</i> is:	arbitration
	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	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.
12	The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not state who selects an arbitrator, is	
X1	Data for secondary Option clauses	

X1.1	Price adjustment for inflation	
	The <i>base date</i> for indices is	One month prior to the Contract Date
	The proportions used to calculate the Price Adjustment Factor are:	Refer to: S. E. I. F. S. A. Table C3, all hourly paid employees.
X2	Changes in the law	
X18	The Contractor's liability to the Employer for indirect or consequential loss is limited to	R0.00 (zero Rand)
		The Parties acknowledge that notwithstanding any in this Agreement, including the provision of this clause, the Employer shall not be precluded from enforcing any rights it may have in law, including the right to claim damages or/ terminate this Agreement, should there be any gross negligence or wilful misconduct by the Contractor.
X19	Providing the Service by Task Order	
X19.3	Delay damages	X19.3 to be deleted and replaced with:
		One percentage (1%) per week delay to a maximum of five percentage (5 %) of the value of the respective Task Order. Such delay damages shall constitute the sole and exclusive remedy that the <i>Employer</i> shall be entitled to claim in case of delay caused by the Contractor for the delivery of the services for the respective Task Order.
	Task order program	The <i>Employer</i> to submit the first plan on issuance of the Task Order and the <i>Contractor</i> to respond on the plan within 2 days of receipt thereof. The acceptance of the programme is 7 days from the issuance of the Task Order.
	The additional conditions of contract 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.	
	Notwithstanding the above, the <i>Employer</i> may on written notice to the <i>Contractor</i> cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry.	
Z2	Joint ventures	
Z2.1	Joint ventures	

Not applicable

Z3

Z3.1 Change of Broad Based Black Economic Empowerment (B-BBEE) status

Z3.2 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.

Z3.3 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*.

Z3.4 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.

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

Z4.1 Ethics

Z4.2 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).

Z4.3 The *Employer* may terminate the *Contractor's* obligation to Provide the Service if the *Contractor* (or any member of the *Contractor* where the *Contractor* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

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

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

Z5.1 Confidentiality

Z5.2 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.

Z5.3 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*.

Z5.4 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.

Z5.5 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*.

The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z6

Z6.1 **Waiver and estoppel: Add to core clause 12.3:**

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

Z7.1 **Health, safety and the environment: Add to core clause 27.4**

Z7.2 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.

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

Z8.1 **Provision of a Tax Invoice and interest. Add to core clause 51**

Z8.2 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.

Z8.3 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.

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 4330196330 on each invoice he submits for payment.

Z9

Z9.1 Notifying compensation events

Delete the last paragraph of core clause 61.3 and replace with:

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

Z10

Z10.1 Employer's limitation of liability

Z10.2 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)

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.

The Parties acknowledge that notwithstanding any in this Agreement, including the provision of this clause, the Employer shall not be precluded from enforcing any rights it may have in law, including the right to claim damages or/ terminate this Agreement, should there be any gross negligence or wilful misconduct by the Contractor.

Z11

Z11.1 Termination:

Z11.2 Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

Z12

Z12.1 Contractor's Obligation

Z12.2 The *Contractor's* obligation is to use skill and care normally used by professionals providing the services as detailed in the Works Information.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

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	Not applicable. Not applicable.
11.2(14)	The following matters will be included in the Risk Register	Not applicable.
11.2(15)	The Service Information for the <i>Contractor's</i> plan is in:	Refer to each individual Task Order.
21.1	The plan identified in the Contract Data is contained in:	Refer to each individual Task Order.
24.1	The key people are:	
	1 Name:	
	Job:	
	Responsibilities:	
	2 Name:	
	Job:	
	Responsibilities:	
A	Priced contract with price list	
11.2(12)	The <i>price list</i> is in	
11.2(19)	The tendered total of the Prices is	R (excl. VAT) (excluding VAT)

Part 2: Pricing Data**TSC3 Option A**

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

C2.1 Pricing assumptions: Option A

How work is priced and assessed for payment

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

Identified and defined terms 11
11.2

(12) The Price List is the *price list* 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 *Contractor* has completed and
- where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the *Contractor* 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*

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

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

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

Format of the *price list*

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

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

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

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

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

C2.3 Description of the service

1. PURPOSE

The purpose of this document is to define the services needed from a contractor for provision of a reliable, high quality, comprehensive and cost effective **Conventional and CNC Machining Services** to ERI – TGS, Matla Works.

2. CONTEXT FOR TURNING MACHINING

Conventional and CNC Machining are manufacturing and/or refurbishment processes in which bars, billets and plates of material are held in a chuck and rotated while a tool is fed to the piece to remove unwanted material to create the desired shape or geometry. Conventional lathes and conventional vertical and horizontal boring machines have tooling mounted on a turret which is manually controlled by an Artisan.

Matla Works manufactures and refurbishes small to medium size turbine components for Eskom power stations. Matla works has the capabilities of Conventional and CNC Machining, however, at times especially during high outage demand, the Matla Workshop can be overloaded with the amount of work required. Some of these components include turbine casing studs, spindles, shafts, bushes, coupling plates, gland boxes and oil baffles but not limited to, where the expertise of Conventional and CNC Machining are required to manufacture and/or refurbish components that range from a diameter of 10mm up to 1200mm and up to 5000mm in length as per provided scope of work.

The company should focus on both Conventional and CNC Machining using Conventional lathes, vertical and horizontal boring mills and CNC lathe machines turning and milling machine services. Their services should include, but not be limited to:

1. Must be able to accommodate round bars and/or components of sizes of outside diameters from **10mm up to 1200mm**,
2. Must be able to accommodate round bars and/or components of sizes of lengths from **50 to 5000mm long** or at least **1m in height**
3. Must be able to accommodate a capacity of large **quantities in excess of up +200** components per order.
4. The company must be able to achieve the required thread specs, final finishes and critical tolerance as specified on the scope of work supplied.
5. The company should be able to supply the correct certification required for our demanding clients.
 1. The contractor should be **ISO 9001 certified**

3. Scope of Work

The correct turning and milling machining procedures, specifications, qualifications and inspections need to be carried out. This will require that all staff performing the tasks to be fully qualified and certified in their specific fields for the purpose of turning and milling all different kind of steel(s). Some of the steel to be machined will be hardened steel and the hardness value of each steel will be stipulated on the material certificates to be supplied with the steel specimen. Nondestructive testing (NDT) of the finished product will also be required. The final manufactured product must be a very low rate distortion and very tight dimensions, with good surface finishes and must be within the specified tolerances criteria.

The turning and milling machining spec's are as follows, but not limited to

- ❖ Machining tolerance to be $\pm 0.02\text{mm}$ unless otherwise specified on scope of work or drawing.
- ❖ Machining surface finish to be $1.6\mu\text{mRa}$ unless otherwise specified on scope of work or drawing.

The list below shows the variety of metals/steels to be sent for Conventional and CNC machining, but not limited to.

EN 24 condition T	40CrMo V47	21CrMo V 5-7
EN 19 condition T	30CrMo V9	20CrMo VTib 410(Durehette 1055)

34 CrAlNi - 7	24CrMo 4	16Mo3
Nimonic	X22CrMo V12 – 1	EN9 (BS 970 GRADE 070M55)
X35CrMo17 (1.4122)	24CrMo5 (1.7258)	40CrMoV4 – 7

NB: All material for Conventional and CNC machining will be supplied by Matla Workshop, unless otherwise stated.

It is of imperative note that whenever an item is sent for Conventional and CNC machining that item will be accompanied with an approved detailed scope of work from Matla Works engineering department. If the contractor for whatever reason is to receive an unapproved scope from Matla Work engineering, the contractor is to ignore such scope and only execute as per approved scope of work. The scope of work will at least include the following points:

1. A detailed manufacturing drawing(s) with the following will be issued:
 - a. All dimensions for manufacturing given in all views required
 - b. Material specification
 - c. Machining tolerances
 - d. Machining finish required
 - e. Thread and tolerance specifications
 - f. Part description with drawing reference No. for Identification
 - g. Isometric view of final component
2. Signed off memo detailing the work to be carried out. The scope will also indicate the following:
 - a. The quantity required
 - b. The thread specs and machining tolerances as per drawings supplied
 - c. Inspection of supplied material before machining commences (pictures to be taken and any noticeable defects recorded and to be reported immediately)
 - d. Inspection required post manufacturing such as ND testing(NDT)
 - e. The required surface finish post manufacturing, smooth with no burrs. Components must be deburred.
 - f. Dimension inspection of the component as indicated on the scope supplied

The following items need to be sent to Matla Works engineering before any manufacturing commences:

1. Detail Quality control plan of the work to be carried out
 - a. Approval of this document will give technical go ahead of the scope to be carried out
2. An as received inspection report of the component, immediately upon receipt(pictures indicating any noticeable defects on the components)
 - a. A dispatch inspection of each component will be conducted by Eskom Rotek Industries. Note that this inspection report can be compared upon request with the as received inspection conducted by the subcontractor.

NB: An external audit to be conducted by an Eskom Rotek representative will be done before any contract or work is awarded. The audit will determine the capacity and capabilities of the awarded contractor are sufficient to satisfy the requirement discussed above.

NB: Matla Works QC representative will be available for any QC verification if and when required.

4. Reporting

Reporting shall be on weekly basis. Where immediate action is required by Matla engineering personnel the Matla Works engineer and/or technician must be informed immediately. All contact information will be provided.

5. Supporting Documents

NB: The following documentation must be returned for the purpose of technical evaluation:

- a) As received Inspection report
- b) Final inspection report including completed check sheet
- c) NDT Report

1.1 Interpretation and terminology

If required include here definitions additional to those used in the *conditions of contract* which are required only for the purpose of making the Service Information easier to draft and read. Also list abbreviations used and provide a full interpretation of each one, for example:

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
OBL	Outside battery limits

2 Management strategy and start up.**2.1 The Contractor's plan for the service**

In the TSC3 the *Contractor's* plan is his "design" for performing the *service* throughout the *service period*. Section 2 of the *conditions of contract* describes what the *Contractor* is to show in his plan both in the core clauses and some additional requirements in each of the main Options.

The extent of the *Contractor's* plan will depend on whether the *Contractor* is required to develop a plan in accordance with the *Employer's* broad outline of the *service* or whether the *Employer* has provided a plan for the *Contractor* to follow. Read the TSC3 Guidance Notes pages 21 and 22 for more information on the *Contractor's* plan.

Use this section to describe any particulars which must be taken into account by the *Contractor* in developing his plan as required by clause 21.2. For example information about the order and timing or method of carrying out particular items of work.

List technical reporting and scheduling requirements which are to be incorporated into the *Contractor's* plan.

Refer to each individual Task Order.

2.2 Management meetings

The *conditions of contract* (e.g. Clause 16.2) and other sections of the Service Information (e.g. safety risk management) may require that a meeting shall be held. However the intention of all NEC contracts is that the Parties and their agents use the techniques of partnering to manage the contract by holding meetings designed to proactively and jointly manage the administration of the contract with the objective of minimising the adverse effects of risks and surprises for both Parties.

Depending on the size and complexity of the *service*, it is probably beneficial for the *Service Manager* to hold a weekly risk register meeting (Clause 16.2). This could be used to discuss safety, compensation events, subcontracting, overall co-ordination and other matters of a general nature. Separate meetings for specialist activities such as planning and activities of a technical nature may also be warranted.

Describe here the general meetings and their purpose. Provide particulars of approximate times, days, location, and attendance requirements, stipulating that attendees shall have the necessary delegated authority to make decisions in respect of matters discussed at such meetings.

The following text could be used as a model for this section:

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:
Risk register and compensation events	Weekly on _____ at _____		
Overall contract progress and feedback	Monthly on _____ at _____		<i>Employer, Contractor and _____</i>

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

State any additional constraining requirements on *Contractor's* supervision and key people that are not already stated in other sections such as for Health and Safety. This section could be used to solicit an organogramme from the *Contractor* showing his people and their lines of authority / communication. This would be essential if the *Contractor* is a Joint Venture.

2.4 Provision of bonds and guarantees

Not applicable

2.5 Documentation control

The *Contractor* must comply to the relevant ISO standards.

2.6 Invoicing and payment

The Z clauses make reference to invoicing procedures stated here in this Service Information. Also include a list of information which is to be shown on an invoice.

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

_____ 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 4330196330;

- 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

Not applicable.

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

Not applicable.

2.9 Insurance provided by the *Employer*

First read TSC3 Core Clause 86.1 and then add anything necessary for the management of insurance related issues such as a cross reference to where procedures for making claims can be found. Also provide contact details for persons capable of being able to answer any insurance related queries the *Contractor* may have, as well as to whom the information required by Marine Insurance (if any) may be addressed.

2.10 Training workshops and technology transfer

Not applicable.

2.11 Design and supply of Equipment

Not applicable.

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

Not Applicable

2.13 Management of work done by Task Order

Refer to the attached for the format.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

The Contractor to comply with all criteria and constraints as required by law.

3.2 Environmental constraints and management


The *Contractor* shall comply with the environmental criteria and constraints as required by law

3.3 Quality assurance requirements

The *Contractor's* in house policies and procedures to be adhered to.

4 Procurement

Not applicable for the *service* being supplied under this contract.

		<h2 style="text-align: center;">Task Order</h2> <p style="text-align: center;">for use with NEC3 Term Service Contract</p>	
		Department:	
Contract No: 46 _____		Task Order No: 45 _____	
Part One: Data provided by the Employer			
	Employer's postal address:	Employer's representative :	
	Eskom RoteK Industries SOC Ltd.	Name	
	Turbo Gen Services	Tel	
	P. O. Box 40099	Fax	
	Cleveland	Cell	
	2022	E-mail	
Detailed description of the work in the Task			
Services and other things provided by the Employer			
Starting date:		Task Completion Date:	
Delay damages:			
The period of reply to a communication for this Task Order is:	2 working days	The Contractor submits a revised programme for this Task Order every	
Contractor's representative :		Employer's representative :	
Signature: _____		Signature: _____	

Part Two: Data provided by the Contractor			
	Contractor's postal address:	Contractor's representative :	
		Name	

		Tel	
		Fax	
		Cell	
		E-mail	
Additional compensation events			
<p>Any other activities not covered by this Task Order</p> <p>Any extension to the planned completion Date.</p> <p>Any delays to the program caused by other contractors.</p>			
Additional data			
Assessment schedule (Part 1. 50.1)			
<p>The full value of this task order will be invoiced upon completion.</p>			
Contractor's representative :		Employer's representative :	
Signature: _____		Signature: _____	

Price List						
Item nr.	Description	Unit	Qty	Unit price	Subtotal	Total Price
Total of the Prices for this Task Order						
Total of the Prices for this Task Order (in words):						
All Prices in this Task Order exclude VAT						
The above prices are valid for 30 days from the date of the <i>Contractors</i> signature below						
Contractor's Delegated Authority: Signature: _____ Name: (Print) _____ Date: _____				Employer's Delegated Authority: Signature: _____ Name: (Print) _____ Date: _____		