CONTRACT NUMBER



Scope Of Work

Bulk Material Services

Title: SOW: ADT Water Truck Plant Hire **Kusile power station**

Document Identifier:

Alternative Reference Not Applicable Number:

Area of Applicability: Eskom Rotek Industries

SOC Ltd

Functional Area: **Bulk Material Services-**

Kusile Power Station

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Date: 05 / 03 / 2024 Date:05/03/2024 Date: 05/03/2024

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WORKS INFORMATION

The works consist of the Hire of 6 x 23 000 Liters ADT Water Tankers at Kusile Power Station for a period of 48 months on an as and when required basis

WORKS INFORMATION

EMPLOYER'S OBJECTIVE:

The Employer's objectives are to:

- Obtain Contractors to supply ADT-type water trucks for hire to ERI Kusile Power Station
- Control the risk associated with Coal and Ash Handling Operations.

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Section 1: Description of the works

With the Kusile Power Station project, Eskom Generation must honor its coal supply and ash handling requirements.

Eskom Rotek Industries Bulk Material Service is responsible for the management of the Coal and Ash Handling Operations at Kusile power station. The operations include but are not limited to the handling of coal (material) at the Coal Stockyard and of Ash at the Ash dump site. The operation generates excessive dust and as such dust suppression is constantly required to maintain safe working environment. The operation is on a twenty-four hour per day, seven days per week basis.

Operation activities required entails:

- Collection of water from various filling points within Kusile power station. The filling stations are either overhead or low dam (lift station). For low dam/lift station, a suction capability on the water truck is required.
- Discharge/Spray water to suppress dust on the hauling roads and other areas necessary as per instruction of the responsible supervisor.
- Comply to sites specific requirements as clearly displayed by site management. Avoid any spillages
 (e.g. oil, fuel etc.) from the truck due to maintenance or operating that can cause contamination to the
 environment.

1.1 BOUNDARY DEFINITIONS

Coal Conveying Plant

Boundary Start: Coal Stock Yard Boundary End: Coal conveyors.

Ash Conveying Plant

Boundary Start: Emergency offloading.

inside Kusile power station. Boundary End: Ash dump

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

2.1 Works

The nominated service provider will supply, deliver, and operate ADT – type water truck as agreed upon in the contract.

The nominated service provider shall provide all labor, supervision, administration and management to perform the specified service as required at all times.

Machine Specifications

- 2.1.1. The Nominated service provider is responsible to provide the following machines as per bill of quantities.
 - 2.1.1.1. 3 x ADT type water truck with low dam water suction capability Water tank capacity: 23000Litres to 35000Litres Suction pump specification: Flowrate of 1800 litres/min and 50m head (above 3m

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suction lift) with a swiveling cannon

- 2.1.1.2. 3 x ADT type water truck
 Water tank capacity 23000Litres to 35000Litres with a swiveling cannon
- 2.1.2 Ensure that the Staff and Equipment meets the safety, health and environmental regulations and requirements always. The *Contractor* provides Equipment, tools and consumables for the effective operation of the *Works*.

2.2.1 Machines working shifts.

- 2.2.1.1 Machine pricing must be per hour at a dry rate and exclude the Operator.
- 2.2.1.2. The Maximum hours that can be paid per day for the machine will be 23 hours.
- 2.2.1.3. There shall be 4 x Operators per machine (4 shift cycle).
- 2.2.1.4. The Operator rates and Accommodation rates should be included in the supplier's quotation.
- 2.2.1.5. The Operator rate will be fixed for 22 hours for each day of the month depending on the availability of the machine.
- 2.2.1.6. In the event of a breakdown, all payments will be forfeited for the breakdown hours.
- 2.2.1.7. Any service provider that is involved in unsafe act or environmental contravention will have the total fleet on site stopped until an improvement plan is approved by the ERI BMS site management.

2.3 Investigations

The nominated service provider will attend all scheduled investigations by Site Management relating to his/her machines or operators' incidents. Appointed nominated service provider site representative will attend site specific investigations as when he/she is invited in writing.

2.4 Deliverables

- 2.4.1. The *nominated service provider shall* provide a maintenance plan for all machines supplied under the contract.
 - 2.4.2. Machines must meet the safety, health, environmental and quality regulations at a Power Station. NOTE: Any costs associated with property damages or unsafe act caused by the nominated service provider while rendering works upon investigation will be reimbursed by the nominated service provider within a month of root cause identification notification through monthly assessment process.
 - 2.4.3. The nominated service provider provides Machines to BMS within fourty eight hours of notice given in writing.
 - 2.4.4. The nominated service provider provides Articulated Dump Truck type Water Truck with the following.
 - 2.4.4.1. Stop blocks for all wheeled machines and oil drip tray per machine
 - 2.4.4.2. Competent machine operators including verification reports of all documents.

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Note: All operators are subjected to site internal training assessment to declare them fit for work.

- 2.4.4.3. Fitted air-conditioning and heater.
- 2.4.4.4. Canopy fully sealed from dust or water ingress.
- 2.4.4.5. Fitted with OEM Approved comfortable chair with safety belt.
- 2.4.4.6. That is within five years or maximum six thousand hours in use. Note any machine above five years or six thousand hours in use must provide reliability test certificate issued by competent approved tester or OEM.
- 2.4.4.7. Fitted with a strobe light.
- 2.4.5. The *nominated service provider* provides safety protective equipment for the effective operation of the *Works*. Safety protective clothing required are hard hat, safety glasses, reflector vest, and safety steel toe boots.
- 2.4.6. The *nominated service provider* always provides BMS Kusile Site Management with machine availability and maintenance schedules on weekly basis to avoid ash and coal handling production loss.
- 2.4.7. The *nominated servicer provider* develops machine Operating philosophy to sustain their machine operator's competency in support of the BMS site management ash and coal obligations.
- 2.4.8. The *nominated service provider* must identify and reconcile machine hours daily with BMS Ash and Coal Site Management.
- 2.4.9. The *nominated service provider* agrees on the managing and effective controlling of the operation by providing the following on monthly basis:
 - 2.4.9.1. Machine Plant availability
 - 2.4.9.2. Machine maintenance strategy
 - 2.4.9.3. Machine operators' availability and competency.
 - 2.4.9.5 All logbook requirements i.e., daily running times, diesel filling, inspection, and manpower timesheets
- 2.4.10. The running times and intervals are determined by the *Employer*.

2.5 General

- 2.5.1. The *nominated Service provider* provides Machines as instructed by the Project Manager, according to the needs of the Employer.
- 2.5.2. The *nominated Service provider* submits the daily Machine availability sheets to the site management at the end of each shift.
- 2.5.3. The *nominated Service provider* informs the Employer before the end of every shift in writing of any safety incident, injuries and/or damage to any property or Machine

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- 2.5.4. The *nominated Service provider* fulfils their legal obligations to report certain incidents to the Department of Labour, or to keep records in terms of the OHS Act and the compensation for injuries and Diseases Act.
- 2.5.5. The *nominated Service provider* ensues that their machine is suitable to provide the works during inclement weather and provides his employees with protective clothing so that work may be efficiently carried out.
- 2.5.6. The *nominated Service provider* informs the site management of intentions to stop work during inclement weather. The *nominated Service provider* and the site management assess the weather conditions with the intention to prevent the work from being stopped.
- 2.5.7. The *nominated Service provider* attends meetings arranged by the site management.
- 2.5.8. The *nominated Service provider* completes daily records and submits these for acceptance to the site management. As a minimum these records contains:

 Total people on Site

Total machines being used.

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

Attention: The Project Manager or the *nominated Service provider* (correspondence is not addressed to individuals as such but may be marked for the attention of the relevant Project Manager or *nominated Service provider*) ECH 001 to xxx (From the *nominated Service provider*'s Office. Correspondence is numbered sequentially based on the communication source)

2.5.10. All correspondence headings include:

Kusile Power Station Eskom Rotek Industries

The contract description

The contract number.

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

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2.6 Machine Site Requirements

- 2.6.1 The nominated service provider obtains acceptance from the Project Manager for the Site mobilization and establishment plan before the nominated service provider moves personnel and machines onto or off the site.
 - 2.6.1.1. The nominated service provider's machines supplied and used on the site complies with the Occupational Health and Safety Act, Act 85 of 1993 (as amended).
 - 2.6.1.2. The nominated service provider provides consumables, spare parts and lubricants required for the maintenance of his machines
 - 2.6.1.3. Diesel driven Equipment is maintained at availability more than average 95%, measured at weekly intervals.
 - 2.6.1.4. The nominated service provider replaces machines when the *nominated Service provider* cannot attain average 95% availability per week per Equipment.
 - 2.6.1.5. The nominated service provider notifies the site management when his machine is taken out of operation for maintenance purposes and the duration of the maintenance activity.
 - 2.6.1.6. The nominated service provider obtains the acceptance of the Project Manager in writing prior to reallocation of machines to other work. Note: The Employer can move the nominated service provider machines to any of their sites as when required including operators on rates stipulated in the contract

2.7 Supervision and personnel

- 2.7.1. The nominated service provider must provide Supervisor as a key person (Competent person with three years construction or machine mechanic work service qualified with any related national diploma) in the Contract Data.
- 2.7.2. The nominated service provider's Supervisors is allocated to this contract on a permanent basis if there are more than five Machines supplied on site but if there are less than five, the supervisor will be required on weekly basis or as when required due operation needs, and such person can be shared within ERI BMS ash and coal handling operation on fifty meter radius that means above fifty meter radius two key persons will be required.
- 2.7.3. The nominated service provider's Supervisors must ensure that:
 - 2.7.3.1. Machine hours are reconciled.
 - 2.7.3.2. Machine operator's absenteeism is controlled.
 - 2.7.3.3. Machine operators are competent and competency certificates are in the safety file.
 - 2.7.3.4. Machine maintenance execution is implemented without production loss 2.7.3.5. Machine site compliance adherence always
 - 2.7.3.4 During abnormal working hours, the nominated service provider's supervisor will be notified by the site management to ensure that unsafe acts and production losses are not experienced during Works implementation.

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2.7.3.5 The nominated service providers prove to the site management that the employees used to provide the works are competent in their areas of responsibility and are located on accessible areas in case of strikes or unrest.

2.8 BEE/SMME/Black Women-owned Requirements

Eskom Holdings Limited's requirement regarding BEE/SMME/Black Women-owned Suppliers are as follows:

The nominated service provider shall make provision to subcontract at least 30% of the estimated contract value to capable Black Women-owned Suppliers / SMME suppliers / BEE Suppliers who are acceptable to Eskom Holdings Limited. ERI BMS site SD&L requirements must be included.

2.9 Site location and arrangement

The hire of 6x 23000 litre ADT Water tanker contract is located at Kusile Power Station in Mpumalanga Province.

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

3.1 General

- 1. The *Employer* provides access to the Site.
- 2. The *Employer* provides induction training.
- 3. The *Employer* provides identity permits for access control purposes.
- 4. The *Employer* provides potable water on Site.
- 5. The *Employer* informs the *Contractor* of any statutory requirements.
- 6. The *Employer* provides operational requirements.
- 7. The *Employer* provides the *Contactor* with a matrix to clarify responsibilities and accountabilities at areas of interface with the *Employer* and Others.
- 8. The *Project Manager* informs the *Contractor* of any changes to the operational requirements when the *Project Manager* becomes aware of the changes.
- 9. The *Employer* provides all standard format documentation to be used for this contract.
- 10. The *Employer* provides emergency firefighting facilities.

3.2 Site facilities provided by the Employer.

3.2.1 Site Yard

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

Completion. 3.2.2 Supply of electricity

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

3.2.3 Lighting

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

3.2.4 Water

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

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

3.2.5 Telecommunications

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

Section 4: PROGRAMME AND PLANNING

4.1 Minimum program requirements

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

4.2. Computerized planning and reporting

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

4.3 Submission of program

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

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Section 5: COMPLETION

5.1 Work provided by the Contractor by the Completion Date

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

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

documents. Section 6: SITE FEATURES REQUIRING SPECIAL ATTENTION

6.1 Access for and interface with other *Contractors*

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

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

6.2 Existing structures and services

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

6.3 Lay down area

None.

6.4 Site regulations

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

6.5 Accommodation

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

Section 7: Safety Management

7.1.1 Health and safety requirements

The Contractor will comply with the following:

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

This file will be handed over on contract award.

Adhere to the OHS Act 85 of 1993

All staff will undergo a one-day Safety Induction training course one week before site occupation. Adhere to Eskom & Kusile No Smoking Policy

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

- a. Identify possible hazards, dangers, and risks.
- b. Eliminate potentially dangerous conditions and actions.

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c. Ensure a safe working environment.

7.2 SHE. Documentation Required from the Contractor

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

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

7.3 Health and Safety Plan

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

- Proof of the contracting company's own Health and Safety Policy.
- Proof of appointments, assignments and designations as required in terms of the Occupational Health and Safety Act, No 85 of 1993.
- · Proof of Risk Assessments regarding Hazards identified.
- Proof of Safe Work Procedures that derived out of the Risk Assessments.
- Proof of the contracting company's own Emergency Plan that will deal with their own emergencies on site.
- Proof of an Induction Program. It is advised that the Kusile SHE Rules are used as a guide and an attendance register signed by its employees prior the commencement of any construction work on site.
- Proof of the contracting company's employees Medical Fitness Certificate. (Must still be valid for one year and may only have been issued by an occupational health practitioner).
- Proof of contractors weekly Health and Safety Rep Inspections regarding its own site and where detached work is performed.
- Proof of Personal Protective Equipment (PPE) issued to contractor's employees.
- Proof of contracting company's Accident/Incident Reporting and Investigation System.
- Proof of checklists and where applicable test certificates, regarding contractor's tools, equipment, machinery, mobile equipment, vessels under pressure and any other applicable checks required by the Act.

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

7.4 Anticipated safety risks

- All normal plant PPE will be required like safety boots, hard hats, earplugs, dust masks, goggles, gloves and bright coloured reflective vests.
- Ash leaks, Ash and coal spillages can occur in the work areas, and it is recommended that dust mask be worn.

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• The *contractor* should be conversant with the chemicals that are used during application, and material safety data sheets should be placed in the health and safety file. See par 8.3.

8 Environmental Rules

8.1 Environmental Management System

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

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

8.2 Waste management

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

8.3 Hazardous Chemicals substances

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

8.4 Environmental Incident

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

8.5 Other Environmental Requirements:

The Contractor will be required to ensure that the following environmental requirements are always complied with:

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

8.1 Entry:

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

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8.2 Permits:

• As per 8.1

8.3 Vehicles:

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

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

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

8.5 General:

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

Section 9: Environmental management

- Kusile Power Station is to be licensed to operate under the National Water Act (Act 36 of 1998), and all plant Operations, Maintenance and Engineering staff ensures that the license conditions detailed within the requirements of the act are always met.
- The Employer is committed to meet the environmental regulations. The Contractor to meet the following environmental requirements:

a) Storm water

The Contractor ensures that clean and polluted storm water is and remains separated. All drains are cleaned on a scheduled basis to ensure the drains are always working. All

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drainage channels and pipes are always kept clean and special attention is given to clean the drains after rain.

b) Contaminated soil

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

c) General Control of Site Activities

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

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

manner. e) Plant & Material wash-down facilities

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

Section 10: Site services and procedures

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

Section 11: Restrictions applicable to the Contractor

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

Section 12: Accounts and records

Requirements for the Meetings

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

12.1 Assessment, Cash flow and Invoicing

1. The *Contractor* presents his pro-format invoice to the *Project Manager* on the 20th day of each month for perusal.

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- 2. The *Contractor* completes his assessment and submits the amount due on the 22th day of the month for review.
- 3. The *Contractor* submits an accepted invoice on the last day of the month or the next working day if the last day falls within a weekend.

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

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

12.3 Financial records and accounts

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

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