

Splicing Contract Medupi Power Station

NEC3 Term Service Contract (TSC3)

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

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

for **The Provision of conveyor belt splicing and maintenance services as and when required, over a period not exceeding 36 months, at Medupi Power Station.**

Contents:	No of pages
Part C1 Agreements & Contract Data	2 to 17 of 47
Part C2 Pricing Data	18 to 28 of 47
Part C3 Scope of Work	29 to 45 of 47

CONTRACT No. [Insert at award stage]

PART C1: AGREEMENTS & CONTRACT DATA

Contents:	No of pages
C1.1 Form of Offer and Acceptance	3 to 5 of 47
[to be inserted from Returnable Documents at award stage]	
C1.2a Contract Data provided by the <i>Employer</i>	6 to 15 of 47
C1.2b Contract Data provided by the <i>Contractor</i>	16 to 17 of 47

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:

Title of the Contract

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	Rates based Contract
Option E	The first forecast of the total Defined Cost plus the Fee exclusive of VAT is	TBA
	Sub total	Rates based Contract
	Value Added Tax @ 15% is	Rates based Contract
	The offered total of the amount due inclusive of VAT is ¹	Rates based Contract
	(in words) Rates based Contract	

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

Tenderer's CIDB registration number:

N/A

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**

Eskom Rotek Industries
Roshland Office Park
Lower Germiston Road
Rosherville

Date

Name &
signature of
witness

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	[•]	[•]
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)

Eskom Rotek Industries
Roshland Office Park
Lower Germiston Road
Rosherville

Name & signature of witness _____

Date _____

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

[Instructions to the contract compiler: (delete these two notes in the final draft of a contract)]

1. Please read the relevant clauses in the conditions of contract before you enter data. The number of the clause which requires the data is shown in the left hand column for each statement however other clauses may also use the same data.
2. Some TSC3 options are always selected by Eskom Holdings SOC Ltd. The remaining TSC3 options are identified by shading in the left hand column. In the event that the option is not required select and delete the whole row. Where the following symbol is used "[•]" - data is required to be inserted relevant to the specific option selected.]

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

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		A: Priced contract with price list
	dispute resolution Option	W1: Dispute resolution procedure
	and secondary Options	
		X1: Price adjustment for inflation
		X2 Changes in the law
		X13: Performance Bond – N/A
		X17: Low service damages - N/A
		X18: Limitation of liability
		X19: Task Order
		Z: Additional conditions of contract
	of the NEC3 Term Service Contract April 2013 ² (TSC3)	
10.1	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

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

	Tel No.	TBA
	Fax No.	TBA
10.1	The <i>Service Manager</i> is (name):	TBA
	Address	TBA
	Tel	TBA
	Fax	TBA
	e-mail	TBA
11.2(2)	The Affected Property is	Medupi Power Station on and ad-hoc bases
11.2(13)	The <i>service</i> is	The Provision of conveyor belt splicing and maintenance services as and when required, over a period not exceeding 36 months, at Medupi Power Station
11.2(14)	The following matters will be included in the Risk Register	As per the scope of work
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	One week
2	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
21.1	The <i>Contractor</i> submits a first plan for acceptance within	N/A
3	Time	
30.1	The <i>starting date</i> is.	28 April 2020
30.1	The <i>service period</i> is	36 months period.
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	The last 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	[52] weeks.

51.4	The <i>interest rate</i> is	<p>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</p> <p>(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 <i>mutatis mutandis</i> 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.</p>
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	<p>1. [●]</p> <p>2. [●]</p> <p>3. [●]</p>
83.1	The <i>Contractor</i> provides these additional insurances:	[●]
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
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	N/A
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
	Address	TBA
	Tel No.	TBA
	Fax No.	TBA
	e-mail	TBA
W1.2(3)	The <i>Adjudicator nominating body</i> is: An Adjudicator will be appointed between the Contractor and the Employer should a dispute arises. The costs that the Adjudicator charge will be divided between both Parties at 50% for each parties account.	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 place where arbitration is to be held is The person or organisation who will choose an arbitrator - if the Parties cannot agree a choice or - if the arbitration procedure does not	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body. South Africa The Chairman for the time being or his nominee of the Association of Arbitrators (Southern

	state who selects an arbitrator, is	Africa) or its successor body.																								
12	Data for secondary Option clauses																									
X1	Price adjustment for inflation																									
X1.1	<p>The <i>base date</i> for indices is</p> <p>The proportions used to calculate the Price Adjustment Factor are:</p>	<p>CPI (consumer price index) Eskom CPA General to be considered.</p> <table> <tr> <th>proportion</th><th>linked to index for</th><th>Index prepared by</th></tr> <tr> <td>0.</td><td>TBA</td><td>TBA</td></tr> <tr> <td>0.</td><td>TBA</td><td>TBA</td></tr> <tr> <td>0.</td><td>TBA</td><td>TBA</td></tr> <tr> <td>[•]</td><td>non-adjustable</td><td>TBA</td></tr> <tr> <td>1.00</td><td></td><td></td></tr> </table> <table> <tr> <th>proportion</th><th>linked to index for</th><th>Index prepared by</th></tr> <tr> <td>0.</td><td>TBA</td><td>TBA</td></tr> </table>	proportion	linked to index for	Index prepared by	0.	TBA	TBA	0.	TBA	TBA	0.	TBA	TBA	[•]	non-adjustable	TBA	1.00			proportion	linked to index for	Index prepared by	0.	TBA	TBA
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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.																								
X13	Performance bond	N/A																								
X13.1	The amount of the performance bond is	R [•]																								
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	<p>The amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p>																								
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	<p>The greater of</p> <ul style="list-style-type: none"> the total of the Prices at the Contract Date and the amounts excluded and unrecoverable from the <i>Employer's</i> insurance (other than the resulting physical damage to the <i>Employer's</i> property which is not excluded) plus the applicable deductibles in the <i>Employer's</i> assets and works / maintenance policies available on http://www.eskom.co.za/Tenders/InsurancePolicies 																								

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>ciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> <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	2 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 Ethics

- Z4.1 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 Contractor 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 Contractor, 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.

- Z4.2 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.
- Z4.3 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.

- Z4.4 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
- Z4.5 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.

Z5 Confidentiality

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

Z6 Waiver and estoppel: Add to core clause 12.3:

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

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

- Z7.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in

this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and

- undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

Z7.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

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

Z8.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.

Z8.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.

Z8.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4330196330 on each invoice he submits for payment.

Z9 Notifying compensation events

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

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

Z10 Employer's limitation of liability

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

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

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

Z11.1 or had a business rescue order granted against it.

Annexure A: Insurance provided by the Employer

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

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

[http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_
From_1_April_2014_To_31_March_2015.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx)

C1.2 Contract Data

Part two - Data provided by the *Contractor*

[Instructions to the contract compiler: (delete this notes before issue to tenderers with an enquiry)

Whenever a cell is shaded in the left hand column it denotes this data is optional and would be required in relation to the option selected. In the event that the option is not required select and delete the whole row.]

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)³ 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:	

³ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 5391902 or www.ecs.co.za

Job

Responsibilities:

Qualifications:

Experience:

CV's (and further key person's data including
CVs) are in _____.

A	Priced contract with price list
11.2(12)	The <i>price list</i> is in _____
11.2(19)	The tendered total of the Prices is R _____

Part 2: Pricing Data

TSC3 Option A

Document reference	Title	No of pages
C2.1	Pricing assumptions: Option A	19 to 20 of 47
C2.2	The price list	21 to 28 of 47

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 <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 andwhere a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

Function of the Price List

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

Link to the *Contractor's* plan

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

Preparing the *price list*

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

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

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

Format of the *price list*

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

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

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

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

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

C2.2 the *price list*

2.2.1 Fixed Monthly Cost

Item	Price Excluding Vat	VAT	Total Including VAT
Monthly cost for team			
Monthly cost for Splicing Equipment			
Total Monthly Cost			

2.2.2 Labour Cost

	Normal rate Excl VAT	Normal Rate VAT	Total Normal Rate
Supervisor			
Senior splicer			
Junior splicer			
Splicing assistant			

2.2.3 Other Costs

Item no.	Description	Unit	Quantity	Price Excl. VAT	VAT	Price Incl. VAT
1	Site establishment	ea	1			
2	Health and safety file compilation and approval	ea	1			
3	Press Calibration by manufacturer or approved agent (6 monthly)	ea	6			
4	Estimated Health and safety cost as per par 8.4. Please note that these costs should be included in the cost of the splices/lagging but for Eskom's assurance the estimated cost per annum should be noted here.	p.a.	1			

2.2.4 Splicing Cost Excluding Labour

PROJECT OR CONTRACT TITLE

Please note that Splicing, belt repairs and pulley lagging cost quoted here should include material and all other related cost excluding labour, as the labour component is included in the fixed monthly cost and Overtime where applicable.

Conveyor Description	Belt Width [mm]	Belt class	Estimate splices per annum	Execution time [h]	Price per splice Excl. VAT	VAT	Total per splice incl. VAT
Ash Conveyors							
Coarse Ash conveyor	1200	500 3 ply	2				
Transverse Conveyor	1200	500 3 ply	3				
Overland Link	1500	630 4 ply	4				
Emergency Ash Stacking conv	1500	630 4 ply	1				
Emergency Ash Stacker boom conv	1500	630 4 ply	1				
Emergency Ash reclaimer conv	1200	500 3 ply	1				
Overland conv	1500	ST 800	5				
Extendable conveyor	1500	ST1600	12				
Shiftable conveyor	1500	ST500	3				
Stacker link conv	1500	ST400	2				
Stacker boom Conv	1500	ST400	2				
Coal Conveyors							
US1A&B	2400	1600 4-ply	1				
OV1	2100	ST 1600	9				
OV2	2100	ST 1000	4				
SY1	2100	ST 500	1				
SYS1&2	2100	ST 1000	6				
SYR1&2	1800	ST 800	4				
Reclaimer 1/2 Cross Conveyor	2100	800 4-ply	4				
Stacker 1/2	2100	800 4-ply					

PROJECT OR CONTRACT TITLE

Conveyor Description	Belt Width [mm]	Belt class	Estimate splices per annum	Execution time [h]	Price per splice Excl. VAT	VAT	Total per splice incl. VAT
Intermediate Conveyor							
Stacker 1/2 Boom Conveyor	1800	EP 800 4-ply	4				
SY2A&B	1800	ST 1000	3				
T1A&B	1800	ST 500	2				
T2A-F	1800	1000 4-ply	2				
T3A-F	1200	ST 800	4				
T4A-F	1200	500 3-ply	8				
T5/6A-F	1200	500 3-ply					
T7/8A-F	1200	500 3-ply					

2.2.5 Belt Repair Material Cost

Repair Type	Units	Cost Excl VAT	VAT	Cost Incl. VAT
Hot repair	m ²			
Cold repair patch	m			
Cold repair 'rubber' compound	Per set off tubes			

2.2.6 Lagging Material cost

2.2.6.1 Ash Conveyors

Pulley Descriptions	Diameter [mm]	Face width [mm]	Surface area [m ²]	Lagging type	Lagging Thickness [mm]	Price per pulley Excl. VAT	VAT	Price per pulley Incl. VAT
Coarse Ash Conveyors, Conveyor Tail, Bend, Bend and Take-up Pulleys	500	1350	2.12	Rubber	10			
Coarse Ash Conveyors, Head/Drive Pulley	630	1350	2.67	Ceramic	12			
Coarse Ash Conveyors, Snub pulley	405	1350	1.72	Rubber	10			
Transverse Ash Conveyors, Conveyor Tail Pulley & Take-up pulley	500	1350	2.12	Rubber	10			
Transverse Ash Conveyors, Conveyor Head Pulley, High tension Bend pulley, High tension Bend Pulley & Drive Snub Pulley	630	1350	2.67	Rubber	10			

PROJECT OR CONTRACT TITLE

Pulley Descriptions	Diameter [mm]	Face width [mm]	Surface area [m ²]	Lagging type	Lagging Thickness [mm]	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
Transverse Ash Conveyors, Conveyor Drive Pulley	630	1350	2.67	Ceramic	12			
Transverse Ash Conveyors, Conveyor Low Tension Bend Pulley & Low Tension Bend Pulley	500	1350	2.12	Rubber	10			
Ash Overland Link Conveyors, Conveyor Tail Pulley, Take-Up pulley, Take-up bend Pulley	500	1700	2.67	Rubber	10			
Ash Overland Link Conveyors, Conveyor Head Pulley & High Tension Bent Pulley	710	1700	3.79	Rubber	10			
Ash Overland Link Conveyors, Conveyor Drive Pulley	630	1700	3.36	ceramic				
Ash Overland Link Conveyors, Conveyor Turnover Bend Pulley	219	2000	1.38	Rubber	6 Plain			
Emergency Ash Stacking Conveyor, Tail, snub, take-up, and take-up bent pulleys	500	1700	2.67	Rubber	10			
Emergency Ash Stacking Conveyor, Tripper Car Head Pulley and conveyor Head pulley	710	1700	3.79	Rubber	10			
Emergency Ash Stacking Conveyor, Tripper Car Bent and High Tension Bent Pulley	630	1700	3.36	Rubber	10			
Emergency Ash Stacking Conveyor, Conveyor Drive Pulley	630	1700	3.36	Ceramic	12			
Emergency Ash Stacker, Boom Drive Pulley	630	1700	3.36	Ceramic	12			
Emergency Ash Stacker, Boom Head Pulley	500	1700	2.67	Rubber	10			
Emergency Ash reclaim Conveyor, Tail, Take-up and Take-up bend pulleys	500	1350	2.12	Rubber	10			
Emergency Ash reclaim Conveyor, Head/Drive Pulley	630	1350	2.67	Ceramic	12			
Emergency Ash reclaim Conveyor, Snub Pulley	400	1350	1.70	Rubber	10			
Emergency Ash reclaim Conveyor, Take-up bend pulleys	500	1350	2.12	Rubber	10			

PROJECT OR CONTRACT TITLE

Pulley Descriptions	Diameter [mm]	Face width [mm]	Surface area [m ²]	Lagging type	Lagging Thickness [mm]	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
Overland Conveyor, Head, HT Snub and Drive snub pulleys	800	1700	4.27	Rubber	10			
Overland Conveyor, High Tension 1 and 2 Pulley	1200	1700	6.41	Rubber	10			
Overland Conveyor, Drive Pulley	800	1700	4.27	Ceramic	12			
Overland Conveyor Take-up Pulley	630	1700	3.36					
Overland Conveyor Take-up bend 1 to 4 Pulleys	630	1700	3.36	Rubber	10			
Overland Conveyor Tail Pulley	800	1700	4.27	Rubber	10			
Extendable Conveyor, Head, High tension Bend 1 and Primary and Secondary drive snub Pulleys	1000	1700	5.34	Rubber	10			
Extendable Conveyor, Primary and Secondary drive Pulleys	1000	1700	5.34	Ceramic	12			
Extendable Conveyor, Take-up, Take-up bend 1 to 4 and Tail Pulleys	630	1700	3.36	Rubber	10			
Shiftable Conveyor, Drive Pulley	800	1700	4.27	Ceramic	12			
Shiftable Conveyor, Drive Pulley	800	1700	4.27	Rubber	10			
Ash Stacker Tripper car, Discharge and take-up Pulleys	630	1700	3.36	Rubber	10			
Ash Stacker Tripper car, snub Pulley	500	1700	2.67	Rubber	10			
Ash Stacker Link and Boom Conveyor Drive Pulleys	630	1700	3.36	Rubber	10			
Ash Stacker Link and Boom Conveyor Head Pulleys	500	1700	2.67	Rubber	10			

2.2.6.2 Coal Conveyors

Belt	Pulley	Diameter [mm]	Face width [mm]	Surface Area [m ²]	Lagging Type	Thickness	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
US1A&	Drive	1000	2600	8.17	Ceramic	8			

PROJECT OR CONTRACT TITLE

Belt	Pulley	Diameter [mm]	Face width [mm]	Surface Area [m²]	Lagging Type	Thickness	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
B	Tail/take-up	1000	2600	8.17	Rubber	10			
OV1	Primary Drive	1000	2300	7.23	Ceramic	10			
	H.T Bend	1000	2300	7.23	Rubber	10			
	Secondary Drive	1000	2300	7.23	Ceramic	10			
	L.T Take Up/ L.T Bend	800	2300	5.78	Rubber	10			
	Tail	800	2300	5.78	Rubber	10			
OV2	Drive	800	2300	5.78	Ceramic	10			
	H.T Bend	800	2300	5.78	Rubber	10			
	L.T Bend/ L.T Take Up/ Tal	630	2300	4.55	Rubber	10			
	H.T Pulley/ Head Pulley	800	2300	5.78	Rubber	10			
SY1	Tail	800	2300	5.78	Rubber	10			
	Drive	800	2300	5.78	Ceramic	6			
	L.T Bend	500	2300	3.61	Rubber	10			
	H.T Bend	630	2300	4.55	Rubber	10			
SYS1&2	Tail	800	2300	5.78	Rubber	10			
	Head	1000	2300	7.23	Rubber	10			
	H.T Bend	800	2300	5.78	Rubber	10			
	Drive	1000	2300	7.23	Ceramic	6			
	Take-Up	630	2300	4.55	Rubber	10			
	L.T Bend	500	2300	3.61	Rubber	10			
SYR1&2	Tail	800	2000	5.03	Rubber	10			
	Head	1000	2000	6.28	Rubber	10			
	H.T Bend	800	2000	5.03	Rubber	10			
	Drive	800	2000	5.03	Ceramic	6			
	Take-Up	630	2000	3.96	Rubber	10			
	L.T Bend	500	2000	3.14	Rubber	10			
Reclai mer 1&2 Cross	Drive	630	2300	4.55	Ceramic	6			
	Tail/take-up	630	2300	4.55	Rubber	10			

PROJECT OR CONTRACT TITLE

Belt	Pulley	Diameter [mm]	Face width [mm]	Surface Area [m²]	Lagging Type	Thickness	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
Convey or									
Stacker 1&2 Intermediate Convey or	Drive	800	2300	5.78	Ceramic	6			
	Tail/take-up/LT Bend	630	2300	4.55	Rubber	10			
Stacker 1&2 Boom Convey or	Drive	800	2000	5.03	Ceramic	6			
	Tail/take-up	800	2000	5.03	Rubber	10			
SY2A&B	Tail	800	2000	5.03	Rubber	10			
	Head	1000	2000	6.28	Rubber	10			
	H.T 180 Bend	800	2000	5.03	Rubber	10			
	H.T 90 Bend	800	2000	5.03	Rubber	10			
	Drive	1000	2000	6.28	Ceramic	6			
	Take-Up	630	2000	3.96	Rubber	10			
	L.T Bend	500	2000	3.14	Rubber	10			
T1A&B	Tail	800	2000	5.03	Rubber	10			
	Drive	800	2000	5.03	Ceramic	6			
	L.T Bend	500	2000	3.14	Rubber	10			
	Take-Up	630	2000	3.96	Rubber	10			
T2A-F	Drive	1000	2000	6.28	Ceramic	12			
	Take-Up	800	2000	5.03	Rubber	10			
T3A-F	Drive	630	1350	2.67	Ceramic	12			
	Head	710	1350	3.01	Rubber	10			
	Head snub	500	1350	2.12	Rubber	10			
	Take-Up bend	500	1350	2.12	Rubber	10			
	H.T snub	630	1350	2.67	Rubber	10			
	Tail	500	1350	2.12	Rubber	10			
	Take-Up	500	1350	2.12	Rubber	10			
	L.T Bend	500	1350	2.12	Rubber	10			

PROJECT OR CONTRACT TITLE

Belt	Pulley	Diameter [mm]	Face width [mm]	Surface Area [m²]	Lagging Type	Thickness	Price per pulley Excl. VAT	VAT	Price per pulley Excl. VAT
T4A-F	Drive	630	1350	2.67	Ceramic	12			
	Head	630	1350	2.67	Rubber	10			
	HT Snub	630	1350	2.67	Rubber	10			
	Take -Up	500	1350	2.12	Rubber	10			
	Take-Up bend	500	1350	2.12	Rubber	10			
	Tail	500	1350	2.12	Rubber	10			
	L.T bend	500	1350	2.12	Rubber	10			
T5/6A-F	Drive	630	1350	2.67	Ceramic	12			
	Drive snub	406	1350	1.72	Rubber	10			
	Take-Up bend	500	1350	2.12	Rubber	10			
	Tail	500	1350	2.12	Rubber	10			
	Take-up	500	1350	2.12	Rubber	10			
T7/8A-F	Drive	630	1350	2.67	Ceramic	12			
	Tail	630	1350	2.67	Rubber	10			
	Bend	400	1350	1.70	Rubber	10			
	Take-Up	400	1350	1.70	Rubber	10			

Page 29 of 47

C3.1: EMPLOYER'S SERVICE INFORMATION

MEDUPI POWER STATION

The *works* consist of providing Splicing and pulley lagging services required for the efficient running of the Medupi Operating and Maintenance Operations for the period of 3 years at Medupi Power Station.

WORKS INFORMATION

EMPLOYER's *OBJECTIVE*:

The Employer's objectives are to:

- Obtain Contractors to supply Splicing and pulley lagging services to Medupi Power Station
 - Control the risk associated with conveyor failures within the Coal and Ash conveying Operations.
-

Section 1	Description of the <i>works</i>
Section 2	Work to be performed by the <i>Contractor</i> for the <i>works</i>
Section 3	Work and things for the works supplied by the <i>Employer</i>
Section 4	Programme and planning
Section 5	Completion
Section 6	Site features requiring special attention
Section 7	Quality management
Section 8	Safety management
Section 9	Environmental management
Section 10	Site services and procedures
Section 11	Restrictions applicable to the <i>Contractor</i>
Section 12	Accounts and records
Section 13	Drawings

Section 1: Description of the works

The works is for Conveyor Belt Splicing, Pulley re-lagging and repair of Conveyor Belts on the Coal and Ash Plant of Medupi Power Station. The *contractor* shall have a dedicated team available on site that will be responsible for splicing, belt repairs and pulley lagging. The contractor will also be required to do conveyor belt and pulley lagging inspection and assist with idler replacements when they are not splicing belts or re-lagging pulleys.

The *Contractor* is required to supply all material, equipment and labour required to execute splicing and pulley lagging on the conveyors. The *Contractor* will be required to have splicing equipment dedicated for Medupi to ensure that if Medupi experiences splice failures that equipment is available immediately for the repair work to start.

1.1 BOUNDARY DEFINITIONS

Coal Conveying Plant

Boundary Start: 10 000 tone Coal Silo Feeders

Boundary End: Mill Bin Conveyors.

Ash Conveying Plant

Boundary Start: Coarse Ash Conveyors

Boundary End: Ash Stacker Boom Conveyor.

Section 2: Work to be performed by the *Contractor* for the works

2.1 Works

1. Providing a 24 hour Splicing, belt repair and Pulley lagging services to ensure the efficient running of the Medupi Power Station Conveying Operations without interruptions.
2. Provide a dedicated Medupi team consisting of:
 - 1 x Splicing Supervisor
 - 1 x Senior splicer
 - 1 x Senior splicer
 - 2 x Splicing assistant
3. Team responsibilities:
 - Day to day inspection of conveyor belting, splices, and pulley lagging
 - Assist with idler changing as and when required
4. Ensure that the Staff and Equipment meets the safety, health and environmental regulations and requirements at all times.
5. The *Contractor* provides Equipment, tools and consumables for the effective operation of the *Works*

2.2.7 Splicing and Belt Repairs

1. On call out, the *Contractor* Supervisor shall be on site within 60 minutes, after being called out for assessment of work and planning.
2. All splices on Steel Cord and Plied Textile belts shall be done using a hot vulcanizing press, unless otherwise agreed with the *Employer*.
3. The *Contractor* will be responsible to supply their own equipment, required to do splicing and belt repairs, inclusive of Humidity meters and Shore hardness testers.

4. All equipment to do splicing and belt repairs should be supplied by the *contractor*, including at least four 1.5 ton Lever Hoists and belt clamps for the belt sizes used at Medupi. This will include a small generator for hand held electrical tools used in remote areas and all lighting equipment.
5. Steel cord belt splicing should comply with SANS 485 'Conveyor belting - Splicing of steel cord reinforced conveyor belting', 2009 edition.
6. Hot splicing of textile reinforced conveyor belt splicing should comply with SANS 484 part 1: 'Conveyor belting - Step splicing for multi-ply textile-reinforced rubber covered conveyor belting Part 1: Hot-splicing method', 2009 edition
7. Medupi's Quality control plan (QCP) on conveyor belt splicing (F/E****/001) should be completed during splicing. Payment will only be done once the fully completed QCP is submitted to the relevant ESKOM personnel.
8. All hot and cold repairs need to be given an unique identity number indicating the date and company name and a Quality control plan (QCP) for conveyor belt repairs should be completed during repairs as well.
9. Splicing equipment should be verified, calibrated and tested at intervals indicated in Table 1 below, unless written exemption is granted by the *Employer*. A copy of the calibration report from the press manufacturer or company approved by the manufacturer should be submitted to the *Employers representative* every 6 months, after which payment will be approved for that activity.
10. Proof of thermocouple and pressure gauge verification done monthly should be submitted to the *employer's representative* on a monthly basis.
11. The *contractor* to have at least one person authorized to operate overhead hoists and cranes for the lifting splicing equipment when and where required within three months of the contract been awarded.
12. During adverse weather conditions such as rain and wind the *contractor* is to erect a shelter over the splice or repair area to keep out the elements.
13. Eskom personnel will monitor the splicing process, using instrumentation, to verify actual conditions if so desired
14. The contractor is required to prepare H-Block samples during every 10th steel cord splice as per par 8.3 of SANS 485 2009, to enable Medupi to conduct cord pull out tests.
15. The *contractor* will not be paid for rework or any splice that fails within the guarantee period.
16. As per the SANS requirement the contractor will have to provide proof from the belt manufacturer that the compound that the contractor is using for belt splicing is compatible with the brand of belt that is being spliced. Medupi currently uses Dunlop, Continental (Goodyear) Fenner and Interflex belting.

ITEM	ACTIVITY	INTERVAL
Thermocouple gauges	Verification with calibrated thermocouple	Monthly
Pressure gauges	Verification with calibrated gauge	Monthly
Control box wiring inspection	Inspection by splicing contractor	Weekly
Platen element test	Test by press manufacturer	6 Monthly
Thermocouple gauges	Verification by press manufacturer	6 Monthly
Cylinders/pressure bags	Pressure test, check for leak and condition by press manufacturer	6 Monthly
Control box wiring tests	Correct functioning and safety by press	6 Monthly

	manufacturer	
Hardness meter (durometer)	Verification/Calibration	6 Monthly
Humidity meter	Verification/Calibration	6 Monthly

Table 1: Verification and testing requirements for splicing equipment

Note: If the utilization of the press and other equipment was low after the last calibration or function test, the *Contractor* can request the *Employer* to be exempt the *Contractor* from the 6 monthly calibrations or function testing.

2.2.8 Pulley Lagging

1. The *Contractor* will be responsible to supply their own equipment and material required to do lagging of pulleys
2. All equipment to do pulley lagging should be supplied by the *contractor*, including at least four 1.5 ton Lever Hoists and spreader bars.
3. *Contractor* will be responsible to pull the belt away from the pulleys using their own equipment during the lagging process.
4. Medupi will only be responsible for de-tensioning of the belt
5. The Rubber lagging should consist of one continuous sheet and only the joint where the two ends of the lagging sheet meet, will be allowed. No joining of 'pieces' will be allowed on the pulley.
6. The *Contractor* should provide Quality Control (QC) documentation for each pulley that is lagged.
7. Medupi has ceramic lagging imbedded in rubber on most of the drive pulleys and lagging of these pulleys will be required from time to time. This lagging should consist of continuous strips of lagging across the full width of the pulley

2.2.9 Investigation

In the event of a failure of any of the *Contractors* work an investigation will be conducted by the *Employer*, involving the *Contractor*, to determine the root cause and actions required.

2.2.10 Tender Deliverables

The *Contractor* will supply the following information with the tender:

1. Procedure for storage and handling of splicing material (e.g. Rubber, vulcanising cement etc.)
2. A typical Quality Control Plan (QCP) for a steel cord and a textile splice as well as a typical hot repair QCP.
3. A typical Quality Control Plan (QCP) for pulley lagging.
4. A list of recent (5 to 6 years) previous splicing/lagging contracts, value of contract and employer contract manager contact details.
5. CV's of key personnel (Splicer and Supervisor) that will be used at Medupi Power station for the duration of the contract.
6. Splicing materials and brands that will be used for the duration of the contract.

NB Please note that failure to submit the information requested in the above paragraph 2.3.4, will be regarded as an incomplete tender and can lead to disqualification of the tender.

2.2.11 Constraints on how the Contractor Provides the Works

1. Splicing will normally be done in predetermined splicing areas and the belt will be stopped to have the splice in that area.
2. In the event that a conveyor belt has snapped, the Splice will have to be done at the point where it snapped. Eskom will however provide scaffolding in these areas if it is required
3. The splicing working will normally be planned to start during working hours and the contractor will be notified in advance of the plan.
4. On certain conveyors work can only be done over weekends due to production constraints. The contractor is required to take this into consideration. It is expected that 80% of the work will be done during the week and 20% during weekends or callout.
5. The contractor is required to be available for splicing on a 24 hour basis in case of failures.
6. Due to production constraints the belt will not always be available at the exact time that is was planned. Since the contractor is expected to be onsite during normal working hours, no standing time will be paid if the belt is not made available for splicing on time.
7. Rubber pulley lagging will be done in-situ with belt tension relieved.
8. Pulley lagging is normally planned in advance and will normally not be done on an emergency basis.

2.3 General

2.4.1 The *Contractor* provides Contracted Services as instructed by the Project Manager, according to the needs of the Employer.

2.4.2 The Contractor informs the Employer within 24-hours in writing of any safety incident, injuries and/or damage to any property or employees.

2.4.3 The Contractor fulfils his legal obligations to report certain incidents to the Department of Labour, or to keep records in terms of the OHS Act and the compensation for injuries and Diseases Act.

2.4.4 The Contractor ensures that his Equipment is suitable to Provide the Works during inclement weather and provides his employees with protective clothing so that work may be efficiently carried out.

2.4.5 The Contractor informs the Project Manager of intentions to stop work during inclement weather. The Contractor and the Project Manager assess the weather conditions with the intention to prevent the work from being stopped. The Contractor stops the work once the inclement weather causes a safety and health risk to employees exposed to the weather.

2.4.6 The Contractor attends meetings arranged by the Project Manager.

2.4.7 The Contractor completes records and submits these for acceptance to the Project Manager when work is done on site. As a minimum these records contains:

Total people on Site
Total Equipment being used

2.4.8 All communications, including faxes and telexes are addressed as follows:

Attention: The Project Manager or The Contractor (correspondence is not addressed to individuals as such, but may be marked for the attention of the relevant Project Manager or Contractor)

SPL 001 to xxx (From the Contractor's Office. Correspondence is numbered sequentially on the basis of the communication source)

2.4.9 All correspondence headings include:

Medupi Power Station
The contract description
The contract number

The correspondence subject matter (Correspondence is delivered as a single package, with distribution being handled by the Project Manager in his organization or the Contractor in his organization.)

2.5 Equipment

2.5.1 The Contractor shall ensure that.

- a. The contractor will be required to have splicing presses for the splicing of smaller belt and larger belt on site for the immediate use at Medupi when required.
- b. The Contractor's Equipment supplied and used on the site complies with the Occupational Health and Safety Act, Act 85 of 1993 (as amended).
- c. The Contractor provides consumables, spare parts and lubricants required for the maintenance of his Equipment.
- d. Splicing, Belt Repair and Pulley Lagging Equipment is maintained to ensure availability of 100%.

2.6 Supervision and personnel

- 2.6.1 The Contractor lists his Supervisor as a key person in the Contract Data.
- 2.6.2 The Contractor's Supervisor maintains a permanent presence on the site when work is performed. During the abnormal working hours, when the Contractor's supervisor is not present on site, the contractor ensures that a senior employee, able to act on behalf of his supervisor, is on duty at the site
- 2.6.3. The Contractor's prove to the Project Manager that the employees used by the Contractor to provide the works are competent in their areas of responsibility.
- 2.6.4 The Contractor provides the Project Manager with proof of legal appointments in terms of the Occupational Health and Safety Act, Act 85 of 1993 (as amended) for all the Contractor's employees who carry such legal responsibilities when on site.
- 2.6.5 The Contractor does not commence to provide the works unless the required letters of legal appointments have been accepted by the Project Manager.

2.7 Specifications

Title	Date or revision	Tick if publicly available
<u>General Specifications:</u>		
Safety Health Environmental Specifications for <i>Contractors</i>		Medupi
Medupi Power Station - SHE File Evaluation Checklist - 240-97661287	2	Medupi
Medupi Power Station Working at Heights Work Instruction - 240-135676724	1	Medupi

Life Saving-Rules – 240-62196227	6	Medupi
ESKOM SHEQ Policy 32-727	5	Medupi
Environmental Incident Management Procedure - 240-13308711	1	
Medupi Quality control plan – Conveyor Belt splicing		Medupi
<u>Technical specifications:</u>		
SANS 485 'Conveyor belting - Splicing of steel cord reinforced conveyor belting'	2009	Yes
SANS 484 part 1: 'Conveyor belting - Step splicing for multi-ply textile-reinforced rubber covered conveyor belting Part 12: Hot splicing method '	2009	Yes

2.8 Site location and arrangement

The Operating and Maintenance contract is located at Medupi Power Station in the Limpopo Province.

Section 3: Work and Services for the work supplied by the *Employer*

3.1 General

1. The *Employer* provides the labour ,equipment, tools and consumables for the pulling in of conveyor belting for the *Works*.
2. The *Employer* only provides 380V for the splicing press by means of a mobile diesel generator in remote areas. The *Contractor* can use the 380 V and 220 V power supplies where these services are currently available in the plant.
3. The *Employer* provides access to the Site.
4. The *Employer* provides induction training.
5. The *Employer* provides identity permits for access control purposes.
6. The *Employer* provides potable water and sanitary facilities on Site.
7. The *Employer* informs the *Contractor* of any statutory requirements.
8. The *Employer* provides operational requirements.
9. The *Employer* provides the *Contractor* with a matrix to clarify responsibilities and accountabilities at areas of interface with the *Employer* and Others.
10. The *Project Manager* informs the *Contractor* of any changes to the operational requirements when the *Project Manager* becomes aware of the changes.
11. The *Employer* provides all standard format documentation to be used for this contract.
12. The *Employer* provides emergency fire fighting facilities.
13. The *Employer* provides trained Supervisors to oversee Operations on Site.

3.2 Site facilities provided by the *Employer*

3.2.1 Site Yard

1. The *Contractor* is supplied with an off-terrace yard, inside the Power Station security fence, for his use during the full period of his Site works.
2. The *Contractor's* yard is subject to periodic inspection by the *Employer*.
3. The *Contractor* evacuates and cleans the yard within 1 month from *Completion*.

3.2.2 Supply of electricity

All points of supply requested by the *Contractor* are provided in terms of quantity and location at the discretion of the *Employer*.

3.2.3 Lighting

The *Employer* provides general Plant lighting. All other lighting is the responsibility of the *Contractor*.

3.2.4 Water

The *Employer* supplies reasonable quantities of potable water required for the purposes of this contract free of charge. The *Contractor* provides, at his own cost, all connection fittings, pipe work, temporary plumbing, and pumps necessary to lead the water from the *Employer's* points of supply to the various points where it is required. The *Contractor* is responsible to maintain this equipment and to remove it on *Completion*.

The *Employer* does not guarantee continuity of supply and the *Contractor* makes his own provision for standby supplies to maintain continuity of work. Claims of any nature relating to discontinuity of water supply are not considered.

3.2.5 Telecommunications

The *Contractor* supplies the necessary phone facilities to enable communication with the *Employer* and workers without any delay.

Section 4: PROGRAMME AND PLANNING

4.1 Minimum programme requirements

1. The *Contractor* develops a programme to show activities for this contract.
2. The programme shows key dates for co-ordination with Others and the *Project Manager*.
3. The *Contractor* numbers each individual activity with a unique number that can be cross-referenced with the *activity schedule* and method statements.

4.2. Computerized planning and reporting

Resource information for manpower, plant and equipment based on the Accepted Programme and reflected in resource histograms are provided.

4.3 Submission of programme

The *Contractor* submits two hard copies and one electronic copy to the *Project Manager* for acceptance.

Section 5: COMPLETION

5.1 Work provided by the *Contractor* by the *Completion Date*

After Completion the *Contractor* submits the documentation for the *works* in accordance with the *Employer's* documentation requirements.

Completion takes place after the *Project Manager* has verified the submitted documents.

Section 6: SITE FEATURES REQUIRING SPECIAL ATTENTION

6.1 Access for and interface with other *Contractors*

Other contractors are working in the same area as the work of this contract. In this regard, the *Contractor* co-ordinates his work with the *Employer* to maintain harmonious working conditions on Site.

During the progress of the *works*, the *Contractor* provides reasonable access to other *Contractors* to execute works carried out in other contracts.

6.2 Existing structures and services

The *Contractor* exercises the necessary care and skill to ensure adequate protection of all existing works and services, in or adjacent to the *works*, during construction.

6.3 Lay down area

None.

6.4 Site regulations

The *Contractor* complies with the Site Regulations, a copy of which is available for perusal at the *Employer's* offices. All Site Regulations form part of this contract.

6.5 Accommodation

The *Contractor* is responsible for the provision of his own accommodation for all his employees engaged in the execution of the *works*. This includes the needs of his Sub-contractors. The cost for accommodation, as well as for transportation to and from Site is included in the contract price.

1. Section 7: Quality Management

1.1 Quality Control Plan

- The contractor will be responsible to fill in Eskom's Quality control document for Conveyor belt splicing, form. The contractor will be required to fill in his own Quality control document for rubber and ceramic pulley lagging, and belt repairs.
- The Completed QCP needs to be submitted to the Employers representative before any payment will be done.
- Please note that the quality control documents need to be filled in during execution of the splice. Not filling in the QCP during the splice will be seen as a breach of contract and will result in a non conformance register being issued to the contractor.
- All of the test described in the QCP should be done and the correct information filled in the areas provided.
- H-Block sampling will be required with every 10th steel cord splice to enable cord pull out tests to be performed.

7.2 Interpretation of incorporated documentation

Wherever the following words or phrases are used in the listed or referred documentation, they are interpreted in this *contract* as follows.

Word or phase	Interpretation
'Eskom Holdings' (Eskom or Electricity Supply Commission) in the context of: - owner, occupier or user of the new asset - insurer of the <i>works</i> - paymaster (i.e. Eskom shall pay) - a party to the contract	the <i>Employer</i>
'Eskom Holdings' in the context of: - a duty or procedure to be performed in the administration of the contract	the <i>Project Manager</i> or the <i>Employer</i> as determined by the <i>conditions of contract</i>
accepted by (or to the satisfaction of) the <i>Project Manager</i> , Engineer or the Architect	accepted by the <i>Project Manager</i> or the <i>Employer</i>
a duty, procedure, decision or action of the Engineer or the Architect and or the Superintendent, Eskom's Representative, Site <i>Employer</i> or Clerk of Works	an action of the <i>Project Manager</i> or the <i>Employer</i> depending on the context. Clause 14 of the Core Clauses determine what the actions of each are. Either may delegate in terms of Clause 14.2

2. Section 8: Safety Management

2.1 Health and safety requirements

The *Contractor* will comply with the following:

Health and Safety Standards, as per the Medupi Power Station *Contractors* Safety file.

This file will be handed over on contract award.

Adhere to the OHS Act 85 of 1993

All staff will undergo a one day Safety Induction training course one week before site occupation.

Adhere to Eskom & Medupi No Smoking Policy

The *Contractor* must appoint Safety Representatives to assist the Employer Representative to:

- a. Identify possible hazards, dangers and risks
- b. Eliminate potentially dangerous conditions and actions
- c. Ensure a safe working environment

2.2 Red Zone equipment

Working on Red Zone Equipment procedure shall be adhered to.

Inspect and record findings of his workplace and submit a copy on a monthly basis to the Employer Representative.

The Employer Representative shall be entitled to request the *Contractor* to stop work, without penalty to the Employer, when the *Contractor's* personnel fail to conform to acceptable health & safety standards or contravene the health and safety sections and regulations.

The Employer Representative must be informed within 24 hours of any injury or damage to property or equipment.

The *Contractor* must perform job observations on critical tasks as identified and provide proof to the Employer Representative.

2.3 SHE. Documentation Required from the *Contractor*

The following documents must be provided together with the tender by the *Contractor* in terms of Health, Safety and Environmental performance, should the *Contractor* not provide this information it will be assumed that it does not exist

- Detailed costing for Health and Safety (Linked to Risk Assessment) based on the overall scope of work to be performed
- Letter of good standing with COID or any insurance body.
- An Organogram indicating the names of all persons that will hold legal appointments on the project in terms of the Act.
- The expected roles, responsibilities and authority of those who are proposed to receive legal appointments.
- The resume'(s) of the proposed Safety Officer(s) and Environmental Officer(s) his/their roles, responsibilities and authority is required in terms of the scope of work.
- The *Contractor's* company Safety, Health and Environment policy.
- Provide an overview of the system/program that is utilized to manage Safety, Health and Environment
- Provide a detailed HIRA (Hazard identification and Risk Assessment) based on client specification and the scope of work
- Provide a composite Health and Safety Plan as per the Clients specification?
- Certificates of medical fitness and psychological fitness, where applicable, conducted in relation to the individuals person job specification (Linked to Risk Assessment)

2.4 Health and Safety Plan

Upon the award of the contract, successful *Contractor* must submit a Health and Safety Plan, filed in a Health and Safety File, comprising of the following:

- Proof of the contracting company's own Health and Safety Policy.
- Proof of appointments, assignments and designations as required in terms of the Occupational Health and Safety Act, No 85 of 1993.
- Proof of Risk Assessments regarding Hazards identified.
- Proof of Safe Work Procedures that derived out of the Risk Assessments.

PROJECT AND CONTRACT TITLE

- Proof of the contracting company's own Emergency Plan that will deal with their own emergencies on site.
- Proof of a Fall Protection Plan, if required to perform work at elevated levels developed by a competent person appointed by the contracting company.
- Proof of an Induction Program. It is advised that the Medupi SHE Rules are used as a guide and an attendance register signed by its employees prior the commencement of any construction work on site.
- Proof of the contracting company's employees Medical Fitness Certificate. (Must still be valid for one year and may only have been issued by an occupational health practitioner).
- Proof of *contractors* weekly Health and Safety Rep Inspections regarding its own site and where detached work is performed.
- Proof of Personal Protective Equipment (PPE) issued to *contractor's* employees.
- Proof of contracting company's Accident/Incident Reporting and Investigation System.
- Proof of checklists and where applicable test certificates, regarding *contractor's* tools, equipment, machinery, mobile equipment, vessels under pressure and any other applicable checks required by the Act.

The Safety Officer employed by Medupi Power Station will audit these Health and Safety Plan to ensure compliance with the provisions of the Act. The approval of the health and safety plan can sometimes take 2 to 3 days to approve and no work will be conducted before the plan is approved. The *contractor* has to keep this in mind for their health and file costing.

2.5 Anticipated safety risks

- The contractor will sometimes be required to conduct splicing/lagging near running conveyor belts. This poses a significant risk of a personnel getting caught between the running conveyor belt and the idler, pulley or structure. Emergency pull ropes are provided along the length of the belt for emergency situations. The contractor there need take note of this and include it as part of the risk assessment
- The contractor will work with very sharp blades and the necessary PPE need to be worn and training need to be done to avoid lacerations on workers.
- The splicing press is very hot 140 degrees and the necessary PPE need to be worn and training need to be done to avoid burns.
- The press need to be inspected regularly for correct wiring or exposed conductor to prevent electrocutions by the press or other hand held electrical equipment.
- The contractor will also be working with lever hoists and turfs and care needs to be taken when working with the equipment under tension. Always stand clear of the cable/chain in case of failure of attachment point coming loose.
- Some of the work might be conducted in an elevated position and there is a falling hazard as well as hazard of object falling onto people working below. The *contractor* will compile a fall protection plan as part of his health and safety file and should strictly adhere to Medupi Power Station Working at Heights Work Instruction - 240-135676724
- All normal plant PPE will be required like safety boots, hard hats, earplugs, dust masks, goggles, gloves and bright coloured reflective vests.
- Ash leaks, Ash and coal spillages can occur in the splicing areas and it is recommended that dust mask be worn.
- The *contractor* should be conversant with the chemicals that are used during application, and material safety data sheets should be placed in the health and safety file. See par 8.3.

3. Environmental Rules

3.1 Environmental Management System

Medupi Power Station has been recommended for ISO14001:2004 certificate. To ensure continual improvement to the ISO 14001: 2004, the *Contractor* shall ensure that the following requirements are met:-

- Identify all environmental aspects and impacts.

- Identify the law that is applicable to the scope and ensure compliance to the applicable laws at all times
- All employees shall attend Environmental induction before commencing with the work.

3.2 Waste management

All waste introduced to and/or produced on the *Employer's* premises by the Contractor for this contract, must be handled in accordance with National Environmental Management: Waste act 59 of 2008 and Medupi Waste management procedure.

3.3 Hazardous Chemicals substances

All hazardous Chemicals substances brought on site must be accomplished by Material Safety Data Sheet and shall be managed as per Occupational Health and Safety Act, 1993 Hazardous Chemical Substances Regulations, 1995.

3.4 Environmental Incident

The *Contractor* shall report all Environmental incidents (example: Oil/Chemical spillage, water overflow etc) to Medupi Power Station contract manager or Environmental Officer within 24 hours of them occurring.

3.5 Other Environmental Requirements:

The *Contractor* will be required to ensure that the following environmental requirements are complied with at all times:

- 1 Zero liquid effluent discharge.
- 2 No oil or waste will be dumped on an unauthorised area or unlicensed waste site.
- 4 Asbestos will be handled and stored according to Act 15 of 1973 (hazardous substances Act).
- 5 No materials or waste will be burnt on site.
- 6 *Contractors* shall comply with Medupi SHEQ policy

8.1 Entry:

1. The *Contractor* obtains entry permits, which are issued free of charge by security upon submission of the employee's valid identity documents, subject to *Employer's* applicable rules. The permits remain the property of the *Employer*.
2. The *Contractor* and his employees are always in possession of an entry permit to enable identification is made immediately.
3. The *Contractor* consents to the *Employer's* security searching and inspecting property belonging to the *Contractor* entering or remaining within the area.
4. The *Employer* requires a security clearance of all persons entering the area. The *Contractor* applies for the security clearance of its personnel 48 hours in advance of bringing the personnel to Site.
5. The *Contractor* obtains temporary permits only in cases of an emergency breakdown.

8.2 Permits:

- As per 8.1

8.3 Vehicles:

1. The *Contractor* proves to the *Project Manager* that all drivers of vehicles used by the *Contractor* to Provide the Works are in possession of the *Employer's* authorized driver's licenses.
2. The *Contractor* obtains vehicle permits for vehicles required to Provide the Works from the *Employer's* security department.
3. The *Contractor* obeys the instructions of the *Employer's* security personnel when the *Contractor's* vehicles and those of his Subcontractors are stopped for search and investigation purposes.
4. The *Contractor's* supplier's drivers identify themselves by means of a valid identity document and produce a delivery note addressed to the *Contractor*.

8.4 Equipment, Plant and Materials, tools and other things required to Provide the Works:

1. The *Contractor* inventories all Equipment, Plant and Materials, tools and other things required to Provide the Works entering the Site on the prescribed forms obtainable from the *Employer's* security. The original inventory is retained by security and the *Contractor* retains a duplicate copy of the inventory.
2. All Equipment, Plant and Materials, tools and other things required to Provide the Works brought into the Site by the *Contractor* is clearly marked and is not removed from the Site unless the *Contractor* identifies it as his property and the *Employer* accepted the removal.

8.5 General:

1. Security maintains discipline on Site and disciplinary action against traffic offenders needs to be implemented by the *Contractor* to the *Employers* satisfaction.
2. The *Contractor* does not permit personnel who are under the influence of drugs or alcohol to enter the Site.
3. Further information regarding security requirements is available from the security office at the main gate:

Section 9: Environmental management

- Medupi Power Station is to be licensed to operate under the National Water Act (Act 36 of 1998), and all plant Operations, Maintenance and Engineering staff ensures that the license conditions detailed within the requirements of the act are met at all times.
- The Employer is committed to meet the environmental regulations. The Contractor to meet the following environmental requirements:
 - a) Storm water
The Contractor ensures that clean and polluted storm water is and remains separated. All drains are cleaned on a scheduled basis to ensure the drains working at all times. All drainage channels and pipes are kept clean at all times and special attention is given to clean the drains after rain.

PROJECT AND CONTRACT TITLE

b) Contaminated soil

All contaminated soil outside the contained stock yard is removed and dumped at a approved and demarcated area.

c) General Control of Site Activities

The Site is controlled in an environmentally responsible manner. Note the following:

- Noise and pollution levels for all construction Equipment is monitored and managed. Equipment with oil leaks, excessive emission, or unacceptable noise levels are repaired or removed from Site.
- Temporary services are maintained in a good and proper manner.

e) Plant & Material wash-down facilities

Wash down of plant and material can only be done in areas designated by the Project Manager

Section 10: Site services and procedures

1. The *Contractor* applies for access permits at the security gate when access to the Medupi Power Station site is required
2. The *Contractor's* personnel are in the possession of their access permits at all times when on the Site.
3. The *Contractor* provides security for protection of Equipment, Plant and Materials required to Provide the Works

Section 11: Restrictions applicable to the Contractor

- The *Contractor* keeps records of maintenance tasks executed by the *Contractor* as specified by the original equipment manufacturers.
- The *Contractor* interfaces with the *Employer's* personnel to execute specific operational tasks when and does not execute these tasks without prior permission from the *Employer*.

Section 12: Accounts and records**Requirements for the Meetings**

1. A "Kick-off meeting" within one month after contract award needs to be held.
2. The *Contractor* arranges and chairs all technical discussion meetings and records minutes of meetings. Weekly progress meetings need to be held. Minutes of meetings are submitted for acceptance to the *Project Manager* at most one day after the meeting and then distributed to the rest of the attendees.
3. The *Contractor* in conjunction with the *Project Manager* arranges the date and venue of the above-mentioned meetings.

12.1 Assessment, Cash flow and Invoicing

1. The *Contractor* presents his pro-format invoice to the *Project Manager* on the 20th day of each month for perusal.
2. The *Contractor* completes his assessment and submits the amount due on the 22th day of the month for review.
3. The *Contractor* submits an accepted invoice on the last day of the month or the next working day if the last day falls within a weekend.

12.2 The invoices from the *Contractor* contain at least the following information

1. The registered name of the company
2. The VAT registration number of the company
3. The contract number
4. The invoice sequence number
5. The total cost of compensation events (change order) to date
6. The amount paid to date

12.3 Financial records and accounts

- 12.3.1 The *Employer* pays by bank transfer.
- 12.3.2 The *Contractor* accepts the risk of incorrect bank transfers arising from changes to the *Contractor's* banking information.
- 12.3.3 All payments are provisional and subject to audit.
- 12.3.4 The *Contractor* preserves his records for such a period as the Department of Internal Revenue may require. Should different periods be prescribed, the longest period applies, but in any event, records are retained by the *Contractor* for not less than five years.
- 12.3.5 The *Project Manager* deducts any amount owed by the *Contractor* to the *Employer* from any amount owed by the *Employer* to the *Contractor*.
- 12.3.6 The *Contractor* submits original invoices complying with the Value Added Tax Act.

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ('Agreement') is entered into between the Employer and the Contractor.

WHEREAS, the Employer and the Contractor (the Parties) desire to exchange certain confidential information; and consider further business dealings with each other.

WHEREAS, the parties desire to evidence their agreements governing the exchange of certain confidential information as set forth below.

Now therefore, for good and valuable consideration, including the mutual agreements hereinafter recited, the parties hereby agree as follows:

1. The parties contemplate an exchange, either orally, in writing or by inspection, of certain confidential proprietary information possessed or owned separately by them and not readily available or otherwise known to the public and which may be helpful in evaluating further business dealings. Such confidential information (the 'Subject Information') may include but not be limited to the parties' inventions, trade secrets, know-how, technical information on products and manufacturing processes, and information concerning their business assets, financial condition, operations, plans and prospects.
2. The purpose of the exchange of Subject Information is to enable the parties to evaluate the Subject information for the purpose only of considering further business dealings with each other.
3. The parties each agree that they shall maintain in secrecy in accordance with the terms of this Agreement all of the Subject Information each party receives (the 'Receiving Party') from the other party (the 'Proprietor') and shall not disclose or use other than for the purpose specified herein the Subject Information without the written consent of the Proprietor of the Subject Information. All Subject Information communicated from one party to the other shall be deemed to be proprietary and confidential to the Proprietor whether marked or identified as such or not.
4. The duty of care to safeguard Subject Information shall be the same as that which the parties each use to safeguard their own respective proprietary and confidential information.
5. The Receiving Party of Subject Information shall not be obligated to maintain Subject Information received from its Proprietor in secrecy or refrain from using it to the extent that any such information is or rightfully becomes publicly available information other than through a breach of this Agreement, or which the Receiving Party later obtains lawfully from anyone else who is not known by the Receiving Party to be obligated under any secrecy agreement with Proprietor to maintain the information in secrecy. The Receiving Party also shall not be obligated to maintain in secrecy any information it receives from the Proprietor which it can demonstrate was already in its possession when the information was disclosed to the Receiving Party by the Proprietor.
6. The Receiving Party shall promptly return to its Proprietor any Subject Information in tangible form it has received from the Proprietor immediately upon the Proprietor's request, without retaining any copies, summaries, analyses or extracts thereof. All documents, memoranda, notes and other writings prepared by the parties, or their advisors, based on the Subject Information of each other, shall be destroyed, and such destruction shall be certified in writing by an authorised officer supervising such destruction.

7. If a party, with the written consent of the Proprietor of Subject Information, discloses any Subject Information received from its Proprietor to any third party, it shall do so only under a secrecy agreement having a scope similar to and which is consistent with this Agreement, and the disclosing party shall be primarily responsible for any compromise of the secrecy of Subject Information by such third party
8. Each party agrees that it shall not, while and for so long as it is obligated to maintain Subject Information in secrecy, use for its own benefit, or for the benefit of others or exploit, commercialise, develop, test promote, sell, lease, market or otherwise dispose of any products or services using, incorporating or relying on Subject Information received from its Proprietor without the written consent of the Proprietor.
9. The obligations of the party receiving Subject Information pursuant to this Agreement shall be effective with respect of each item of Subject Information for a term of five (5) years from the date of submission of the Subject Information to the Receiving Party by its Proprietor, unless the Proprietor agrees otherwise in writing.
10. For purposes of this Agreement, each party shall include (to the extent applicable) the officers, directors, employees, agents, representatives, attorneys, joint ventures, partnerships, affiliates, subsidiaries, and divisions of the party, and any other entity or entities which such party controls or which controls it, and, further, shall include any transferee, successor and assign of the assets of the party.
11. This Agreement shall be construed (both as to validity and performance) and enforced in accordance with, and governed by, the laws of Republic of South Africa.
12. Neither this Agreement nor the exchange of Subject Information between the parties shall create or be relied on by either party as a basis for creating any license between the parties under any patent, or other industrial or intellectual property rights of the Proprietor of the Subject Information, or any other license between the parties in the absence of any express written license agreement between them
13. The parties agree that no contract or agreement providing for a transaction shall be deemed to exist between them unless and until a definitive agreement has been executed and delivered, the parties hereby waive, in advance, any claim (including, without limitation, breach of contract) in connection with a possible transaction with each other unless and until they shall have entered into a definitive agreement. The parties also agree that unless and until a definitive agreement between them has been executed and delivered, neither party has any legal obligation of any kind whatsoever with respect to any such transaction by virtue of this Agreement or any other written or oral expression with respect to such transaction, except, in the case of this Agreement, for the matters specifically agreed to herein. For purposes of this paragraph, the term 'definitive agreement'; does not include an executed letter of intent, memorandum of understanding.

IN WITNESS WHEREOF, and intending to be legally bound, this Agreement has been executed by the parties as of and effective from the date first written above.