

The prequalification of a panel of contractors for the construction and dismantling of MV and HV distribution substations, traction stations, switching stations and bays for voltages ranging from 1.1kV up to and including 132kV within LimLanga Cluster-Limpopo, on an ``as and when`` required basis

### **PART 3: SCOPE OF WORK**

<b>Document reference</b>	<b>Title</b>	
C3.1	This cover page <i>Employer's Works Information</i>	

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## C3.1: EMPLOYER'S WORKS INFORMATION

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## **1 Description of the works**

### **1.1 Executive overview**

In general, the scope of work covered by this contract includes:

- The construction and dismantling of MV and HV distribution substations, traction stations, switching stations and bays within the Limpopo for voltages ranging from 1.1kV up to and including 132kV.
- The panel will include refurbishment, strengthening and direct customer projects.
- This scope of work must be used in conjunction with the Bill of Quantities which will cover Civil and Primary Plant works.

### **1.2 Employer's objectives and purpose of the works**

The Eskom Project Manager will contact the successful Contractor and issue the Contractor with the design package for the project to be executed.

No work may commence on a project unless the Contractor Safety File has been approved by Eskom, the 37(2) agreement has been signed and Site Access has been granted to the allocated Contractor.

The Contractor will compile a Risk Register as per the terms and conditions of the ECC for discussion at regular Risk Reduction Meetings or as per agreement with the Project Manager.

It is expected from the Contractor to do the whole of the work as per timeframe set in the agreed Program of the Works.

The Contractor will be responsible for the collection and transporting of all necessary material from any and/or all Eskom warehouses and delivery of the material to site as well as return any material to Eskom stores from the site upon instruction from the Project Manager. Minimum recommended working hours to be observed site are from 07h30 to 16h00.

The contractor is to ensure that all required documentation prescribed by Law is kept on file at the site office. All OHS and Construction Regulation requirements are to be adhered to by the contractor.

The Contractor will also ensure that all plant and equipment dedicated to the project will not be removed from site until there is no use for the intended plant and equipment. No moving of plant and equipment between projects will be allowed as it will have impact on completion of the project and lead to delays in completion.

The Contractor is to ensure that all Site Managers are competent, and trained in the use of the ECC and are fully conversant and familiar with the usage and procedures thereof. Adherence to the terms and conditions of the ECC are essential and a requirement of all Contractor Site Managers dedicated to each project as per the Construction Regulations.

Payment Assessments will only be done for work done to date. Records of defined costs are to be kept on file on site whereby the *Project Manager* has access to this file at all times.

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### 1.3 Interpretation and terminology

#### 1.3.1 Abbreviations









The following abbreviations are used in the Works Information:

<b>Abbreviation</b>	<b>Description</b>
LOU	Limpopo Operating Unit
TBA	To be announced
PM	Project Manager
QS	Quantity Surveyor
BBBEE	Broad Based Black Economic Empowerment
PPPFA	Procurement Preferential Policy Framework Act














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### 1.3.2 Acceptance of Eskom SHEQ Policies and Procedures




The attached documents form part of this legal binding contract, the *Contractor* confirms that he has familiarized himself with all the embedded documents from 1 to 25 as indicated

No	UNIQUE IDENTIFIER	REVISION	DOCUMENT TITLE
1	32 - 727	LATEST	SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ) POLICY 32-727  32-727 SHEQ policy.pdf
2	32 - 136	LATEST	CONSTRUCTION SAFETY HEALTH AND ENVIRONMENTAL MANAGEMENT  32-136 Contractor Health and Safety Rec
3	32-524	LATEST	DEVELOPING A SAFETY, HEALTH AND ENVIRONMENTAL SPECIFICATION  3_Developing a Safety, Health and En
4	34 - 333	LATEST	HEALTH AND SAFETY REQUIREMENTS TO BE MET BY PRINCIPAL CONTRACTORS EMPLOYED BY ESKOM DISTRIBUTION 34-333  4_Health and Safety Requirements to be n
5	ESKOM LIFE SAVING RULES	LATEST	ESKOM LIFE SAVING RULES 240-62196227  Life saving rules.pdf
6	CONSTRUCTION REG 3	LATEST	NOTIFICATION OF CONSTRUCTION WORK TO DEPARTMENT OF LABOUR  6 Notification of Construction Work to
7	CONSTRUCTION REG 4 & 5	LATEST	APPOINTMENT LETTERS FOR CLIENT REPRESENTATIVE, PRINCIPAL CONTRACTOR & CONTRACTOR  7_Appointment letters for Client repr
8 & 9	OHS ACT	LATEST	WRITTEN AGREEMENT ON OHS ACT SECTION 37(2) & STANDARD CLAUSE  Section 37 (2) Agreement.pdf
10, 11 &	34 - 1063	LATEST	EXPANDED PUBLIC WORKS REPORT 34-1063.

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12			 10_34-1063 EPWP Works Instruction.pdf  11_EPWP Guidelines Second edition 2005.  Eskom EPWP report template rev 7.xlsx
13	<b><u>DST 34-961</u></b>	<b>LATEST</b>	<b>LEGAL APPOINTMENTS AND AUTHORIZATIONS</b>  13_Legal Appointments and Au
14	<b>TPC 41-55</b>	<b>LATEST</b>	<b>TRANSPORTING PERSONS ON BACK OF VEHICLES</b>  14_Transporting of Passengers on the ba
15	<b>LTIR</b>	<b>LATEST</b>	<b>LOST TIME INJURY REPORT</b>  LTIR Master.xls
16	<b>1. Contractor Performance Evaluation</b>	<b>LATEST</b>	 Single Evaluator Template for Contrac
17	<b>2. Supplier Contract Quality Requirements</b>	<b>LATEST</b>	 240-105658000 Supplier MQ Specifica
18	<b>3. Hard Hat Specifications OHS 01/12/</b>	<b>LATEST</b>	 OHS 01 12 Hard Hat Specifications.pdf
19	<b>4. Identifying, Analysing, Documenting and Observing Tasks according to Criticality.</b>	<b>LATEST</b>	 DPC_34-380.pdf
20	<b>5. Health &amp; Safety Representatives inspection reports and guidelines</b>	<b>LATEST</b>	 DPC_34-228Health_Safety_REp.pdf
21	<b>6. Work at Heights Procedure</b>	<b>LATEST</b>	 32-418 Work at Height Procedure.pdf
22	<b>7. SHE Requirements for the Eskom Commercial Process</b>	<b>LATEST</b>	 32-726 REV 1 SHE Requirements for Esko

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23	8. Vehicle Safety	LATEST	 240-62946386 Vehicle & Driver Safety
24	9. 32-95 Environmental Occupational Health and Safety Incident Management Procedure	LATEST	 32-95Environmental, Occupational Health a
25	10.Risk Audit System Template	LATEST	 Audit Input Form Contractor RM 29 Sep

**Acknowledgement by Contractor**

I/WE, ..... DO HEREBY ACKNOWLEDGE HAVING READ AND UNDERSTOOD THE ABOVE ANNEXED DOCUMENTS FROM 1 TO 25 IN SECTION 1.3.2 OF THIS CONTRACT.

I/WE UNDERTAKE TO STUDY AND ABIDE BY THESE REQUIREMENTS AT ALL TIME.

SIGNED AT: ..... ON THE ..... DAY OF .....20.....

**Note: Please return the above pages with the other tender returnables to the Eskom office that issued this enquiry after complying with the above.**



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## 2 Management and Start-up

### 2.1 Management Meetings

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

Title and purpose	Approximate time & interval	Location	Attendance by:
Pre-introductory meeting	Upon request of the Project Manager at an agreed date by all parties	Site	<i>PM, QS, Site Supervisor, Safety and Environmental Representatives and the Contractor.</i>
Introductory meeting	After safety and environmental files have been assessed and approved.	Site	<i>PM, QS, Site Supervisor, Safety and Environmental Representatives and the Contractor.</i>
Toolbox talk and risk assessment	Daily before work begins.	Site	<i>Contractor and Site Supervisor.</i>
Risk register and compensation events	As necessary.	Site	<i>PM, Contractor and Site Supervisor.</i>
Overall contract progress and feedback	On a regular basis as agreed with the Project Team and the Contractor	Site	<i>PM, QS, Contractor, Site Supervisor, and Safety and Environmental Representatives.</i>

Meetings of a specialist nature may be convened as specified elsewhere in this Works Information or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the works. Records of these meetings shall be submitted to the *Project 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.

All project instructions are to be issued by the Project Manager only.

### 2.2 Documentation Control

All correspondence is to be addressed to the *Project Manager* with a chronological numbering system.

### 2.3 Health and Safety Risk Management

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 *Contractor* shall comply with the health and safety requirements contained in Section 1.3.2 of this Works Information.

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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. Upon completion of the project, the Contractor is to convert all documentation contained in the SHEQ file into electronic format and save it as a PDF File. The file name should contain the name of the Contractor and the project. The file should then be saved onto a disk or removal storage device and handed over to the Project Coordinator or Project Manager upon completion of the project.

## 2.4 Environmental Constraints and Management

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. The Contractor is to prepare a site/factory specific separate EMP for all environmental concerns that might arise and any changes to the approved plan shall be reported and be approved by the Eskom Environmental Representative and Project Manager prior to the commencement of work.

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 shall comply with the environmental criteria and constraints stated in Section 1.3.2.

When required, the Contractor must ensure that all Subcontractors' EMP comply with legal and other requirements and also includes all the environmental risks associated with the scope of work. The Main (Principal) Contractor shall define the specific risks applicable to the Subcontractor's scope of work or supply of kiosks.

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 Project Manager clearly stating any impact to the environment.

No environmental records shall be destroyed or discarded by the Contractor. Eskom as the Employer and the Contractor shall agree that the Contractor retains certain environmental records. Waste generated during the course of the project must be disposed at a registered site and the Contractor shall retain records of disposal.

Deviations from these requirements will be regarded as a non-conformance. Should there be concerns regarding environmental performance and non-conformance to environmental requirements, management engagements and interventions will be introduced to determine a means to addressing the shortfalls. Once these interventions have been explored and exhausted, then the Eskom Supplier Disciplinary Process will be followed.

The cost to the Contractor to obtain permits should it become necessary to cut a protected tree, ensure that waste is disposed of on a permitted, legal waste site and all relevant costs payable to dumping site as well as safe storage of all equipment which will be removed and replaced from site which will be transported upon instruction to the nearest designated disposal site within the Limpopo Operating Unit.

The Contractor shall have / develop a formal Environmental Management System in accordance with the ISO 14001:2015 requirements.

The contractor shall conduct EMS Self-Assessment on Monthly basis (Template to be acquired from the Project Manager).

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## 2.5 Quality Assurance Requirements

Quality Assessment Criteria Category 3, Category 3 Form A of the QM-58 specification was selected and completed by Eskom Representative who will identify the applicable *Contractor* quality requirements to be met. Form A of the Supplier Quality Management specification shall be signed by the *Contractor* responding to an Eskom Enquiry.

### 2.5.1 Contractor and Subcontractor Quality Management System Requirements

- The *Contractor* and *Subcontractor* shall have formal Quality Management System in place in accordance with the requirements of the Supplier Quality Management specification, 240-1056500.
- Such formal system shall consist of the appropriate documentation such as work procedures, work instructions, method statements, work flow documentation etc. as the case may be. This requirement constitutes the most basic Quality Management System requirements.
- Unless specifically excluded in the Quality Assessment Criteria, as per the Level of Quality Requirements (Level 1, 2, 3 or 4). The *Contractor* shall have a fully documented, implemented and maintained Quality Management System that complies with ISO-9001 standard. In the event that the *Contractor* invariably requires the assistance of some *Subcontractor* in order to realise its own supply obligations. The aforementioned requirement applies equally in all cases where any such *Subcontractor's* scope of responsibility includes the provision of any of the following activities viz. Design & Development, Manufacturing, Testing, Storage, Delivery, Installation, Commissioning, and Project Management.
- Unless specifically excluded in Quality Assessment Criteria, such Quality Management System shall carry valid ISO-9001 certification from an accredited certification body, as indicated in the applicable Eskom invitation (This requirement applies equally to both the *Contractor* and any/all manufacturing third party organizations mentioned above).
- Eskom reserves the right to request and perform necessary assessments at *Subcontractor* facilities.
- The *Contractor* shall be responsible for defining the specific quality control elements applicable to the respective *Subcontractor's* scope of work/supply, and ensure that their *Subcontractor(s)* quality programmes support Eskom requirements.
- The *Contractor* shall inform Eskom of any proposed changes to the Quality Management System or staff that will affect the Quality System prior to implementation of these changes.

### 2.5.2 Quality Plan

The information in this section constitutes the minimum requirements for a Quality Plan:

- The scope of work activities shall have a documented, implemented and maintained Contract Quality Plan and/or Quality Control Plan (Inspection and Test Plan).
- All production and/or service provision shall be carried out in accordance with documented Contract Quality Plan (CQP) and/ or Quality Control Plan (QCP)/ Inspection and Test Plan (ITP).
- Sourcing of material and subcontracted activities; monitoring of sub-suppliers information shall be included in the CQP;
- The *Contractor* shall plan for the required Quality related activities and interfaces within the *Contractor's* Quality system, in order to demonstrate its ability towards both controlling and meeting specified Eskom requirements.
- The final Contract Quality Plan shall be submitted 30 days after contract award and shall be updated continuously as per instruction from the *Project Manager* .

### 2.5.3 Contract Quality Plan

*Contractor* shall require *Subcontractors* to submit Contract Quality Plan (CQP) and associated documentation in accordance with requirements of Project Quality Management System processes applicable to *Subcontractor* Scope of Work.

*Contractor* shall, where applicable based on Scope of Work Criticality, ensure Procurement documents clearly and unambiguously require *Subcontractor* submission of a *Subcontractor* CQP for *Contractor* and Eskom review.

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*Contractor* and *Subcontractor* CQP shall comply with Eskom "Quality Requirements Specifications" and shall be submitted prior to the initial Scope of Work Kick-off or initial Pre-fabrication meeting and prior to commencement of manufacturing, whichever is earlier.

Sourcing of material and subcontracted activities; monitoring of sub-suppliers information shall be included in the CQP;

The final Contract Quality Plan shall be submitted 30 days after contract award and shall be updated continuously as per instruction from the Project Manager .

#### **2.5.4 Quality Control Plan**

*Contractor* shall develop and implement processes and procedures which efficiently and effectively monitor, verify and document Quality of Scope of Work deliverables.

*Contractor* shall ensure that QCP/ITP's are prepared at a level of detail sufficient to address all Quality Control related activities in chronological order, from contract review through materials verification, manufacturing, fabrication, assembly, final testing, documentation, and certification.

*Contractor* shall ensure that Subcontractor QCP/ITP's are prepared at a level of detail sufficient to address all Quality Control related activities in chronological order, from contract review through materials verification, installation/ construction work, fabrication, assembly, final testing, documentation, and certification.

Where activities subject to Inspection and Test procedures are to be undertaken by a *Subcontractor*, the QCP/ITP shall make reference to this fact and shall include descriptive details of *Subcontractors* involvement.

A separate QCP/ITP shall be required for each Contractor / *Subcontractor* Scope of Work.

*Contractor* may authorise use of *Subcontractor* QCP/ITP format providing it is in compliance with the above. *Contractor* shall be ultimately responsible for the development and proper implementation of all Subcontractor QCP/ITPs, including those reviewed or developed by *Subcontractors*.

Eskom reserves the right to select witness and hold points within all developed *Subcontractor* QCP/ITPs for Eskom oversight of selected functions and to perform surveillance or audits of the Work.

*Contractor* shall establish processes and procedures for formal assessment of *Subcontractor* inspection and testing programs. These shall include review of *Subcontractor* inspection reports and other Quality Control documentation. Additional formal assessment of manufacturing, fabrication and assembly facility operations shall be conducted by *Contractor* to ensure continuing suitability, adequacy and effectiveness of the *Subcontractor* inspection and testing programs. Assessment frequency shall be established in consideration of *Subcontractor* Scope of Work, Criticality of Scope of Work deliverables and performance information. Assessment scope and schedule shall be developed in consultation with Eskom.

Mandatory pre-inspection meetings will be convened by Eskom or its Inspection Agency or AIA to be attended by the *Contractor* and *Subcontractors* representatives, including their Quality representatives who will be involved with the Works and records to be kept.

Eskom reserves the right to appoint resident quality inspectors that can be based at the *Contractor* or *Subcontractor's* premises and on site where the work is being performed. The *Contractor* is expected to provide work space at no cost to Eskom, for the inspector as required.

## **2.6 Programming constraints**

A comprehensive and fully detailed programme is to be submitted within the seven (7) days after the introductory meeting and should indicate all milestones and critical dates. This programme must first be approved by the *Project Manager* and must be updated on an as and when required basis by the *Project Manager*.

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**The following dates shall be clearly reflected on the programme:**

- Starting and completion dates for all activities as well as relevant key dates for hold or witness points. All relevant significant activities shall be shown in order to monitor the progress in the factory/workshop.
- The programme shall also reflect a 2-week period for inspection and correcting of Defects before the completion date.

Updated programmes must be available at all meetings reflecting progress to date and the date when delivery will take place through the use of task orders.

#### FORMAT OF THE PROGRAM

- The *Contractor* shall submit his construction program in terms of the conditions of contract.
- The *Contractor* is to submit a revised programme for acceptance at each site meeting.
- This program shall be in the form of an approved Gantt Chart containing the following information:
- All construction activities, including milestones, initial tasks, critical path, required Outages, and target *Dates*. All potential risk activities should be clearly indicated on the critical path.
- Every activity on the programme will be clearly linked to labour resources and equipment required to perform the specific activity.
- Projected weekly progress on *site* for the entire duration of the contract.
- Completion and hand-over *Dates* for formal inspection by the site supervisor must be indicated.
- A column showing the daily tempo of all the construction activities must be indicated next to the activity on the programme.
- Project expenditure on a monthly basis for the entire duration of the contract.
- The following project phases and activities are minimum requirements for the programme:
- Site Establishment and Material Delivery – Lead times to be specified.
- Preparation work – Work that can be completed without the necessity of power outages
- Outage work – Work that must be completed under outage conditions
- Planned outages to be included in the programme
- *Contractors* float to be included in the programme
- The Contract Program will be on display in the *Contractors Site Offices* and will be updated weekly. In addition to the maintaining of this programme, the *Contractor* will report progress to the *Project Manager* at each site meeting or at request of the *Project Manager*.
- The *Contractor* shall also provide an organisation chart showing the personnel to be employed for the *works*, along with a detailed CV of all key personnel.
- Should any deviations to the program be found the *Contractor* shall submit a revised program to the *Project Manager* within one week of such deviations being brought to the *Contractor's* attention.
- The Outages must be arranged with *Employer* via the Outage arrangement procedures, as a pre-requisite for the acceptance of the programme by the *Project Manager*.
- Acceptance of any program by the *Project Manager* shall have no contractual status other than an indication that the *Project Manager* is satisfied as to the order in which the work is to be carried out, and that the *Contractor* undertakes to perform all work in accordance with the accepted program.
- The *Project Manager* retains the right to alter the accepted program should circumstances on *site* necessitate such a change.

#### OTHER INFORMATION TO BE SHOWN ON THE PROGRAM.

The following Statutory non-working days are included within the contract period:

- All Public Holidays for the duration of the contract.
- The programme must clearly indicate the non-working days for the entire construction period.

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**2.7 Contractor’s Management, Supervision and Key People**

The Contractor is to submit an organogram showing all key people involved in the contract 7 days after specific project contract award. All key personnel must be appointed in writing, must be current for the specific site and area of work and must be kept on file. This would be essential if the Contractor is a Joint Venture.

**2.8 Invoicing and payment**

Within one week of receiving a payment certificate from the Project 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 Project Manager’s payment certificate.

The Contractor shall address the tax invoice to:

**Eskom Holdings SOC Limited  
Limpopo Operating Unit  
PO Box 31809  
Polokwane  
0700**

and include on each invoice the following information:

- Name and address of the Contractor and the Project 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.

**Procedures for Invoice Submission and Payment (e. g. Electronic Payment Instructions)**

<b>General Information</b>	<b>X</b>
- No Pro-forma Invoice	
- Check Vendor number against the Address and name on Tax invoice	
- Insert the Vendor number on Tax invoice (Top right hand corner)	
- Bank details must be on the invoice or on a attach sheet, but it does not require a bank stamp just a letter)	
- Check banking details on invoice against SAP system. If more than one banking account check bank account against banking details on invoice. If banking details not on invoice, write the bank code next to the vendor account (bank code 0002)	
- Check Vendor VAT number against the vendor master. (FK03) If VAT number not on master records, prepare a list and forward to Vendor Management to check and update the vendor master records	
- No fax copies of Tax invoices allowed	
- No copies of Tax invoices allowed unless originally printed by the Vendor if a photocopy tax invoice, it must be an original "certified copy" (i.e. not a copy of a "certified copy" invoice) from the vendor and check in system if not previously be paid. Put stamp "not previously paid" on invoice and sign.	
- Ensure that date received stamp is clear on invoice	
- Stamp all Invoices with the Vat stamp, complete and sign (only when VAT is applicable)	
- The stamp should not be stamped over any written information	
- When scanning invoice, check the quality before linking in SAP (inboxes)	
<b>With Reference Invoices</b>	<b>X</b>
- Goods receipt must be done (payment with reference)	
- Ensure that the SAP purchase order number is clear and correct on the invoice	

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- GR number to be written on the Invoices	
- If multiple lines on invoice write the line number of the order against the line to ensure that the processors match the correct lines (to ensure that 191100 is matched correctly)	

## 2.9 Insurance provided by the Employer

As stated for "Format A"/"Format B"/"Format Dx" available from 01 April 2015 to 31 March 2016 on [http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS\\_Policies.aspx](http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies.aspx) (See Annexure B for basic guidance). Contact any of the Insurance Advisors from ESCAP.

## 2.10 Training workshops and technology transfer

The obligation for technology transfer being included as part of this contract on Completion of the Works is to train Eskom Staff and/or other Contractors on the use of the access control and remote monitoring system, secure kiosks installation and commissioning, as well as training on maintenance of the secure meter kiosks.

## 3 Engineering and the Contractor's design

### 3.1 Employer's design

The Employer will supply Contractor with a final design document compiled by the Project Engineer detailing the scope of work to be executed on the project as well as Project Drawings.

### 3.2 As-built drawings, operating manuals and maintenance schedules

The Contractor is required to provide the necessary drawings, operating manuals, test certificates and training program details, as well as a commitment letter for providing ongoing product support.

## 4 Procurement

### 4.1 People

#### 4.1.1 Minimum requirements of people employed on the Site

All people employed by the Contractor to perform supervision of installation and commissioning should have Police Clearance before work can commence. The Contractor's employees shall be sober when carrying out their duties and may be subjected to random breathalyser tests.

#### 4.1.2 BBEE and Preferencing Scheme

Eskom prefers to contract with suppliers that are Level 1 – 4 contributors to B-BBEE, thus:

Suppliers that are Level 1 to 4 contributors shall maintain or improve upon the B-BBEE contributor level for the duration of the contract. Suppliers that do not meet the Eskom B-BBEE contributor level preference will be required to migrate to B-BBEE level 1 to 4 as a condition of the contract.

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#### 4.1.3 Supplier Development Localisation and Industrialisation (SDL&I)

##### **SDL&I Penalty and Performance Security**

Eskom will apply 2.5% retention on every invoice (excluding VAT) after all cumulative Project Specific agreements awarded to the Contractor that have reached a stipulated threshold as security for the fulfilment of the SDL&I obligations.

##### **Skills Development**

##### **Local Production and Content**

The material designated for Local Content and Production:

<b>Commodity</b>	<b>Local Content Threshold</b>
As per Project Specific Agreement	

##### **Job Opportunities**

The number of jobs to be created and/or retained as a result of this contract

<b>Jobs to be created</b>	<b>Jobs to be retained</b>
As per Project Specific Agreement	

Communities based local to site (areas around site) should be prioritised for employment

##### **Skills Development**

Training Initiatives

<b>Category</b>	<b>Contractor's Obligation</b>
As per Project Specific Agreement	
<b>Total</b>	

##### **Subcontracting**

<b>Criteria</b>	<b>Contractor's Obligation</b>
As per Project Specific Agreement	

##### **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.



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- An SD&L Compliance Matrix for the development of skills and/or the promotion of localised content applicable to the scope of work shall be provided. Regular reporting on a monthly basis must be done and handed to the project manager to report on progress of compliance to the targets agreed upon at contract stage. This report must be handed over to the Project Manager on a monthly basis when submitting the assessment claim for payment.

#### 4.1.4 Expanded Public Work Programme (EPWP)

- The *Contractor* must report all local/temporary labourers employed in a project
- The *Contractor* MUST submit a report on a monthly basis
- The *Contractor* must NOT wait until the end of a project in order to submit reports
- The *contractor* must submit the REV 7 report together with the assessment claim for payment.
- The *contractor* is responsible for assisting ESKOM in reporting all work done.
- Eskom's report feeds back to Parliament and non-reporting of *contractors* affects this report.
- No payment will be certified without the required report being submitted.
- 

#### 4.1.5 Lost Time Injury Report (LTIR)

- The *Contractor* must submit this report monthly with each payment assessment claim
- No payment will be certified unless this report is submitted.

## 4.2 Subcontracting

### 4.2.1 Preferred subcontractors

The *Contractor* to submit the names of each proposed subcontractor to the *Employer* for acceptance. The *Contractor* does not appoint a subcontractor until the *Employer* has accepted such subcontractor.

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

The *Contractor* to indicate the percentage of subcontracting, the proposed subcontractors together with their BBBEE statuses, and the sources of assets, goods or services when local content and production criteria are applicable. The proposed target will form part of the contractual obligation. The NEC system is compulsory for all subcontract documentation.

### 4.2.3 Limitations on subcontracting

The *Contractor* is not allowed to sub-contract more than 25% of the contract to another enterprise/supplier that does not have equal or higher BBBEE status, unless the intended subcontractor is an EME that has the capability and ability to execute the sub-contract, in order to claim the points for BBBEE.

### 4.2.4 Attendance on subcontractors

The *Contractor* is responsible for performing on the provided scope of work as if he had not subcontracted. The appointed *Contractor* will also be liable to the *Subcontractors'* employees, as he legally and liable to this contract.

## 4.3 Plant and Materials

### 4.3.1 Quality

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The *Contractor* shall control his activities and processes in accordance with Eskom's Quality Requirements for Procurement of Assets, Goods & Services, QM-58 and ISO-9001.

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

The *Employer* requires warranties from the *Contractor* to be in favour of the *Employer* and not just to the *Contractor* during the life of the contract.

### **4.4 Tests and inspections before delivery**

All materials shall be regularly tested at the manufacturers' factories. The *Contractor* shall make sure that regular quality control tests are carried out to ensure that good quality of the materials is maintained.

## **5 Construction**

### **5.1 Completion, testing, commissioning and correction of Defects**

#### **5.1.1 Work to be done by the Completion Date**

On or before the Completion Date the *Contractor* shall have done everything required to Provide the Works except for the work listed below which may be done after the Completion Date but in any case before the dates stated. The *Project Manager* cannot certify Completion until all the work except that listed below has been done and is also free of Defects which would have, in his opinion, prevented the *Employer* from using the *works* and others from doing their work.

#### **5.1.2 Use of the *works* before Completion has been certified**

The *Contractor* will have to carry out the supervision of the installations, as per the instruction of the *Project Manager*.

#### **5.1.3 Materials facilities and samples for tests and inspections**

From time to time random sample test and inspections may be requested, to ensure good quality of the goods being supplied.

#### **5.1.4 Commissioning**

Commissioning is to be done before or after Completion depending on the Programme from the *Project Manager*.

#### **5.1.5 Start-up procedures required to put the *works* into operation**

In order to put the *works* into operation the *Project Manager* may require the *Contractor* to either do this for him or be in attendance whilst he does it, depending on who is the responsible person.

#### **5.1.6 Take over procedures**

Take-over is after or at the same time as Completion. The *Contractor* is to arrange an inspection before completion of the installation to inspect and identify any outstanding or any defects. The *Project Manager* may require the *Contractor* to provide assistance, on an as and when required basis.

#### **5.1.7 Access given by the *Employer* for correction of Defects**

The *Project Manager* arranges access for the *Contractor* to use a part of the *works* which has been taken over if needed to correct any Defects. After the *works* have been put into operation, the *Employer* may

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require the *Contractor* to undertake certain procedures before such access can be granted. The *Contractor* will be responsible for ensuring that the area to be worked in is barricaded before correcting any defects.

#### 5.1.8 Performance tests after Completion

The *Contractor* to demonstrate that the *works* can operate as guaranteed by the *Contractor* (in *Contractor's* Works Information) or specified by the *Employer* either here or elsewhere in this Works Information.

#### 5.1.9 Training and technology transfer

The *Employer* requires the *Contractor* to provide training on the use of the access control or any associated transfer of technology from him to the *Employer*.

#### 5.1.10 Operational maintenance after Completion

The *Employer* may require the *Contractor* before the *defects date* to perform certain duties after Completion and take over which relate to maintenance of the *works*.

## 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 contract.

Drawing number	Revision	Title
		As per Project Specific Agreement