



## NEC3 Term Service Contract (TSC3)

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

and

(Reg No. \_\_\_\_\_ )

for The design, manufacture, supply and installation of  
Vehicle Accessories on Eskom Distribution Vehicles  
for the Cape Coastal Cluster for a period of (5) years.

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CONTRACT No. [                      ]

## PART C1: AGREEMENTS & CONTRACT DATA

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[to be inserted from Returnable Documents at award stage]	
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[to be inserted from Returnable Documents at award stage]	
<b>C1.3 Proforma Guarantees</b>	<b>[1]</b>

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## C1.1 Form of Offer & Acceptance

### Offer

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

**The design, manufacture, supply and installation of Vehicle Accessories on Eskom Distribution Vehicles for the Cape Coastal Cluster for a period of (5) years.**

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 estimated offered total of the Prices exclusive of VAT is	<b>Applicable to each Task Order</b>
	Value Added Tax @ 15% is	<b>To be applicable to each and every invoice</b>
	The estimated offered total of the amount due inclusive of VAT is <sup>1</sup>	<b>Applicable to each Task Order</b>

**Note: The contract is on an “as and when required” basis for a period of five (5) years**

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:

## Acceptance

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

The terms of the contract, are contained in:

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

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

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

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

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

Signature(s)

Name(s)

Capacity

**for the  
Employer**

(Insert name and address of organisation)

Name &  
signature of  
witness

Date

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

**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		

By the duly authorised representatives signing this Schedule of Deviations below, the Employer and the tenderer agree to and accept this Schedule of Deviations as the only deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Tender Schedules, as well as any confirmation, clarification or changes to the terms of the Offer agreed by the tenderer and the Employer during this process of Offer and Acceptance.

It is expressly agreed that no other matter whether in writing, oral communication or implied during the period between the issue of the tender documents and the receipt by the tenderer of a completed signed copy of this Form shall have any meaning or effect in the contract between the parties arising from this Agreement.

**For the tenderer:****For the Employer**

Signature

Name

Capacity

On behalf  
of*(Insert name and address of organisation)**(Insert name and address of organisation)*Name &  
signature  
of witness

Date

## C1.2 TSC3 Contract Data

### Part one - Data provided by the *Employer*

Clause	Statement	Data
1	<b>General</b>	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option:	
		<b>A: Priced contract with price list</b>
	dispute resolution Option	<b>W1: Dispute resolution procedure</b>
	and secondary Options	
		<b>X1: Price adjustment for inflation</b>
		<b>X2: Changes in the law</b>
		<b>X18: Limitation of liability</b>
		<b>X19: Task Order</b>
		<b>Z: Additional conditions of contract</b>
	of the NEC3 Term Service Contract April 2013 <sup>1</sup> (TSC3)	
10.1	The <i>Employer</i> is (name):	<b>Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa</b>
	Address	<b>Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg</b>
	Tel No.	<b>011 800 8000</b>
	Fax No.	<b>Not Applicable</b>
10.1	The <i>Service Manager</i> is (Eddie Cumpsty):	<b>Eddie Cumpsty – Western Cape Nick Du Randt - Eastern Cape</b>
	Address	<b>Eskom Engineering Complex, Eskom Road, Brackenfell</b>
		<b>Eskom Coastal Complex   20 Main Road Homeleigh East London 5212</b>
	Tel	<b>083 301 6657 (Eddie Cumpsty)</b>
		<b>076 287 7715 (Nick Du Randt )</b>
	Fax	<b>Not Applicable</b>
	e-mail	<b><u>Eddie.cumpsty@eskom.co.za</u></b>

<sup>1</sup> Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902 [www.ecs.co.za](http://www.ecs.co.za)

**durandNFL@eskom.co.za**

11.2(2)	The Affected Property is	<b>Various Eskom Distribution sites within Eastern Cape and Western Cape</b>
11.2(13)	The <i>service</i> is	<b>The design, manufacture, supply and installation of Vehicle Accessories on Eskom Distribution Vehicles for the Cape Coastal Cluster for a period of (5) years.</b>
11.2(14)	The following matters will be included in the Risk Register	<b>As and when the risk arises</b>
11.2(15)	The Service Information is in	<b>Part 3: Scope of Work and all documents and drawings to which it makes reference.</b>
12.2	The <i>law of the contract</i> is the law of	<b>the Republic of South Africa</b>
13.1	The <i>language of this contract</i> is	<b>English</b>
13.3	The <i>period for reply</i> is	<b>[One] 1 week</b>
<b>2</b>	<b>The Contractor's main responsibilities</b>	<b>Data required by this section of the core clauses is also provided by the Contractor in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data</b>
21.1	The Contractor submits a first plan for acceptance within	<b>[Two] 2 weeks of the Contract Date</b>
<b>3</b>	<b>Time</b>	
30.1	The <i>starting date</i> is. The <i>end date</i> is	<b>01 November 2025 31 October 2030</b>
30.1	The <i>service period</i> is	<b>Five (5) years</b>
<b>4</b>	<b>Testing and defects</b>	<b>As per terms and conditions of the NEC3 Term Service Contract April 2013<sub>3</sub> (TSC3)</b>
<b>5</b>	<b>Payment</b>	
50.1	The <i>assessment interval</i> is	<b>1 Month after the start date and then in monthly intervals thereafter.</b>
51.1	The <i>currency of this contract</i> is the	<b>South African Rand</b>
51.2	The period within which payments are made is	<b>As per the NEC Contract period plus Eskom payment period terms listed against the vendor on SAP</b>
51.4	The <i>interest rate</i> is	<b>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</b>  <b>(ii) the LIBOR rate applicable at the time for amounts due in other currencies. LIBOR is the</b>

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

6	Compensation events	Not applicable
7	Use of Equipment Plant and Materials	Not Applicable
8	Risks and insurance	
80.1	These are additional <i>Employer's</i> risks	Refer to Z clauses
9	Termination	As per terms and conditions of the NEC3 Term Service Contract April 20134 (TSC3)
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	2 weeks.
11	Data for Option W1	
W1.1	The <i>Adjudicator</i>	the person selected from the ICE-SA Division (or its successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a> ). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
W1.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA a joint Division of the South African Institution of Civil Engineering and the Institution of Civil Engineers (London) (see <a href="http://www.ice-sa.org.za">www.ice-sa.org.za</a> ) or its successor body.
W1.4(2)	The <i>tribunal</i> is:	arbitration
W1.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.



	<p>The place where arbitration is to be held is <b>South Africa</b></p> <p>The person or organisation who will choose an arbitrator</p> <ul style="list-style-type: none"> <li>- if the Parties cannot agree a choice or</li> <li>- if the arbitration procedure does not state who selects an arbitrator, is</li> </ul>	<p><b>the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.</b></p>												
<b>12</b>	<b>Data for secondary Option clauses</b>													
<b>X1</b>	<b>Price adjustment for inflation</b>													
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><b>One (1) month before tender closing date. The prices will be fixed and firm for the first 12 months of the contract and thereafter subject to contract price adjustment (CPA). The CPA will apply as follows:</b></p> <table> <tr> <th>proportion</th><th>linked to index for</th><th>Index prepared by</th></tr> <tr> <td><b>0.85</b></td><td><b>Producer Price Index (PPI) Table C2</b></td><td><b>STATS SA</b></td></tr> <tr> <td><b>0.15</b></td><td><b>non-adjustable</b></td><td></td></tr> <tr> <td><b>1.00</b></td><td></td><td></td></tr> </table>	proportion	linked to index for	Index prepared by	<b>0.85</b>	<b>Producer Price Index (PPI) Table C2</b>	<b>STATS SA</b>	<b>0.15</b>	<b>non-adjustable</b>		<b>1.00</b>		
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<b>0.85</b>	<b>Producer Price Index (PPI) Table C2</b>	<b>STATS SA</b>												
<b>0.15</b>	<b>non-adjustable</b>													
<b>1.00</b>														
<b>X2</b>	<b>Changes in the law</b>	<b>The law of the Republic of South Africa where the services will be rendered</b>												
<b>X18</b>	<b>Limitation of liability</b>													
X18.1	The <i>Contractor's</i> liability to the <i>Employer</i> for indirect or consequential loss is limited to	<b>R0.0 (zero Rand)</b>												
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><b>the amount of the deductibles relevant to the event described in the "Format TSC3" insurance policy available on</b></p> <p><a href="http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx">http://www.eskom.co.za/Tenders/InsurancePolicies/Procedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</a></p>												
X18.3	The <i>Contractor's</i> liability for Defects due to his design of an item of Equipment is limited to	<p><b>The greater of</b></p> <p><b>the total of the Prices for Each Task Order issued</b></p> <p><b>and</b></p> <p><b>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 /</b></p>												

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><b>maintenance policies available on</b>  <a href="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</a></p> <p><b>the total of the Prices other than for the additional excluded matters.</b></p> <p><b>The <i>Contractor's</i> total liability for the additional excluded matters is not limited.</b></p> <p><b>The additional excluded matters are amounts for which the <i>Contractor</i> is liable under this contract for</b></p> <p><b>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.</b></p>
X18.5	The <i>end of liability date</i> is	<b>52 months after the end of the <i>service period</i>.</b>
<b>X19</b>	<b>Task Order</b>	
X19.5	The <i>Contractor</i> submits a Task Order programme to the <i>Service Manager</i> within	<b>2 days of receiving the Task Order</b>
<b>Z</b>	<b>The <i>additional conditions of contract</i> are</b>	
	<b>Z1 to Z14 always apply.</b>	

**Z1 Cession delegation and assignment**

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

**Z2 Joint ventures**

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

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

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

**Z4 Confidentiality**

- Z4.1 The *Contractor* does not disclose or make any information arising from or in connection with this contract available to Others. This undertaking does not, however, apply to information which at the time of disclosure or thereafter, without default on the part of the *Contractor*, enters the public domain or to information which was already in the possession of the *Contractor* at the time of disclosure (evidenced by written records in existence at that time). Should the *Contractor* disclose information to Others in terms of clause 25.1, the *Contractor* ensures that the provisions of this clause are complied with by the recipient.
- Z4.2 If the *Contractor* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Service Manager*.
- Z4.3 In the event that the *Contractor* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Contractor*, to the extent permitted by law prior to disclosure, notifies the *Employer* so that an appropriate protection order and/or any other action can be taken if possible, prior to any disclosure. In the event that such protective order is not, or cannot, be obtained, then the *Contractor* may disclose that portion of the information which it is required to be disclosed by law and uses reasonable efforts to obtain assurances that confidential treatment will be afforded to the information so disclosed.
- Z4.4 The taking of images (whether photographs, video footage or otherwise) of the Affected Property or any portion thereof, in the course of Providing the Service and after the end of the *service period*, requires the prior written consent of the *Service Manager*. All rights in and to all such images vests exclusively in the *Employer*.
- Z4.5 The *Contractor* ensures that all his subcontractors abide by the undertakings in this clause.

**Z5 Waiver and estoppel: Add to core clause 12.3:**

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

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

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

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

- Z7.1 Within one week of receiving a payment certificate from the *Service Manager* in terms of core clause 51.1, the *Contractor* provides the *Employer* with a tax invoice in accordance with the *Employer's* procedures stated in the Service Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z7.2 If the *Contractor* does not provide a tax invoice in the form and by the time required by this contract, the time by when the *Employer* is to make a payment is extended by a period equal in time to the delayed submission of the correct tax invoice. Interest due by the *Employer* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z7.3 The *Contractor* (if registered in South Africa in terms of the companies Act) is required to comply with the requirements of the Value Added Tax Act, no 89 of 1991 (as amended) and to include the *Employer's* VAT number 4740101508 on each invoice he submits for payment.

**Z8 Notifying compensation events**

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- 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.

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**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:

<b>Affected Party</b>	means, as the context requires, any party, irrespective of whether it is the <i>Contractor</i> or a third party, such party's employees, agents, or Subcontractors or Subcontractor's employees, or any one or more of all of these parties' relatives or friends,
<b>Coercive Action</b>	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,
<b>Collusive Action</b>	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,
<b>Committing Party</b>	means, as the context requires, the <i>Contractor</i> , or any member thereof in the case of a joint venture, or its employees, agents, or Subcontractors or the Subcontractor's employees,
<b>Corrupt Action</b>	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,
<b>Fraudulent Action</b>	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,
<b>Obstructive Action</b>	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
<b>Prohibited Action</b>	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.  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	<b><u>Loss of or damage to property</u></b> The replacement cost  <b><u>Bodily injury to or death of a person</u></b> The amount required by the applicable law.
Liability for death of or bodily injury to employees of the <i>Contractor</i> arising out of and in the course of their employment in connection with this contract	The amount required by the applicable law

**Z 12.2 Replace core clause 86 with the following:**

**Insurance  
by the  
Employer**

- 86
- 86.1 The *Employer* provides the insurances stated in the Insurance Table B

**INSURANCE TABLE B**

<b>Insurance against or name of policy</b>	<b>Minimum amount of cover or minimum limit of indemnity</b>
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

**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:

<b>AAIA</b>	means approved asbestos inspection authority.
<b>ACM</b>	means asbestos containing materials.
<b>AL</b>	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.
<b>Ambient Air</b>	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.
<b>Compliance Monitoring</b>	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.
<b>OEL</b>	means occupational exposure limit.
<b>Parallel Measurements</b>	means measurements performed in parallel, yet separately, to existing measurements to verify validity of results.
<b>Safe Levels</b>	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.
<b>Standard</b>	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.
<b>SANAS</b>	means the South African National Accreditation System.
<b>TWA</b>	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 effected 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

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

## C1.3 Forms of Securities

During contract execution, the *contractor* must furnish Eskom with actual performance on task orders received after every six months. This will determine whether the *contractor* has adequate capacity and capability to fulfil its contractual obligations.

PART 2: PRICING DATA

TSC3 Option A

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

## 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:

<b>Identified and defined terms</b>	11	
	11.2	(12) The Price List is the <i>price list</i> unless later changed in accordance with this contract.
		(17) The Price for Services Provided to Date is the total of  the Price for each lump sum item in the Price List which the <i>Contractor</i> has completed and where a quantity is stated for an item in the Price List, an amount calculated by multiplying the quantity which the <i>Contractor</i> has completed by the rate.
		(19) The Prices are the amounts stated in the Price column of the Price List. Where a quantity is stated for an item in the Price List, the Price is calculated by multiplying the quantity by the rate.

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

### Function of the Price List

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

### Link to the *Contractor's* plan

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

### Preparing the *price list*

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*

*The Supplier shall provide the design, manufacture, supply, and installation of Vehicle Accessories for Eskom Distribution Vehicles, specifically for the Cape Coastal Cluster, over a period of five (5) years. The provision of these services shall be on an "as and when required" basis, meaning that Eskom will place orders as needed, and the Supplier shall fulfil these orders in accordance with the terms and conditions of this Contract.*

Item No.	Description	Unit	Eastern Cape	Western Cape
1	Super cab storage boxes	Sum		
2	Heavy Duty Suspension	Sum		
3	Single Cab Rubberising	Sum		
4	Super Cab Rubberising	Sum		
5	Double Cab Rubberising	Sum		
6	Standard Single Canopy	Sum		
7	Standard Super Cab Canopy	Sum		
8	Standard Double Cab Canopy	Sum		
9	CAN 4 (Single Cab)	Sum		
10	CAN 4 (Super Cab)	Sum		
11	CAN 4 (Double Cab)	Sum		
12	CAN 8 (Single Cab)	Sum		
13	CAN 9 (Super Cab)	Sum		
14	CAN 10 (Double Cab)	Sum		
15	Internal Frame Only (Single Cab)	Sum		
16	Internal Frame Only (Super Cab)	Sum		
17	Internal Frame Only (Double Cab)	Sum		
18	Internal frame and drawer (Single Cab)	Sum		
19	Internal frame and drawer (Super Cab)	Sum		
20	Internal frame and drawer (Double Cab)	Sum		
21	Ladder Rack with supports (Single/ Super/Double Cabs)	Sum		
22	Working lights	Sum		
23	Amber Rotating Light	Sum		

24	EL 7 Electric	Sum		
25	EL 12 Electric	Sum		
26	Roll Bar	Sum		
27	Link stick Holders	Sum		
28	Single toolbox	Sum		
29	Steel side toolboxes	Sum		
30	Price Per Kilometre (100kms return)	Sum		



ESKOM HOLDINGS SOC Ltd CONTRACT NUMBER \_\_\_\_\_  
THE DESIGN, MANUFACTURE, SUPPLY AND INSTALLATION OF VEHICLE ACCESSORIES ON ESKOM DISTRIBUTION  
VEHICLES FOR THE CAPE COASTAL CLUSTER FOR A PERIOD OF (5) YEARS.

ESKOM HOLDINGS SOC Ltd CONTRACT NUMBER \_\_\_\_\_  
THE DESIGN, MANUFACTURE, SUPPLY AND INSTALLATION OF VEHICLE ACCESSORIES ON ESKOM DISTRIBUTION  
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VEHICLES FOR THE CAPE COASTAL CLUSTER FOR A PERIOD OF (5) YEARS.

## C3: Scope of Work

The services rendered on this contract shall in general conform to the requirements of the **Annexure A3 - Technical Specification**, unless otherwise agreed in writing between Eskom and the Contractor. The scope of work consists of the following items:

Item	Description
1	Super cab storage boxes
2	Heavy Duty Suspension
3	Rubberising
4	STD Canopy
5	CAN 4
6	CAN 8 9 10
7	Internal Frame Only
8	Internal frame and drawer
9	Internal frame and ladder rack
10	Working lights
11	Amber Rotating Light
12	Electrical Canopies
13	EL 12 Electric
14	Roll Bar
15	Link stick Holders
16	Single toolbox
17	Steel side toolboxes
19	Price Per Kilometre (100kms return)

**The Service Provider shall:**

- Have a footprint in both the Eastern and Western Cape provinces
- Provide services to Eskom's operating units in both provinces
- Meet all Eskom's Quality, Safety and Environmental standards, including Supplier Development and Localization requirements

## C3.1: EMPLOYER'S SERVICE INFORMATION

### Description of the service

#### 1.1 Executive overview

THE DESIGN, MANUFACTURE, SUPPLY AND INSTALLATION OF VEHICLE ACCESSORIES ON ESKOM DISTRIBUTION VEHICLES FOR THE CAPE COASTAL CLUSTER FOR A PERIOD OF (5) YEARS.

#### 1.2 Employer's requirements for the service

Eskom requires the *Contractor* to ensure that the fitment of the vehicle accessories according to vehicle OEM specifications includes the following:

- Proper fitment of all vehicle accessories as specified in **Annexure A3 – Technical Specification**.
- The twelve (12) month warranty on all the fitments and a manner as to ensure that all warranties remain intact.
- Previously built equipment should be available to be viewed by Eskom.
- The chosen service provider should be in position of an MIB certificate.
- The ratification of invoice amounts to ensure that industry related prices are paid for all the fitments.
- Confirmation of the work to be carried out should be done by the service provider.
- The service provider shall be responsible for any damages due to poor workmanship.
- Due to the scattered nature of the Eskom fleet across the Cluster, Eskom vehicles are fitted at various approved fitment companies throughout the 2 Provinces (Eastern and Western Cape).
- The service required is therefore countrywide for the fitment of vehicles.
- All work undertaken with Eskom vehicles should be communicated to Eskom as per the order received.
- The service provider shall take adequate steps to minimise the risk of cracking load bodies.
- The service provider shall take adequate steps to minimise the risk of damages to the vehicle and canopies, or and equipment.
- All additional work undertaken on a canopy, excluding service, accident damage.

The *Contractor* will be requested to build a prototype post contract award stage. Eskom needs to accept before any further orders are placed. Eskom will pay only for the prototype that is acceptable and meet its specification.

#### 1.3 Interpretation and terminology

The following abbreviations are used in this Service Information:

Abbreviation	Meaning given to the abbreviation
<b>Accessories</b>	Additional equipment fitted to a vehicle that does not form part of the vehicle's standard specification as released by the respective motor manufacturers. These items must not have any effect on the standard guarantees and warranties of the vehicles in question. It can include items such as radios, canopies, air conditioning, tow bars, and ladder racks.
<b>Maintenance</b>	It is all work undertaken in terms of a vehicle that is included in the normal service plan of the vehicle and as set out in the manufacturers manual/ owner manual or vehicle service handbook or any other repairs as required due to normal wear and tear.

<b>Repairs</b>	All additional work undertaken on a canopy, excluding service, accident damage.
<b>Service Provider</b>	The successful bidder who is awarded the contract to maintain and administer the required and specified services to Eskom and subsidiaries.
<b>Fleet Area</b>	Eskom Regional Office
<b>Customer Network Center</b>	The location whereby the public can access services directly
<b>Power Station</b>	Power plant where electricity is generated

<b>Abbreviation</b>	<b>Description</b>
<b>CLN</b>	Customer Load Network
<b>CNC</b>	Customer Network Center
<b>OEM</b>	Original Equipment Manufacturer
<b>PML</b>	Pedestal Mounted Ladder
<b>LDV</b>	Light Delivery Vehicles
<b>MIB</b>	Manufacturing Industry Body builders

## **Management strategy and start up.**

### **2.1 The Contractor's plan for the service**

The Contractor's plan is provided separately.

### **2.2 Management meetings**

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

### **2.3 Contractor's management, supervision and key people**

The organogram from the Contractor showing his people and their lines of authority / communication has been attached as addendum to this contract.

### **2.4 Provision of bonds and guarantees**

Not applicable.

### **2.5 Documentation control**

All correspondence with the Contractor will be via the Service Manager and kept in the file for any dispute that may arise.

All contractual communications will be in the form of properly compiled letters or forms attached to e mails and not as a message in the e mail itself

## 2.6 Invoicing and payment

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

The *Contractor* shall address the tax invoice to:

Eskom Accounts Payable Section (APS) and include on each invoice the following information:

- Name and address of the *Contractor* and the *Service Manager*;
- The contract number, order 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;
- Payments for the duration of this contract will be effected by any means available to Eskom SOC Limited.
- No Eskom vehicle should be withheld by the *Contractor* due to delayed-payment of invoices.
- Eskom SOC Limited will only pay for a 100km return radius.

## 2.7 Contract change management

Compensation event is not applicable to this contract.

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

The Contractor is required to keep all records of defined cost. Access for the Service Manager shall be provided electronically.

## 2.9 Insurance provided by the *Employer*

Refer to Annexure A above.

## 2.10 Training workshops and technology transfer

The Contractor is encouraged to create opportunities within the industry for Black Youth Owned firms to be established, in order to empower emerging black owned firms in the industry. Where possible the Contractor is encouraged to assist informal businesses to setup their own formal businesses by monitoring, training and incubating them with the intention of making them independent. These small businesses can be used as subcontractors or help to service smaller clientele in the industry.

## 2.11 Design and supply of Equipment

The details of the design of equipment will be shared with the Service Manager, not necessarily for his acceptance but as an assurance that that the equipment will be able to allow the Contractor to Provide the Service efficiently and without delay. The liability for such design, supply and use of the equipment remains with the Contractor.

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

### 2.12.1 Equipment

None

### 2.12.2 Information and other things

None

## 2.13 Management of work done by Task Order

After an order placement from Eskom, the Contractor will submit the delivery schedule to the Service Manager.

## 3. Health and safety, the environment and quality assurance

### 3.1 Health and safety risk management

The Contractor shall comply with the health and safety requirements contained in Z6.1 clause. The Contractor might be expected to submit safety files at Eskom Business Units in which they will be providing a service. The Contractor must comply with the safety requirements when they are at the Eskom premises. Risk assessment to be reviewed and include other risk (travelling, working at heights, housekeeping etc).

### 3.2 Environmental constraints and management

The Contractor shall comply with the environmental requirements contained in Z6.2 clause.

### 3.3 Quality assurance requirements

The Contractor shall comply with the quality standard conditions as stipulated in section 6 of Supplier Quality Management Specification 240-105658000 (QM58). Internal audits report shall be followed up during execution of the contract.

## 4. Procurement

- Tax invoice should reflect the description of service provided for each item invoiced based on the Price List;
- The invoice should reflect the total amount excluding VAT, the VAT and the total amount including VAT.

### 4.1 People

#### 4.1.1 Minimum requirements of people employed

The *Contractor's* personnel / drivers must comply with the Eskom Safety, Health and Environment and Quality requirements.

#### 4.1.2 BBBEE and preferencing scheme

##### Localisation

Eskom prefers to do business with locally based suppliers and empower companies within the borders of South Africa. The Local Content to South Africa for this work will be 100% since Eskom do not expect any skills to be imported for manufacturing of the products. The industry is matured enough to possess all the skills required to services this scope of work.

##### Industrialisation

Successful tenderer is encouraged to create opportunities within the industry for Black Youth Owned firms to be established, in order to empower emerging black owned firms in the industry. Where possible the tenderer is encouraged to assist informal businesses to setup their own formal businesses by monitoring, training and incubating them with the intention of making them independent. These small businesses can be used as subcontractors or help to service smaller clientele in the industry.

##### Skills Development

The *Contractor* will be obligated to train **1** candidate for every **R4 Million** accumulated through Task Orders awarded to the *Contractor*; this obligation will be for the duration of the contract however the *Contractor* needs to demonstrate positive progress on a quarterly basis. The duration of the Task Order will not be linked with the *Contractor's* obligation to train; therefore the *Contractor* will have to ensure that the skills committed are successfully achieved as per work allocated to them. Skills candidates shall be sourced from

previously disadvantage groups in South Africa, particularly at the site where the services will be taking place. The purpose is to provide these candidates with skills and workplace experience in order to increase the opportunity for them to be employable within the industry as well as assist those who are struggling financial during their schooling. The *Contractor* may develop the candidates directly, through their supply network or through the SETA accredited training providers or relevant body.

R50 000 Bursary scheme will cover any outstanding fees or accommodation and meals or books or registration fee and one year fees or combination of all the above depending on the situation. The amount can be used to benefit more than one student but it should be fully utilised.

The *Contractor* will be fully responsible for the process to appoint the students. The *Contractor* will also work together with universities to get appoint students and the universities will generate invoices for payment done by the *Contractor*. Thereafter submit proof of payment and other necessary documents to Eskom monitoring and reporting team.

Skills development candidates should be currently unemployed graduates from Colleges and universities and/or matriculants. The composition of the candidates shall be representative of the population demographics of South Africa particularly at the site where delivery is taking place. The *Contractor* will train as per the list below:

**List of proposed skills to be developed (not limited):**

Skills Type	Estimated Number of candidates to be trained %
Learnership (Industry Related)	30%
Bursaries (Industry Related) valued at R 50 000	70%

The monitoring and report will provide implementation schedule and supplier data collection templates to ensure that the above obligations to train candidates are achieved successfully through regular monitoring of Task Order/Instruction value awarded to the service provider.

**Job Creation**

The tenderer will be encouraged to use the candidates that will be trained during the transaction/contract, this will assist both supplier(s) and Eskom to cut costs then save money as well as create permanent jobs. The supplier shall propose the number of jobs to be created as a direct result of this contract. Suppliers will also propose the number of jobs to be retained as a direct result of this contract. The proposals shall be recorded on the implementation schedule at contract award.

**Supplier Development**

Incubating: Successful tenderer will required to use 5% of contract value to incubate EME/QSE's that are 100% owned. The successful supplier will train, coach and mentor that incubatee until they graduate. Regular monitoring should be done and reported to Eskom contract management as well as SD&L monitoring team, not limited to Eskom doing audit on site. Thereafter start subcontracting 25% of scope of work to EME/QSE's that are 100% owned by Black owned and/or at least 51% or more owned by Black Youth owned and/or at least 51% or more owned by Black women owned and/or at least 51% or more owned by Black People with Disabilities.

All of the objective criteria requirements of SD&L will be monitored on quarterly basis throughout the duration of the contract to ensure all the obligations and undertakings are fulfilled successfully. Failure not to achieve agreed SD&L requirement will result in 2.5% retention but not limited to the contract being terminated and given to an alternative supplier. The 2.5% retention will be deducted from all outstanding payment or future invoices and released only after SD&L obligations has being satisfied.

***The Supplier acknowledges that it has familiarized itself with the SDL & B-BBEE Bidders Document and shall adhere to its requirements during the procurement process. Following contract award, the Parties shall document and agree on their respective SDL obligations, which shall be tracked and reviewed by Eskom's designated Representative.***

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

Not applicable.

**4.2 Subcontracting**

**4.2.1 Preferred subcontractors**

Not applicable.

**4.2.2 Subcontract documentation, and assessment of subcontract tenders**

Not applicable.

#### **4.2.3 Limitations on subcontracting**

Not applicable.

#### **4.2.4 Attendance on subcontractors**

Not applicable.

### **4.3 Plant and Materials**

#### **4.3.1 Specifications**

The *Contractor* is responsible for maintenance of their plant and equipment.

#### **4.3.2 Contractor's procurement of Plant and Materials**

The *Contractor* must store Eskom equipment for easy access and verification.

#### **4.3.3 Tests and inspections before delivery**

The *Contractor* must have proof of tests done and inspection for every equipment.

#### **4.3.4 Plant & Materials provided "free issue" by the Employer**

Not applicable.

#### **4.3.5 Cataloguing requirements by the Contractor**

Not applicable.

## **5 Working on the Affected Property**

Eskom's site entry, security control, permits and site regulations must be complied with by the *Contractor*.

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

The *Contractor* must comply with Eskom requirements, i.e. site entry, security control, permits and site regulations.

### **5.2 People restrictions, hours of work, conduct and records**

- Restrictions and hours of work may apply on Eskom sites.
- Deliveries should be arranged prior and agreed to between the *Contractor* and Eskom sites.

### **5.3 Health and safety facilities on the Affected Property**

Refer to Section 3 above.

### **5.4 Environmental controls, fauna & flora**

Refer to Section 3 above.

### **5.5 Cooperating with and obtaining acceptance of Others**

Requirements for liaison with and acceptance from statutory authorities or inspection agencies as and when required by the government and Eskom duly authorised personnel.

### **5.6 Records of Contractor's Equipment**

Equipment should be stored for easy access and inspection.

### **5.7 Equipment provided by the Employer**

Not applicable.

### **5.8 Site services and facilities**

#### **5.8.1 Provided by the Employer**

The *Contractor* shall provide everything else necessary for providing the service as and when required by Eskom.

#### **5.8.2 Provided by the Contractor**

The *Contractor* shall provide everything else necessary for providing the service as and when required by



Eskom.

## 5.9 Control of noise, dust, water and waste

Refer to Section 3 above.

## 5.10 Hook ups to existing works

Not applicable.

## 5.11 Tests and inspections

### 5.11.1 Description of tests and inspections

The *Contractor* to build a proto-type prior to receiving bulk orders.

### 5.11.2 Materials facilities and samples for tests and inspections

The *Contractor* will ensure that the equipment has been tested and inspected before delivery to Eskom.

## 6 List of drawings

### 6.1 Drawings issued by the *Employer*

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

### List of drawings

#### Drawings issued by the *Employer*

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

Drawing number	Revision	Title
Please refer to the Annexure A3 for Technical Specification/Drawings		