



NEC3 Term Service Contract (TSC3)

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

And
(Reg No.....)

For **Meter Reading Services in the North-West Operating Unit (NWOU) on an "as and when required" basis for a three-year (3) period.**

**Contents: Compiled in accordance with CIDB
Standard for Uniformity in Construction
Procurement (May 2010 amendments)**

Part C1 Agreements & Contract Data

- C1.1 Form of Offer and Acceptance
- C1.2a Contract Data provided by the *Employer*
- C1.2b Contract Data provided by the *Contractor*

Part C2 Pricing Data

- C2.1 Pricing assumptions
- C2.2 Price List

Part C3 Scope of Work

- C3.1 Service Information
Pro Forma Task Order

CONTRACT No.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

PART C1: AGREEMENTS & CONTRACT DATA

| Contents: | No of pages |
|-------------------------------------------------------|-------------|
| C1.1 Form of Offer and Acceptance | 3 |
| C1.2a Contract Data provided by the <i>Employer</i> | 6 |
| C1.2b Contract Data provided by the <i>Contractor</i> | 18 |

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:

Meter Reading Services in the North-West Operating Unit (NWOU) on an "as and when required" basis for a three-year (3) period.

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 Base Contract |
| | Sub total | (Rates Based) |
| | Value Added Tax @ 15% is | R |
| | The offered total of the amount due inclusive of VAT is ¹ | R |
| | This contract is based on the rates in the Price Schedule | |

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 original copy of this document, including the Schedule of Deviations (if any).

Signature(s)

Name(s)

Capacity

**for the
Employer**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

C1.2 TSC3 Contract Data

Part one - Data provided by the *Employer*

| Clause | Statement | Data |
|--------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | General | |
| | The <i>conditions of contract</i> are the core clauses and the clauses for main Option: | |
| | dispute resolution Option | A: Priced contract with price list |
| | and secondary Options | W1: Dispute resolution procedure |
| | | X1: Price adjustment for inflation |
| | | X2: Changes in the law |
| | | X18: Limitation of liability |
| | | X19: Task Order |
| | | Z: Additional conditions of contract |
| | of the NEC3 Term Service Contract (June 2005) ² | |
| 10.1 | The <i>Employer</i> is (name): | Eskom Holdings SOC Limited (Reg No: 2002/015527/30), a juristic person incorporated in terms of the company laws of the Republic of South Africa |
| | Address | Group Capital Division Megawatt Park Maxwell Drive Sandton Johannesburg Tel +27 (014) 762 2492 www.eskom.co.za |
| 10.1 | If the <i>Employer</i> appoints an <i>Employer's Agent</i> , the <i>Employer's Agent</i> is: | |
| | Name: | Ansie Van der Westhuizen |
| | Address | Golden Avenue, Townlands, Klerksdorp 2570 |
| | Tel | 018 464 6785 |
| | Fax | 086 663 9519 |
| | e-mail | vdwestah@eskom.co.za |
| | The authority of the <i>Employer's Agent</i> is: | Managing the contract |

² Available from Engineering Contract Strategies Tel 011 803 3008 Fax 011 803 3009

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

| | | |
|----------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.2(2) | The Affected Property is | North West OU |
| 11.2(13) | The <i>service</i> is | Meter Reading Services in the North-West Operating Unit (NWOU) on an "as and when required" basis for a three-year (3) period. |
| 11.2(14) | The following matters will be included in the Risk Register | N/A |
| 11.2(15) | The Service Information is in | the document called 'Service Information' in Part 3 C3.1 of this contract. |
| 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 | 5 days |
| 2 | The Contractor's main responsibilities | |
| 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. | As soon as contract is concluded |
| 30.1 | The <i>service period</i> is | 36 months |
| 4 | Testing and defects | |
| 42.1 | Correction of Defects | N/A |
| 5 | Payment | |
| 50.1 | The <i>assessment interval</i> is | 25 th day of each month. |
| 51.1 | The currency of this contract is the | South African Rand |
| 51.2 | The period within which payments are made is | 30 days from date of invoice |
| 51.4 | The <i>interest rate</i> is | (i) zero percent above the publicly quoted prime rate of interest (calculated on a 365-day year) charged by from time to time by the Standard Bank of South Africa (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands. |
| 6 | Compensation events | N/A |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

| | | |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7 | Use of Equipment Plant and Materials | N/A |
| 8 | Risks and insurance | |
| 80.1 | These are additional <i>Employer's</i> risks | 1. N/A 2. N/A 3. N/A |
| 83.1 | The <i>Employer</i> provides these insurances from the Insurance Table | as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance). |
| 83.1 | The <i>Employer</i> provides these additional insurances | as stated for "Format TSC3" available on http://www.eskom.co.za/live/content.php?Item_ID=9248 (See Annexure A for basic guidance) |
| 83.1 | The minimum amount of cover for insurance against loss and damage caused by the <i>Contractor</i> to the <i>Employer's</i> property is | the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| 83.1 | The minimum amount of cover for loss of or damage to Plant and Materials provided by the <i>Employer</i> is: | the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| 83.1 | The minimum amount of cover for insurance in respect of loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service for any one event is: | Whatever the <i>Contractor</i> deems necessary in addition to that provided by the <i>Employer</i>. |
| 83.1 | The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract for any one event is: | As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the <i>Contractor's</i> common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (Five hundred thousand Rands).. |
| 9 | Termination | There is no Contract Data required for this section of the <i>conditions of contract</i> . |
| 10 | Data for main Option clause | |
| A | Priced contract with price list | |

| | | |
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| 20.5 | The <i>Contractor</i> prepares forecasts of the final total of the Prices for the whole of the <i>service</i> at intervals no longer than | N/A |
| <hr/> | | |
| 11 | Data for Option W1 | |
| W1.1 | The <i>Adjudicator</i> is (Name) | the person selected from the Eskom Panel of Adjudicators listed in Annexure B to this Contract Data by the Party intending to refer a dispute to him. |
| W1.2(3) | The <i>Adjudicator nominating body</i> is: | the Chairman of the Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za) |
| W1.4(2) | The <i>tribunal</i> is: | arbitration |
| W1.4(5) | The <i>arbitration procedure</i> is | the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body. |
| | The place where arbitration is to be held is | South Africa |
| | The person or organisation who will choose an arbitrator | |
| | - if the Parties cannot agree a choice or | |
| | - if the arbitration procedure does not state who selects an arbitrator, is | the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body. |
| 12 | Data for secondary Option clauses | |
| X1 | Price adjustment for inflation | <p>The rates provided in the Pricing Data will apply for the first 12 months after the base date.</p> <p>The base date for indices is (one month before the tender conclusion), from the anniversary date of base date, the rates will be adjusted for inflation using the relevant tables published by the Department of Labour.</p> <p>Labour rates 70% in the Pricing Data will be adjusted as per SEIFSA TABLE C-3 Transport rates 15% in the Pricing Data will be adjusted as per SEIFSA TABLE L-1 Fixed rates 15% in the Pricing Data will be adjusted. Total 100%</p> <p>Price fluctuations may result in an increase or decrease in the rates provided in the Pricing Data.</p> |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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| X18 | Limitation of liability | |
| X18.1 | The Contractor's liability to the Employer for indirect or consequential loss is limited to | R0.0 (zero Rand) |
| X18.2 | For any one event, the Contractor's liability to the Employer for loss of or damage to the Employer's property is limited to | the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| X18.3 | The Contractor's 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 Employer's insurance (other than the resulting physical damage to the Employer's property which is not excluded) plus the applicable deductibles in the Employer's assets and works / maintenance policies available on http://www.eskom.co.za/live/content.php?Item_ID=9248 |
| X18.4 | The Contractor's total liability to the Employer, for all matters arising under or in connection with this contract, other than the excluded matters, is limited to | <p>The total of the Prices other than for the additional excluded matters.</p> <p>The Contractor's total liability for the additional excluded matters is not limited.</p> <p>The additional excluded matters are amounts for which the Contractor 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 Employer's property, Plant and Materials), death of or injury to a person and Infringement of an intellectual property right. |
| X18.5 | The end of liability date is | 52 weeks after Completion of the whole of the works per task order. |
| X19 | Task Order | |
| X19.2 | Delay damages | 0.5 % of the contract value per day to a max of 10% per affected task order. |
| X19.5 | The Contractor submits a Task Order programme for acceptance within | 1 week |

| | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Z | The additional conditions of contract are | Z1 to Z14 always apply. |
| Z1 | Cession delegation and assignment | |
| Z1.1 | The <i>Contractor</i> does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the <i>Employer</i> . | |
| Z1.2 | Notwithstanding the above, the <i>Employer</i> may on written notice to the <i>Contractor</i> cede and delegate its rights and obligations under this contract to any of its subsidiaries or any of its present divisions or operations which may be converted into separate legal entities as a result of the restructuring of the Electricity Supply Industry. | |
| Z2 | Joint ventures | |
| Z2.1 | If the <i>Contractor</i> 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 <i>Employer</i> for the performance of this contract. | |
| Z2.2 | Unless already notified to the <i>Employer</i> , the persons or organisations notify the <i>Service Manager</i> within two weeks of the Contract Date of the key person who has the authority to bind the <i>Contractor</i> on their behalf. | |
| Z2.3 | The <i>Contractor</i> does not alter the composition of the joint venture, consortium or other unincorporated grouping of two or more persons without the consent of the <i>Employer</i> having been given to the <i>Contractor</i> in writing. | |
| Z3 | Change of Broad Based Black Economic Empowerment (B-BBEE) status | |
| Z3.1 | Where a change in the <i>Contractor's</i> legal status, ownership or any other change to his business composition or business dealings results in a change to the <i>Contractor's</i> B-BBEE status, the <i>Contractor</i> notifies the <i>Employer</i> within seven days of the change. | |
| Z3.2 | The <i>Contractor</i> is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the <i>Service Manager</i> within thirty days of the notification or as otherwise instructed by the <i>Service Manager</i> . | |
| Z3.3 | Where, as a result, the <i>Contractor's</i> B-BBEE status has decreased since the Contract Date the <i>Employer</i> may either re-negotiate this contract or alternatively, terminate the <i>Contractor's</i> obligation to Provide the Service. | |
| Z3.4 | Failure by the <i>Contractor</i> to notify the <i>Employer</i> of a change in its B-BBEE status may constitute a reason for termination. If the <i>Employer</i> terminates in terms of this clause, the procedures on termination are P1, P2 and P4 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93. | |
| Z4 | Confidentiality | |
| Z4.1 | The <i>Contractor</i> 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 <i>Contractor</i> , enters the public domain or to information which was already in the possession of the <i>Contractor</i> at the time of disclosure (evidenced by written records in existence at that time). Should the <i>Contractor</i> disclose information to Others in terms of clause 25.1, the <i>Contractor</i> ensures that | |

the provisions of this clause are complied with by the recipient.

- Z4.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.
- Z4.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z4.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to core clause 12.3:

- Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Service Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

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

- Z6.1 The *Contractor* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the execution of the *service*. Without limitation the *Contractor*:
- accepts that the *Employer* may appoint him as the "Principal Contractor" (as defined and provided for under the Construction Regulations 2014 (promulgated under the Occupational Health & Safety Act 85 of 1993) ("the Construction Regulations") for the Affected Property;
 - warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with the Construction Regulations, all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of the *service*; and
 - undertakes, in and about the execution of the *service*, to comply with the Construction Regulations and with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.
- Z6.2 The *Contractor*, in and about the execution of the *service*, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Contractor's* direction and control, likewise observe and comply with the foregoing.

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

- Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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

Z7.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

Z8 Notifying compensation events

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

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

Z9 Employer's limitation of liability

Z9.1 The *Employer's* liability to the *Contractor* for the *Contractor's* indirect or consequential loss is limited to R0.00 (zero Rand)

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

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

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

Z11 Ethics

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

Affected Party means, as the context requires, any party, irrespective of whether it is the *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,

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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.

Z11.1 A Committing Party may not take any Prohibited Action during the course of the procurement of this contract or in execution thereof.

Z11.2 The *Employer* may terminate the *Contractor's* obligation to Provide the Services 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 Services for this reason.

Z11.3 If the *Employer* terminates the *Contractor's* obligation to Provide the Services for this reason, the amounts due on termination are those intended in core clauses 92.1 and 92.2.

Z11.4 A Committing Party co-operates fully with any investigation pursuant to alleged Prohibited Action. Where the *Employer* does not have a contractual bond with the Committing Party, the *Contractor* ensures that the Committing Party co-operates fully with an investigation.

Z12 Insurance

Z 12 .1 Replace core clause 83 with the following:

Insurance cover

83

83.1 When requested by a Party, the other Party provides certificates from his insurer or broker stating that the insurances required by this contract are in force.

83.2 The *Contractor* provides the insurances stated in the Insurance Table A from the *starting date* until the earlier of Completion and the date of the termination certificate.

INSURANCE TABLE A

| Insurance against | Minimum amount of cover or minimum limit of indemnity |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loss of or damage caused by the <i>Contractor</i> to the <i>Employer's</i> property | The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance. |
| Loss of or damage to Plant and Materials | The replacement cost where not covered by the <i>Employer's</i> insurance. The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance. |
| Loss of or damage to Equipment | The replacement cost where not covered by the <i>Employer's</i> insurance. |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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| | The <i>Employer's</i> policy deductible as at Contract Date, where covered by the <i>Employer's</i> insurance. |
| The <i>Contractor's</i> liability for loss of or damage to property (except the <i>Employer's</i> property, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Contractor</i>) arising from or in connection with the <i>Contractor's</i> Providing the Service | <p><u>Loss of or damage to property</u> The replacement cost</p> <p><u>Bodily injury to or death of a person</u> The amount required by the applicable law.</p> |
| Liability for 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 | The amount required by the applicable law |

Z 12.2 Replace core clause 86 with the following:

Insurance 86
by the
Employer

86.1 The *Employer* provides the insurances stated in the Insurance Table B

INSURANCE TABLE B

| Insurance against or name of policy | Minimum amount of cover or minimum li of indemnity |
|---------------------------------------------------|-----------------------------------------------------------|
| Assets All Risk | Per the insurance policy document |
| Contract Works insurance | Per the insurance policy document |
| Environmental Liability | Per the insurance policy document |
| General and Public Liability | Per the insurance policy document |
| Transportation (Marine) | Per the insurance policy document |
| Motor Fleet and Mobile Plant | Per the insurance policy document |
| Terrorism | Per the insurance policy document |
| Cyber Liability | Per the insurance policy document |
| Nuclear Material Damage and Business Interruption | Per the insurance policy document |
| Nuclear Material Damage Terrorism | Per the insurance policy document |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

Z13 Nuclear Liability

- Z13.1 The *Employer* is the operator of the Koeberg Nuclear Power Station (KNPS), a nuclear installation, as designated by the National Nuclear Regulator of the Republic of South Africa and is the holder of a nuclear licence in respect of the KNPS.
- Z13.2 The *Employer* is solely responsible for and indemnifies the *Contractor* or any other person against any and all liabilities which the *Contractor* or any person may incur arising out of or resulting from nuclear damage, as defined in Act 47 of 1999, save to the extent that any liabilities are incurred due to the unlawful intent of the *Contractor* or any other person or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.
- Z13.3 Subject to clause Z13.4 below, the *Employer* waives all rights of recourse, arising from the aforesaid, save to the extent that any claims arise or liability is incurred due or attributable to the unlawful intent of the *Contractor* or any other person, or the presence of the *Contractor* or that person or any property of the *Contractor* or such person at or in the KNPS or on the KNPS site, without the permission of the *Employer* or of a person acting on behalf of the *Employer*.
- Z13.4 The *Employer* does not waive its rights provided for in section 30 (7) of Act 47 of 1999, or any replacement section dealing with the same subject matter.
- Z13.5 The protection afforded by the provisions hereof shall be in effect until the KNPS is decommissioned.

Z14 Asbestos

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

| | |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AAIA | means approved asbestos inspection authority. |
| ACM | means asbestos containing materials. |
| AL | means action level, i.e. a level of 50% of the OEL, i.e. 0.1 regulated asbestos fibres per ml of air measured over a 4-hour period. The value at which proactive actions is required in order to control asbestos exposure to prevent exceeding the OEL. |
| Ambient Air | means breathable air in area of work with specific reference to breathing zone, which is defined to be a virtual area within a radius of approximately 30cm from the nose inlet. |
| Compliance Monitoring | means compliance sampling used to assess whether or not the personal exposure of workers to regulated asbestos fibres is in compliance with the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles. |
| OEL | means occupational exposure limit. |
| Parallel Measurements | means measurements performed in parallel, yet separately, to existing measurements to verify validity of results. |
| Safe Levels | means airborne asbestos exposure levels conforming to the Standard's requirements for safe processing, handling, storing, disposal and phase-out of asbestos and asbestos containing material, equipment and articles. |
| Standard | means the <i>Employer's</i> Asbestos Standard 32-303: Requirements for Safe Processing, Handling, Storing, Disposal and Phase-out of Asbestos and Asbestos Containing Material, Equipment and Articles. |
| SANAS | means the South African National Accreditation System. |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

- TWA** means the average exposure, within a given workplace, to airborne asbestos fibres, normalised to the baseline of a 4-hour continuous period, also applicable to short term exposures, i.e. 10-minute TWA.
- Z14.1** The *Employer* ensures that the Ambient Air in the area where the *Contractor* will Provide the Services conforms to the acceptable prescribed South African standard for asbestos, as per the regulations published in GNR 155 of 10 February 2002, under the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("Asbestos Regulations"). The OEL for asbestos is 0.2 regulated asbestos fibres per millilitre of air as a 4-hour TWA, averaged over any continuous period of four hours, and the short-term exposure limit of 0.6 regulated asbestos fibres per millilitre of air as a 10-minute TWA, averaged over any 10 minutes, measured in accordance with HSG248 and monitored according to HSG173 and OESSM.
- Z14.2** Upon written request by the *Contractor*, the *Employer* certifies that these conditions prevail. All measurements and reporting are affected by an independent, competent, and certified occupational hygiene inspection body, i.e. a SANAS accredited, and Department of Employment and Labour approved AAIA. The *Contractor* may perform Parallel Measurements and related control measures at the *Contractor's* expense. For the purposes of compliance, the results generated from Parallel Measurements are evaluated only against South African statutory limits as detailed in clause Z14.1. Control measures conform to the requirements stipulated in the AAIA-approved asbestos work plan.
- Z14.3** The *Employer* manages asbestos and ACM according to the Standard.
- Z14.4** In the event that any asbestos is identified while Providing the Services, a risk assessment is conducted and if so required, with reference to possible exposure to an airborne concentration of above the AL for asbestos, immediate control measures are implemented and relevant air monitoring conducted in order to declare the area safe.
- Z14.5** The *Contractor's* personnel are entitled to stop working and leave the contaminated area forthwith until such time that the area of concern is declared safe by either Compliance Monitoring or an AAIA approved control measure intervention, for example, per the emergency asbestos work plan, if applicable.
- Z14.6** The *Contractor* continues to Provide the Services, without additional control measures presented, on presentation of Safe Levels. The contractually agreed dates to Provide the Services, including the Completion Date, are adjusted accordingly. The contractually agreed dates are extended by the notification periods required by regulations 3 and 21 of the Asbestos Regulations, 2001.
- Z14.7** Any removal and disposal of asbestos, asbestos containing materials and waste, is done by a registered asbestos contractor, instructed by the *Employer* at the *Employer's* expense, and conducted in line with South African legislation.

C1.2 Contract Data

Part two - Data provided by the *Contractor*

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

| Clause | Statement | Data |
|--------|-----------|------|
|--------|-----------|------|

10.1 The *Contractor* is (Name):

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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 Contractor's plan is in: | C3.3 |
| 21.1 | The plan identified in the Contract Data is contained in: | C3.3 |
| 24.1 | The key persons are: | |
| | 1 Name: | _____ |
| | Job: | _____ |
| | Responsibilities: | _____ |
| | Qualifications: | _____ |
| | Experience: | _____ |
| | 2 Name: | _____ |
| | Job | _____ |
| | Responsibilities: | _____ |
| | Qualifications: | _____ |
| | Experience: | _____ |
| | CV's (and further key person's data including CVs) are in | _____ |
| A | Priced contract with price list | |
| 11.2(12) | The <i>price list</i> is in | The document called "price list" in Part 2 C2.2 of this tender |
| 11.2(19) | The tendered total of the Prices is | This is a rates-based contract |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

PART 2: PRICING DATA
TSC3 Option A

| Document reference | Title | No of pages |
|--------------------|-------------------------------|-------------|
| C2.1 | Pricing assumptions: Option A | 2 |
| C2.2 | The price list | 2 |

C2.1 Pricing assumptions: Option A

1. The *conditions of contract*

1.1 How work is priced and assessed for payment

Clause 11 in NEC3 Term Service Contract, June 2005 (TSC3) core clauses and Option A states:

| | | |
|-------------------------------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Identified and defined terms | 11 | |
| | 11.2 | (12) The Price List is the <i>price list</i> unless later changed in accordance with this contract. |
| | | (17) The Price for Services Provided to Date is the total of <ul style="list-style-type: none"> the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and Where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate. |
| | | (19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate. |

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

1.2 Function of the Price List

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

1.3 Link to the *Contractor's* plan

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

1.4 Preparing the *price list*

It will be assumed that the tendering contractor has read Pages 14, 15 and 73 of the TSC3 Guidance Notes before preparing the *price list*. Items in the *price list* may have been inserted by the *Employer* and the tendering contractor should insert any additional items which he considers necessary. Whichever party provides the items in the *price list* the total of the Prices is assumed to be fully inclusive of everything necessary to provide the Service as described at the time of entering into this contract.

1 As the *Contractor* has an obligation to correct Defects (core clause 42.1) and there is no compensation event for this unless the Defect was due to an *Employer's* risk, the lump sum Prices and rates must also include for the correction of Defects.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

2 If the *Contractor* has decided not to identify a particular item in the *price list* at the time of tender the cost to the *Contractor* of doing the work must be included in, or spread across, the other Prices and rates in the *price list* in order to fulfil the obligation to complete the *service* for the tendered total of the Prices.

3 There is no adjustment to lump sum prices in the *price list* if the amount, or quantity, of work within that lump sum item of service later turns out to be different to that which the *Contractor* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event. See Clause 60.1.

4 Hence the Prices and rates tendered by the *Contractor* in the *price list* are inclusive of everything necessary and incidental to Providing the Service in accordance with the Service Information, as it was at the time of tender, as well as correct any Defects not caused by an *Employer's* risk.

5 The Contractor does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event. It should be noted that the list of compensation events includes those arising as a result of an *Employer's* risk event listed in core clause 80.1.

1.5 Format of the price list

(From page 73 of the TSC3 Guidance Notes)

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

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

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

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


METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

C2.2 the *price list*

PRICE LIST

CONTRACT DESCRIPTION:

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.



GEMMA CLUSTER NORTHERN WEST OPERATING UNIT

SPU (SMALL POWER USER) METER READING SERVICES FOR NORTH WEST OPERATING UNIT

SECTION 1: PRELIMINARIES

| Item | Description | Unit | Quantity | Rate | Amount |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|------|--------|
| 1 | Health and Safety | | | | |
| 1.1 | PPE, Tools and Equipment (Total labour value) | | | | |
| 1.1.1 | Allow amount for safety fee, PPE, tools and equipment to comply with Eskom's requirements and regulations including adherence to safety standards and procedures | (%) | 1% | R | - R |
| 1.2 | Accommodation (Payment will not be authorised without proof in the form of an invoice from third party supplier) | | | | |
| 1.2.1 | Accommodation limited to three-star accommodation capped at R950 all inclusive for the contractor's permanent employees/staff who will be traveling 300km from the selected CMC within a sector as specified in the NEC document. Always provide evidence | P/Night | 1 | R | - R |
| 1.3 | Transportation (Payment for transport/travelling will be paid for distance covered from selected CMC or Hub within the operating Unit to the required site as specified in the NEC document. Cost of transport / travelling (includes driver, tools, fuel and any other transport related cost) | | | | |
| 1.3.2 | Transport Light Duty Vehicle (LDV) 4x4 | Km | 1 | R | - R |
| TP | TOTAL PRELIMINARIES | | | | - R |
| TCFN | TOTAL CARRIED TO FINAL SUMMARY | | | | - R |

SECTION 2: METER READING OF SMALL POWER USER (SPU) <100KVA

| Item | Description | Unit | Quantity | Rate | Amount |
|-------|----------------------------------------------------------------------------------------------------------------------------------|------|----------|------|--------|
| 1 | METER READING OF SPU (SMALL POWER USER) | | | | |
| 1.1 | Meter Reading - Monday - Friday (normal working hours) | | | | |
| 1.1.1 | Meter reading of small power Unit for urban, Rural and deep Rural Monday - Friday (normal working hours) | Each | 1 | R | - R |
| 1.1.2 | Special Meter reading of small power Unit for urban, Rural and deep Rural Monday - Friday (normal working hours) | Each | 1 | R | - R |
| 1.2 | Meter reading - Weekends (Saturday, Sunday and Public holidays) | | | | |
| 1.2.1 | Special Meter reading of Small Power Unit (SPU) for Urban, Rural and Deep Rural: Weekends (Saturday, Sunday and Public holidays) | Each | 1 | R | - R |
| 1.2.2 | Meter reading of Small Power Unit (SPU) for Urban, Rural and Deep Rural: Weekends (Saturday, Sunday and Public holidays) | Each | 1 | R | - R |
| TDC | TOTAL METER READING | | | | - R |
| FS | TOTAL CARRIED TO FINAL SUMMARY | | | | - R |

ESKOM HOLDINGS LIMITED

ACTIVITY SCHEDULE FOR SPU (SMALL POWER USER) METER READING FOR NORTH WEST OPERATING UNIT

FINAL SUMMARY

| Section | Core Technical Services | Items | Amount |
|---------|------------------------------------------------------------------------------------------------------------------------------------|-------|--------|
| 1 | Preliminaries | | R 0.00 |
| 2 | Meter Reading | | R 0.00 |
| | Sub-Total | | R 0.00 |
| | Allow 5% Contingencies on the above total to be used at the discretion of the Project Manager and deducted in part if so required. | | R 0.00 |
| | Sub-Total | | R 0.00 |
| Summary | ADD: | | |
| | 15% VAT | | R 0.00 |
| | TOTAL CARRIED TO FORM OF OFFER | | R 0.00 |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

Meter Reading Services in the North-West Operating Unit (NWOU) on an "as and when required" basis for a three-year (3) period.

The contractor shall read all the points on the meter reading route quarterly for the duration of the contract. Number of customer numbers may vary as new customers are acquired or customers moving to pre-paid and converted to Smart Meters

The meters can be identified by means of a physical address, installation number as well as a meter identification number visible on or in meter kiosk. The contractor shall be paid per customer installation (i.e., per stand) if there is a photo as evidence of the reading.

The contractor shall be provided with the reading schedule and Handheld Unit to enable them to find installations/premises. Contractors to provide meter readers with the GPS coordinate navigation tool to assist with the location of some installations.

All Small Power User SPU meter readings will be captured on Handheld Data Capture devices which will be provided by Eskom. All information must be downloaded as per Eskom requirements.

All SPU meter readings must be accompanied with the clear photo showing readings and serial/ meter number. A photograph will be taken in such a way that the meter readings and serial number will easily be read off the photo. Eskom will not pay for the activity if the requested reading on the photo is not sent or outside the prescribed timeline.

All documentation/equipment used to perform the required meter reading must be collected from the relevant Eskom Office (Meter Readers).

On completion of each route, readings to be delivered to relevant Eskom Office within agreed submission date. Penalty of 25% will be imposed on the unread points.

If the contractor provides readings late and the readings cannot be used for Eskom automatic billing, then no payment will be made for the entire route.

Disconnected points of delivery must be read during normal routes and if any movement or tampering is found it must be reported immediately to the relevant Eskom Office, so that the point get disconnected and issue a tamper fine.

The routes are classified as either Urban, Rural or Deep Rural depending on the geographical area, this is dependent on the distance to and in between the premises.

If access cannot be gained to the meter installation for any reasons this must be reported on the Eskom Handheld Unit (HHU) under remarks section. Eskom will audit the remarks for validity. Where there is no access due to refusal, locked gates, vicious dogs, bad roads etc. a digital photo with date and time will be required as proof, and this must be reported via the Contractors Cell phone to the Eskom office while the contractor is on site.

If the contractor fails to complete a round due to negligence of own staff, and if HHU are submitted outside the schedule date, the route will not be paid. The contractor must have sufficient field staff to manage all the required activities within the timelines, ideally have separate resources to do route meter readings and the other activities.

The contractor will report all factors prohibiting the contractor from carrying out all relevant work to do meter readings i.e. bad roads, vicious dogs, access denied, gate locked etc. to Eskom. Failing to report these factors can result in Eskom not paying for the specific activity and/or imposing penalties as set out in this agreement.

Any incident that may occur between the contractor and any Eskom customer must be reported immediately to the relevant Eskom Officer, Meter readings.

Special meter readings may be requested by Eskom as and when required at the quoted rate of deep rural / rural / urban.

The contractor must update / correct applicable data on the Handheld Unit on site in the case where data is different between the Handheld Unit and in the meter box. Where the Handheld Unit does not make provision to change information i.e. pole number such information must be provided to Eskom in writing.

Any tampering on meters must be recorded on the Handheld Unit (HHU)

Eskom reserves the right to change the meter reading cycles as deemed necessary.

The contractors will ensure that all contractors' field staff has necessary tools, a cell phone for all communications, dog teaser, Garmin and digital camera.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

| Document reference | Title | No of pages |
|--------------------|-----------------------------------------|-------------|
| | This cover page | 1 |
| C3.1 | <i>Employer's</i> Service Information | |
| C3.2 | <i>Contractor's</i> Service Information | |
| | Total number of pages | |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

C3.1: EMPLOYER'S SERVICE INFORMATION

Contents

| | |
|--------------------------------------------------------------------------------------------------|-------------------------------------|
| Part 3: Scope of Work | 1 |
| C3.1: Employer's service Information | 1 |
| 1 Description of the service..... | 3 |
| 1.1 Executive overview | 3 |
| 1.2 <i>Employer's</i> requirements for the <i>service</i> | 3 |
| 1.3 Interpretation and terminology | Error! Bookmark not defined. |
| 2 Management strategy and start up. | 4 |
| 2.1 The <i>Contractor's</i> plan for the <i>service</i> | 4 |
| 2.2 Management meetings | 4 |
| 2.3 <i>Contractor's</i> management, supervision and key people | 5 |
| 2.4 Provision of bonds and guarantees | 4 |
| 2.5 Documentation control..... | 4 |
| 2.6 Invoicing and payment..... | 4 |
| 2.7 Contract change management | 5 |
| 2.8 Records of Defined Cost to be kept by the <i>Contractor</i> | 5 |
| 2.9 Insurance provided by the <i>Employer</i> | 5 |
| 2.10 Training workshops and technology transfer..... | 5 |
| 2.11 Design and supply of Equipment..... | 5 |
| 2.12 Things provided at the end of the <i>service period</i> for the <i>Employer's</i> use | 5 |
| 2.12.1 Equipment..... | 5 |
| 2.12.2 Information and other things | 5 |
| 2.13 Management of work done by Task Order | 7 |
| 3 Health and safety, the environment and quality assurance | 7 |
| 3.1 Health and safety risk management | 7 |
| 3.2 Environmental constraints and management | 8 |
| 3.3 Quality assurance requirements | 8 |
| 4 Procurement..... | 8 |
| 4.1 People..... | 8 |
| 4.1.1 Minimum requirements of people employed..... | 8 |
| 4.1.2 BBBEE and preferencing scheme | 8 |
| 4.1.3 Accelerated Shared Growth Initiative – South Africa (ASGI-SA)..... | 8 |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

| | | |
|----------|---------------------------------------------------------------------------------------|----------|
| 4.2 | Subcontracting | 8 |
| 4.2.1 | Preferred subcontractors | 8 |
| 4.2.2 | Subcontract documentation, and assessment of subcontract tenders | 8 |
| 4.2.3 | Limitations on subcontracting | 8 |
| 4.2.4 | Attendance on subcontractors | 8 |
| 4.3 | Plant and Materials | 9 |
| 4.3.1 | Specifications | 9 |
| 4.3.2 | Correction of defects | 9 |
| 4.3.3 | <i>Contractor's</i> procurement of Plant and Materials | 9 |
| 4.3.4 | Tests and inspections before delivery | 9 |
| 4.3.5 | Plant & Materials provided "free issue" by the <i>Employer</i> | 9 |
| 5 | Working on the Affected Property..... | 9 |
| 5.1 | <i>Employer's</i> site entry and security control, permits, and site regulations..... | 9 |
| 5.2 | People restrictions, hours of work, conduct and records..... | 9 |
| 5.3 | Health and safety facilities on the Affected Property | 9 |
| 5.4 | Environmental controls, fauna & flora..... | 9 |
| 5.5 | Cooperating with and obtaining acceptance of Others..... | 9 |
| 5.6 | Records of <i>Contractor's</i> Equipment..... | 9 |
| 5.7 | Equipment provided by the <i>Employer</i> | 10 |
| 5.8 | Site services and facilities..... | 10 |
| 5.8.1 | Provided by the <i>Employer</i> | 10 |
| 5.8.2 | Provided by the <i>Contractor</i> | 10 |
| 5.9 | Control of noise, dust, water and waste | 10 |
| 5.10 | Hook ups to existing works | 10 |
| 5.11 | Tests and inspections | 10 |
| 5.11.1 | Description of tests and inspections | 10 |
| 5.11.2 | Materials facilities and samples for tests and inspections | 10 |

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

1. Description of the service

1.1. Executive overview

Meter Reading Services in the North-West Operating Unit (NWOU) on an "as and when required" basis for a three-year (3) period.

1.2. Employer's requirements for the service

The contractor shall read all the points on the meter reading route quarterly for the duration of the contract. Number of customer numbers may vary as new customers are acquired or customers moving to pre-paid and converted to Smart Meters

The meters can be identified by means of a physical address, installation number as well as a meter identification number visible on or in meter kiosk. The contractor shall be paid per customer installation (i.e., per stand) if there is a photo as evidence of the reading.

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Special meter readings may be requested by Eskom as and when required at the quoted rate of deep rural / rural / urban.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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Any tampering on meters must be recorded on the Handheld Unit (HHU)

Eskom reserves the right to change the meter reading cycles as deemed necessary.

The contractors will ensure that all contractors' field staff has necessary tools, a cell phone for all communications, dog teaser, Garmin and digital camera

1.3. Interpretation and terminology

| |
|-----|
| N/A |
|-----|

2 Management strategy and start up.

2.1 The Contractor's plan for the service

Not applicable

2.2 Management meetings

Regular meetings of a general nature may be convened and chaired by the *Service Manager* as and when required.

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

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

2.3 Contractor's management, supervision and key people

N/A

2.4 Provision of bonds and guarantees

N/A

2.5 Documentation control

All contractual Documentation must have relevant contract number and Purchase Order Number as reference as per Eskom Holdings SOC Limited Standards (List). Contractual communications will be in the form of properly compiled letters, letters attached to emails and NEC template.

The use of SMS's, e-mails does not override the use of applicable and relevant NEC3 TSC standard templates, forms and Eskom Holdings SOC Limited procedures.

2.6 Invoicing and payment

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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

The *Contractor* shall address the tax invoice to:
Eskom Holdings SOC Limited

and include on each invoice the following information:

- Name and address of the *Contractor* and the *Service Manager*.
- The contract number and title.
- *Contractor's* VAT registration number.
- The *Employer's* VAT registration number 4740101508.
- Description of service provided for each item invoiced based on the Price List.
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT.
- (add other as required)
- The word TAX INVOICE must be shown on the invoice.
- Name, address and Vat registration number of the supplier
- Name, address and Vat registration number of the recipient
- The supplier must scan the invoice to our accounts payable (InvoicesgrpcapitalMHP@eskom.co.za) for payment.

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

2.7 Contract change management

Appropriate NEC TSC3 templates will be used for correspondence in order to address any contractual change.

2.8 Records of Defined Cost to be kept by the Contractor

The Contractor is required to keep all records of the work done and the invoices from its subcontractors, originals of these records are to be attached to an assessment when making a claim.

2.9 Insurance provided by the Employer

Refer to insurance clauses in the Contract for insurances provided by the Employer

2.10 Training workshops and technology transfer

Tenderers are encouraged to propose skills development initiatives in terms of the skills required.

2.11 Design and supply of Equipment

All tools and equipment for this service will be for the contractor's own cost

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

2.12.1 Equipment

N/A

2.12.2 Information and other things

N/A

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

2.13 Management of work done by Task Order

Secondary Option X19 is part of the conditions of contract and states the procedure for developing and managing a Task Order. Persons involved in the administration of this contract shall read Option X19 before preparing any Task Order. A Task Order format suitable for this contract is provided in Appendix A.

3 Health and safety, the environment and quality assurance

3.1 Health and safety risk management

In addition to the requirements of the laws governing health and safety, Eskom may have some additional requirements particular to the service and the Affected Property for this contract. The text below provides for these being attached as an Annexure to this Service Information. PLEASE ALSO READ CORE CLAUSE 27.4 TOGETHER WITH Z7 IN THE ADDITIONAL CONDITIONS OF CONTRACT TO MAKE SURE THAT WHATEVER IS INCLUDED IN THE ANNEXURE FOLLOWS ON FROM THOSE CLAUSES.

The Divisional/Regional Safety Risk Manager or his representative having jurisdiction over the service must provide the relevant safety, health and environmental (SHE) criteria for incorporation into this Service Information. The SHE specification / scope must be signed off by the Divisional/Regional Safety Risk Manager or his representative confirming that the applicable safety criteria have been taken into account.

The Commodity Manager / Buyer must refer the tender to the Divisional/Regional Safety Risk Manager or his representative in order to evaluate against enquiry-specific safety criteria.

The Divisional Safety Risk Managers who will be responsible for the allocation of resources to assist P&SCM with the above processes are as follows:

- *Generation: Roley McIntyre*
- *Transmission: Tony Patterson*
- *Distribution: Alex Stramrood*
- *Enterprises: Jace Naidoo*

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

The Contractor shall control his activities and processes in accordance with the Occupational Health & Safety Act, No. 85 of 1993 and Eskom's Construction Safety, Health and Environmental Management 32-136, Safety, Health, Environment and Quality Policy, EPC32-727 and SHE Requirements for the Eskom Commercial Process, ST32-726.

The Contractors Project SHEQ File is to be updated on a continuous basis. The Contractor is to ensure that all relevant documentation and authorisations are contained in the file pertaining to the project.

Contractors and their sub-*Contractors* shall at all times ensure compliance with all relevant Occupational Health and Safety Act 85 of 1993 and any regulations or by-laws of any local or statutory authority.

The *Contractor* acts in accordance with the health and safety requirements stated in the Service Information.

The *Contractor* acknowledges that it is fully aware of the requirements of all the above and undertakes to employ only people who have been duly authorized in terms thereof and who have received sufficient training to ensure that they can comply therewith.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

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

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

- conduct health and safety and Environmental audits regarding all aspects of compliance with the SHEQ Requirements, at any off-site place of work, or the site establishment of the *Contractor*;
- refuse any employee, Sub *Contractor* or agent of the *Contractor* access to the premises if such person has been found to commit an unsafe act or any unsafe working practice or is found not to be qualified or authorised in terms of the SHEQ Requirements
- issue the *Contractor* with a stop order should the *Employer* become aware of any unsafe working procedure or condition or any non-compliance with any provision of the SHEQ Requirements.

The *Contractor* immediately reports any disabling injury as well as any threat to health or safety of which it becomes aware at the Works or on the Site to the *Employer's* Representative.

3.2 Environmental constraints and management

The Supplier, in and about the execution of the supply, 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 Supplier's direction and control, likewise observe and comply with the foregoing.

The Contractor shall control his activities and processes in accordance with Environmental Requirements for the Procurement of Assets, Goods and Services, TST41-120 Rev. 2. The Eskom Environmental Management Plan provides the aspects and impacts that will require management and must be followed strictly.

In addition, the Contractor is required to ensure that all goods, services or works supplied in terms of this Works Information also conform to all applicable environment legislation(s), Safety, Health, Environment and Quality Policy, EPC32-727; SHE Requirements for the Eskom Commercial Process, ST32-726; (and additional requirements).

The Contractor is to send a flash report for any environmental incidents that have occurred on site as soon as possible or within 24 hours to the Eskom Environmental Representative and Supply Manager clearly stating any impact to the environment.

3.3 Quality assurance requirements

The Contractor shall

- be accredited as ISO 9001 compliant for both quality and environmental management and shall maintain this accreditation throughout the service period. The Contractor shall report immediately any change in this status to the Service Manager, such report containing details of steps to be taken and by when they will be taken to restore the accreditation status.
- provide the service in accordance with the latest revision of the Employer's document, "240-105658000 (QM 58) Supplier Quality Management Specification.
- implement a skills quality management system designed to ensure the provision of adequately skilled, experienced and qualified persons, whether employed on a permanent or temporary basis, to carry out work in this contract.

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

4 Procurement

a) Subcontracting

All subcontracting should be in line with NEC 3 terms and conditions of the contract and subject to acceptance by the Employer.

b) Other requirements related to procurement

1. BBBEE requirements: Tenderers are required at a minimum to maintain their BBBEE status over the contract term. Only EME's level 1 and 2 are eligible to perform work in this contract.
2. Contractors are required to submit proposals for the type and number of jobs that will be created and retained in South Africa as a direct result of being awarded a contract.

| Type of Jobs to be created | Eskom minimum target | Tenderer's proposal |
|-------------------------------|----------------------|---------------------|
| Number of Jobs to be created | | |
| Number of Jobs to be retained | | |

Note: Suppliers are required to take full responsibility for the total cost of developing the requisite skills, and Eskom shall not make any financial contribution towards the fulfilment of this obligation. Tenderers also are advised to approach its relevant SETAs to access grants, subsidies and incentives as well as South African Revenue Services for tax rebates that are earmarked for skills development initiatives.

c) Reporting and Monitoring

- The suppliers shall on a monthly/quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 60 (sixty) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.

4.3 Plant and Materials

4.3.1 Specifications

N/A

4.3.2 Correction of defects

N/A

4.3.3 *Contractor's* procurement of Plant and Materials

N/A

4.3.4 Tests and inspections before delivery

N/A.

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

None

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

5 Working on the Affected Property

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

If required to work on Affect property, then Adherence to Employer's SHEQ policies and procedures is compulsory.

For site access the persons also need to do induction and have a valid medical certificate.

5.2 People restrictions, hours of work, conduct and records

If required to work on Affected Property, then contractor must comply with the BCEA.

5.3 Health and safety facilities on the Affected Property

Refer to 5.1

5.4 Environmental controls, fauna & flora

N/A

5.5 Cooperating with and obtaining acceptance of Others

The Employer is required to liaison with and acceptance from statutory authorities or inspection agencies.

5.6 Records of *Contractor's* Equipment

N/A

5.7 Equipment provided by the *Employer*

N/A

5.8 Site services and facilities

5.8.1 Provided by the *Employer*

None

5.8.2 Provided by the *Contractor*

N/A

5.9 Control of noise, dust, water and waste

N/A

5.10 Hook ups to existing works

N/A

5.11 Tests and inspections

5.11.1 Description of tests and inspections

N/A

5.11.2 Materials facilities and samples for tests and inspections

METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

N/A

Appendix A



METER READING SERVICES IN THE NORTH-WEST OPERATING UNIT (NWOU) ON AN "AS AND WHEN REQUIRED" BASIS FOR A THREE-YEAR (3) PERIOD.

Line 2
Line 3
Line 4
Tel + 27
Fax + 27
www.

Post office name
Post code
City
South Africa

| | | | |
|--------------------------|------------|-------|-----|
| To the <i>Contractor</i> | [•] | Tel: | [•] |
| Address | [•] | Fax: | [•] |
| Attention | [name] [•] | Date: | [•] |
| E mail | [•] | Ref: | [•] |

Dear Sirs,

| | | | |
|-----------------|--------------------------------|---------|-----|
| Contract title | [•] | Number: | [•] |
| Contract action | Clause X19.2 Task Order | | |

Further to our consultations dated [•] about the content of this Task Order and in terms of clause X19.1(1) and X19.1(2) in secondary Option X19 of the above contract, I hereby instruct the *Contractor* to carry out the below stated work as a Task within the *service*.

| | | | |
|-----------------------------------------------------------------------------------------------------|-----|----------------|-----|
| Task Order No. | [•] | <i>service</i> | [•] |
| Detailed description of the [•] work in the Task: | | | |
| Starting date for the Task | [•] | | |
| Task Completion Date | [•] | | |
| Delay damages (if any) | [•] | | |
| A priced list of items of work in the Task in which items are taken from the Price List is attached | | | |
| Total of Prices for items of work taken from the Price List per the attached priced list is: | | R. _____ | |
| Total of Prices for items of work not in the Price List (details attached) is: | | R. _____ | |
| Total of the Prices for this Task Order | | R _____ | |

Yours faithfully,

| | | | | |
|--------------------------------------|--|------|--|--|
| Signature (Service Manager) | | Name | | |
| Distribution: | | | | |
| | | | | |