



NEC3 Supply

Short Contract (SSC3)

A contract between Eskom Holdings SOC Ltd (Reg No. 2002/015527/30)

and

for **The Procurement, supply and delivery to site, offloading of (SHFPF) slip-spacers project at Kendal Power Station**

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Documentation prepared by:

C1 Agreements & Contract Data

C1.1 Form of Offer and Acceptance

Offer

The Purchaser, identified in the Acceptance page signature block on the next page, has solicited offers to enter a contract for the procurement of:

The Procurement, supply and delivery to site, offloading of (SHFPF) slip-spacers project at Kendal Power Station

The tenderer, identified in the signature block below, has

<i>either</i>	Examined the documents listed in the Tender Data and addenda thereto as listed in the Returnable Schedules, and by submitting this Offer has accepted the Conditions of Tender.
<i>or</i>	Examined the draft contract as listed in the Acceptance section and agreed to provide this Offer.

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 Supplier 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.

The offered total of the Prices exclusive of VAT is	R
Value Added Tax @ 15% is	R
The offered total of the Prices inclusive of VAT is	R
(in words)	

This Offer may be accepted by the Purchaser by signing the form of Acceptance overleaf 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 Supplier 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

Acceptance

By signing this part of this Form of Offer and Acceptance, the Purchaser identified below accepts the tenderer's Offer. In consideration thereof, the Purchaser shall pay the Supplier 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 Purchaser 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 1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
- Part 2 Pricing Data
- Part 3 Scope of Work: Goods 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 Tender Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Purchaser 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, which must be signed by the duly authorised representative(s) for both parties.

The tenderer shall within one week of receiving a completed copy of this Agreement, including the Schedule of Deviations (if any), contact the Purchaser'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 copy of this document, including the Schedule of Deviations (if any) together with all the terms of the contract as listed above.

Unless the tenderer (now *Supplier*) within five working days of the date of such receipt notifies the Purchaser in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the Parties.

Signature(s)

Name(s)

Capacity

**for the
Purchaser**

.....
.....
.....
(Insert name and address of organisation)

Name &
signature of
witness

Date

Note: If tenderer wishes to submit alternative tender offers, further copies of this document may be used for that purpose, duly endorsed, 'Alternative Tender No. N/A

Schedule of Deviations

Note:

1. To be completed by the Purchaser prior to award of contract. 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 Purchaser prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.
3. A tenderer's covering letter must not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid be the subject of agreement reached during the process of Offer and Acceptance, the outcome of such agreement shall be recorded here and the final draft of the contract documents shall be revised to incorporate the effect of it.

No.	Subject	Details
1		
2		
3		
4		
5		
6		
7		

By the duly authorised representatives signing this Schedule of Deviations below, the Purchaser 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 Purchaser 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 Purchaser

Signature Name Capacity On behalf of (Insert name and address of organisation) Name & signature of witness Date (Insert name and address of organisation)
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C1.2 Contract Data

Data provided by the *Purchaser*

Completion of the data in full is essential to create a complete contract.

Clause	Statement	Data
General		
10.1	The <i>Purchaser</i> is (Name):	Eskom Holdings SOC Limited (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa
	Address	Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
	Represented by:	
	Tel No.	
	Fax No.	
	E-mail address	
11.2(4)	The <i>delivery date</i> is	as per the approved schedule
11.2(5)	The Goods Information is in	The document called 'Goods Information' in Part 3 of this contract.
11.2(8)	The <i>goods</i> are	SHFPF RUL Slip Spacers
12.2	The <i>law of the contract</i> is	The Republic of South Africa
13.2	The <i>period for reply</i> is	24 hours for emergency and 1 week for other contractual matters
15.1	The <i>premises</i> are	Within the Kendal Power security area or the designated storage area
23.1	The <i>Purchaser</i> requires the <i>Supplier</i> to Provide the Goods when instructed by Batch Order.	By Purchase Order
23.1	If the <i>goods</i> are instructed by Batch Order, the batch order interval is the end date is the quantity range of <i>goods</i> in a batch is	40 days from the date the supplier receives an order
30.1	The <i>starting date</i> is. The <i>completion date</i> is:	TBC TBC
41.1	The <i>defects date</i> is	12 months after delivery of goods.

42.2	The period for the correction of Defects after Delivery is	One day for minor defects on site and for complex defects, the Purchaser and Supplier to agree on date
50.1	The <i>assessment day</i> is the	5 days after the delivery of goods
50.5	The <i>delay damages</i> are	2% per Day capped at 10% of the PO value
51.2	The interest rate on late payment is	0%.
84.1	The <i>Purchaser</i> provides this insurance [only enter details here if the <i>Purchaser</i> is to provide insurance; otherwise state none]	<u>Contract all Risk Insurance Policy - policy available on request from Eskom Group Insurance</u>
86.1	The <i>Supplier's</i> liability to the <i>Purchaser</i> for indirect or consequential loss, including loss of profit, revenue and goodwill is limited to	The amount of the deductibles relevant to the event described in the applicable "Format A". <u>(Contract all Risk Insurance Policy) policy available on request from Eskom Group Insurance</u>
86.2	The <i>Supplier</i> is not liable to the <i>Purchaser</i> for loss of or damage to the <i>Purchaser's</i> property in excess of	The amount of the deductibles relevant to the event described in the applicable "Format A". <u>(Contract all Risk Insurance Policy) policy available on request from Eskom Group Insurance</u>
93.1	The <i>Adjudicator</i> is	The person selected from Eskom Panel of Adjudicators listed in Annexure C to this Contract Data by the Party intending to refer a dispute to him
93.2(2)	The <i>Adjudicator nominating body</i> is:	The Chairman of Joint Civils Division of the South African Institution of Civil Engineering. (See www.jointcivils.co.za).
93.4	The <i>tribunal</i> is: If the <i>tribunal</i> is arbitration, the arbitration procedure is	Arbitration. the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.

11.1 **The conditions of contract are the NEC3 Supply Short Contract (April 2013)^{1 2} and the following additional conditions.**

[Only enter details here if additional conditions are required, otherwise state 'none']

1. 11.2 The Supplier is to submit a first program for acceptance within
A week after the contract awarded or an order received.
 2. 11.3 The Supplier submits revised programmes at intervals no longer than two
Weeks (Bi-weekly). Non-conformance will be issued to the Supplier not comply
With this.
 3. 11.4 The Supplier to attend progress meetings when convened by Project Manager
(Normal once a month). Such meetings will be for the purpose of discussing
progress, planning, delays, material,
 4. 11.6 Acceptance by the supervisor/system engineer/project manager/project leader of
satisfactory completion of the work in no way relieves the contractor from his duty
To ensure compliance to specifications.
 5. 11.7 The Client shall require a guarantee of all the work equipment and material for a
Period of twelve calendar month after delivery to site and installed.
 6. 11.8 No assessment or payment will be process without signed off QCP's. The QCP's
Must be signed off by all relevant personnel as discuss at the progress meeting.
 7. 11.9 The storage of tube plates must be done according to System Engineer
requirements;
no assessment will be process until the tube plates are stored correct and
accepted by the System Engineer. Should the storage of tube plates is not
corrected within 14 days after the supplier receive notification from the Project
Manager. The Eskom, Kendal Power Station has right to get another supplier to
correct it, and any costs charged by this supplier will be deducted from original
order without any legal Implications.
- 11.10 Supplier Performance Appraisal shall be done on monthly basis.

Z1 Cession delegation and assignment

- Z1.1 The *Supplier* does not cede, delegate or assign any of its rights or obligations to any person without the written consent of the *Purchaser*.
- Z1.2 Notwithstanding the above, the *Purchaser* may on written notice to the *Supplier* 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 and the Electricity Distribution Industry.

Z2 Change of Broad Based Black Economic Empowerment (B-BBEE) status

- Z2.1 Where a change in the *Supplier's* legal status, ownership or any other change to his business composition or business dealings results in a change to the *Supplier's* B-BBEE status, the *Supplier* notifies the *Purchaser* within seven days of the change.
- Z2.2 The *Supplier* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Purchaser* within thirty days of the notification or as otherwise instructed by the *Purchaser*.

¹ Can be obtained from Engineering Contract Strategies on www.ecs.co.za, Tel 011 803 3008, Fax 086 539 1902

² If the December 2009 edition is being used, replace April 2013 with December 2009

- Z2.3 Where, as a result, the *Supplier's* B-BBEE status has decreased since the Contract Date the *Purchaser* may either re-negotiate this contract or alternatively, terminate the *Supplier's* obligation to Provide the Goods.
- Z2.4 Failure by the *Supplier* to notify the *Purchaser* of a change in its B-BBEE status may constitute a reason for termination. If the *Purchaser* terminates in terms of this clause, the procedures on termination are the same as for Reason 3 identified in clause 90.3.

Z3 Ethics

- Z3.1 Any offer, payment, consideration, or benefit of any kind made by the *Supplier*, which constitutes or could be construed either directly or indirectly as an illegal or corrupt practice, as an inducement or reward for the award or in execution of this contract constitutes grounds for terminating the *Supplier's* obligation to Provide the Goods or taking any other action as appropriate against the *Supplier* (including civil or criminal action).
- Z3.2 The *Purchaser* may terminate the *Supplier's* obligation to Provide the Goods if the *Supplier* (or any member of the *Supplier* where the *Supplier* constitutes a joint venture, consortium or other unincorporated grouping of two or more persons or organisations) is found guilty by a competent court, administrative or regulatory body of participating in illegal or corrupt practices.

Such practices include making of offers, payments, considerations, or benefits of any kind or otherwise, whether in connection with any procurement process or contract with the *Purchaser* or other people or organisations and including in circumstances where the *Supplier* or any such member is removed from the an approved vendor data base of the *Purchaser* as a consequence of such practice.

- Z3.3 Notwithstanding the provisions of clause 90, the procedures on termination in terms of this clause are the same as for Reason 3 identified in clause 90.3

Z4 Confidentiality

- Z4.1 The *Supplier* 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 *Supplier*, enters the public domain or to information which was already in the possession of the *Supplier* at the time of disclosure (evidenced by written records in existence at that time). Should the *Supplier* disclose information to Others, the *Supplier* ensures that the provisions of this clause are complied with by the recipient.
- Z4.2 If the *Supplier* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Purchaser*.
- Z4.3 In the event that the *Supplier* is, at any time, required by law to disclose any such information which is required to be kept confidential, the *Supplier*, to the extent permitted by law prior to disclosure, notifies the *Purchaser* 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 *Supplier* 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 *Supplier* ensures that all his subcontractors abide by the undertakings in this clause.

Z5 Waiver and estoppel: Add to clause 12.3:

- Z5.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, 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 Provision of a Tax Invoice and interest. Add to clause 51

- Z6.1 The *Supplier* provides the *Purchaser* with a tax invoice in accordance with the *Purchaser's* procedures stated in the Goods Information, showing the correctly assessed amount due.
- Z6.2 If the *Supplier* does not provide a tax invoice by the time required in this contract for his assessment of each amount due, the time by when the *Purchaser* 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 *Purchaser* in terms of core clause 51.2 is then calculated from the delayed date by when payment is to be made.
- Z6.3 The *Supplier* (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 *Purchaser's* VAT number 4740101508 on each invoice he submits for payment.

Z7 Purchaser's limitation of liability

- Z7.1 The *Purchaser's* liability to the *Supplier* for the *Supplier's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z7.2 The *Supplier's* entitlement under the indemnity in 83.1 is provided for in 60.1(8) and the *Purchaser's* liability under the indemnity is limited.

Z8 Termination: Add to clause 90.2 before (Reason 1)

- Z8.1 or had a judicial management order granted against it.

Z9 Addition to clause 50.5

- Z9.1 If the amount due for the *Supplier's* payment of *delay damages* reaches the limits stated in this Contract Data (if any), the *Purchaser* may terminate the *Supplier's* obligation to Provide the Goods using the same procedures and payment on termination as those applied for Reason 3.

Data provided by the *Supplier* (the *Supplier's Offer*)

The tendering Supplier is advised to read both the NEC3 Supply Short Contract (April 2013) and the relevant parts of its Guidance Notes (SSC3-GN)³ in order to understand the implications of this Data which the tenderer is required to complete. An example of the completed Data is provided on **page 28** of the SSC3 Guidance Notes and Flow Charts.

Completion of the data in full is essential to create a complete contract.

10.1	The <i>Supplier</i> is (Name): Address Tel No. Fax No. E-mail address	
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11.2(7)	The Price Schedule is in	The document called 'Price Schedule' in Part 2 of this contract.
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11.2(7)	The offered total of the Prices	As per the price list
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63.2	The percentage for overheads and profit added to the Defined Cost is%
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³ Available from Engineering Contract Strategies on www.ecs.co.za Tel 011 803 3008, Fax 086 539 1902.

C2 Pricing Data

C2.1 pricing assumptions

Entries in the first four columns of this Price Schedule are made either by the *Purchaser* or the tenderer. If the *Supplier* is to be paid an amount for the item which is not adjusted if the quantity of goods in the item changes, the tenderer enters the amount in the Price column only, the Unit, Quantity and Rate columns being left blank.

If the *Supplier* is to be paid an amount for the item of goods which is the rate for the goods multiplied by the quantity supplied, the tenderer enters a rate for each item and multiplies it by the Quantity to produce the Price, to be entered in the final column.

The rates and Prices entered for each item includes for all work and other things necessary to supply the item.

Revised Price List
C2.2 Price Schedule

The rates and Prices entered for each item includes for all work and other things necessary to supply the item.

Item	Description	Unit	Estimated Quantity	Each price	Total Price
1	SHFPF Twister Slip spacer (ASTM A743 CF8 CAST STAINLESS STEEL)	Each	3500		
2	SHFPF Outer Slip spacer (ASTM A743 CF8 CAST STAINLESS STEEL)	Each	7000		

Note:

- The abovementioned tendered prices are exclusive of Value Added Tax, but inclusive of all costs related to the works.
- In case of discrepancy between each price and total, the each price shall prevail.
- Fixed and firm prices for the duration of the contract period.
- The material must be accompanied by a 3.2 material certificate

Supplier:

.....
 Print name

.....
 Signature

.....
 Date

Rev 1 Oct 2009

POSSIBLE ADDITIONAL RISKS IDENTIFIED

Please note that the following are possible additional risks identified during a Risk Assessment session and it does not cover all the risks associated with the work stated in the Works Information.

The identified additional risk/s has/have been addressed in the Works Information.

The following additional possible risks have been identified:

Risk	Description	Clause in Works Information
1		
2		
3		
4		
5		
6		
7		

ACTION TO BE TAKEN BEFORE ANY WORK MAY BE DONE

It is a requirement that a **Risk Assessment MUST** be done before an activity may be done.

The supplier will be required to submit the safety file for assessment and approval before delivery of tubes to Eskom Kendal Power Station

The supplier to attend Induction training after the safety file is approved.

C3: Scope of Work

C3.1 Goods Information

The supply, delivery to site and off-loading SHFPF RUL Slip-spacers Spares for Kendal Power Station

1. Description of the goods

1.1 Background

The Remaining Useful Life analysis on the SHFPF tubes indicated that the tubes have to be replaced. Failures in this area of the furnace are normally associated with severe consequential damage and since access is difficult, repair times are normally protracted.

1.2 Intellectual Property

N/A

1.3 Technical scope of work

SHFPF RUL Slip-spacers Specifications

Slip-spacer Type	Material	Quantity	Stock Number
Twister Slip-spacer	ASTM A743 CF8 Cast Stainless Steel	3500	599369
Outer Slip-spacer	ASTM A743 CF8 Cast Stainless Steel	7000	558746

The spacers to have markings which can be traced back to the material certificate (3.2 inspection certificate)

Corrosion Protection

The slip-spacers shall be protected against weather elements, refer to protective coating standard.

Codes and Standards

The design codes and standards which need to be adhered to are given below.

Governing

- (1) OHS Act - Operational Health and Safety Act No.85 of 1993.
- (2) 240-51544462 - Integrated Demand Management Supplier Contract Quality Requirements Specification.

Corrosion protection

- (1) **36-681 Eskom Protective Coating Standard**

Configuration management:

- (1) **240-76992014** - Project/Plant specific technical documents and records management work instruction

Mechanical:

- (1) **Piping/Flanges**

Drawings

Drawings will be supplied by eskom

Documentation Requirements

All documents supplied by the *Contractor* shall be of good quality and shall be subject to the *Employer's* approval.

The following documentation to be supplied at delivery:

- (1) Material Certification (EN 10204 3.2).

2. Specifications

Title	Date or revision	Tick if publicly available
<u>General Specifications:</u>		
Health and Safety requirements		X
Environmental requirements		X
Quality Requirements QM58		X
<u>Technical specifications:</u>		
240-106365693 Eskom Protective Coating Standard		X

3. Constraints on how the *Supplier* Provides the Goods

3.1 Delivery and delivery times

- No delivery will be made without a purchase order number (45.....)
- Wrong deliveries will not be accepted and will be returned to the *Supplier*.
- The *Supplier* will deliver the quantities as per the order.
- All deliveries should be made to Kendal Stores at the Receiving Department.
Monday to Thursday = 07:30 to 16:00
Friday = 07:30 to 11:30

3.2 Off-loading

- The *Supplier* to provide their own offloading equipment/s and manpower.

3.3 Use of standard forms

- All contractual communications are in the form of properly compiled NEC3 letters or forms.

3.4 Invoicing and payment

In terms of core clause 50 the *Supplier* assesses the amount due and applies to the *Purchaser* for payment. The *Supplier* applies for payment with a tax invoice addressed to the *Purchaser* as follows:

The *Supplier* includes the following information on each tax invoice:

- Name and address of the *Supplier*
- The contract number and title;
- *Supplier's* VAT registration number;
- The *Purchaser's* VAT registration number which is 4740101508;
- The total of
 - The Price for each lump sum item in the Price Schedule or Batch Order which the *Supplier* has completed;
 - Where a quantity is stated for an item in the Price Schedule or Batch Order, an amount calculated by multiplying the quantity which the *Supplier* has completed by the rate,
- Other amounts to be paid to the *Supplier*;
- Less amounts to be paid by or retained from the *Supplier*;
- The invoiced amount - excluding VAT, the VAT and including VAT;

Procedure for invoice submissions and payment: All invoices to be submitted electronically with payment instruction: invoicesseskomlocal@eskom.co.za

3.5 Records of Defined Cost

Records of defined cost to be kept by *Supplier* in PDF format and these will include invoices and receipts etc., they will be requested by the *Purchaser* on an "as-and-when" required basis for the assessing and clarify any cost related queries which might arise.

3.6 BBBEE compliance

The *Supplier* complies to provide the Employer with an improved valid BBBEE contribution certificate on the following datemonth of20..... Failures to comply with the stated obligation constitute substantial failure and may result to contract termination or blocking the Supplier on Employer's database.

3.7 Supplier Development and Localisation (SD & L)

- As a prequalification criterion the enquiry is open to companies that are Emerging Micro Enterprises (EME)/ Qualifying Small Enterprise (QSE) that have B-BBEE Contribution Level 1.
- *Supplier* shall declare the local content percentage

3.8 Management meetings

The following meetings are compulsory for this Project:

- Kick Meeting : Once off
- Project Progress meeting : This meeting will take place once per month
- Close out meeting : Once off

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.

4. Requirements for the programme

- The program should be submitted to the *Purchaser Representative* in Microsoft project on a weekly basis.
- The program must clearly indicate key dates and milestones.
- *Supplier* provides lead times of the tubes to be supplied to the *Purchaser* in the first two weeks after the contract award.

5. Services and other things provided by the *Purchaser*

Item	Date by which it will be provided
The <i>Purchaser's Representative</i> will arrange the induction	Before commencement of spares delivery. The Supplier is required to submit safety file to Eskom Kendal safety department for assessment and approval before the tubes are delivered on site.
Storage facility	As and when required

6. Supply requirements

- The transportation mechanism must comply with all legal requirements for the type of material.
- The lifting slings must have valid certificates.
- The operator of the crane must have the proof of the competency.
- All deliveries should be made to Kendal Stores at the Receiving Department.
 Monday to Thursday = 07:30 to 16:00
 Friday = 07:30 to 11:30

KENDAL SPECIFIC CONSTRAINTS

Ref 11 August 2018

KENDAL POWER STATION SPECIFIC CONSTRAINTS

Rev 11 August 2018

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1. The Contracting Party notes and complies with the following
2. Security Arrangements
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 - 3.1 Plant Safety Regulations
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 - 3.5 Health and Safety Arrangements and requirements for the Health & Safety File
 - 3.6 Vehicle and driver safety
 - 3.7 Eskom Life Saving Rules
 - 3.8 Thermal and Flash Suits – Personal Protective Equipment (if applicable)
 - 3.9 Plant safety regulations - Appointment of a Responsible Person, Appointed Person and/or an Authorised Supervisor - Rev 0 - May 2008
 - 3.10 Authorisation of contractors in term of ORHVS (Operating Regulations for High Voltage Systems) and PSR (Plant Safety Regulations)
 - 3.11 Barricading / Screens and Scaffolding
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4. Construction, Erection and Maintenance work on site
5. Use of Eskom Holdings SOC Limited's Tools and Equipment
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12. Rigging, working at elevated places and with mobile equipment
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19. Assessment and invoicing
20. Cost Price Adjustment (CPA) implementation
21. Invoice price versus order price
22. Labour

Legend for the contract persons under the NEC Family of Contracts:

Form of NEC Contract	Eskom Holdings Limited	The contract person representing Eskom Holdings Limited	The Contracting Party	Tick ✓ and highlight the box applicable to this Contract
ECC3 – The Engineering and Construction Contract	The <i>Employer</i>	The <i>Project Manager</i>	The <i>Contractor</i>	
ECSC3 – The Engineering and Construction Short Contract	The <i>Employer</i>	The <i>Employer's Representative</i>		
TSC3 – The Term Service Contract	The <i>Employer</i>	The <i>Employer's Representative</i>		
TSSC3 – The Term Service Short Contract	The <i>Employer</i>	The <i>Employer's Representative</i>	The <i>Contractor</i>	
PSC3 – The Professional Services Contract	The <i>Employer</i>	The <i>Employer's Agent</i>	The <i>Consultant</i>	

Legend for the contract persons under the Eskom Holdings SOC Limited Contracts:

Form of Eskom Holdings SOC Limited Contract	Eskom Holdings SOC Limited	The contract person representing Eskom Holdings Limited	The Contracting Party	Tick ✓ and highlight the box applicable to this Contract
Eskom's Standard Condition of Tendering	The <i>Purchaser</i>	The <i>End user</i>	The <i>Supplier</i>	
SC3 – The Supply Contract	The <i>Purchaser</i>	The <i>Purchaser's Representative</i>	The <i>Supplier</i>	
SSC3 – The Supply Short Contract	The <i>Purchaser</i>	The <i>Purchaser's Representative</i>	The <i>Supplier</i>	✓

1. The Contracting Party notes and complies with the following:

- a) Eskom Holdings Limited reserves the right to have any of the Contracting Party's personnel removed from site without cancelling the contract if, in Eskom Holdings SOC Limited's opinion, it is warranted.
- b) Eskom Holdings SOC Limited reserves the right to request disciplinary/corrective action if, and when, required.
- c) The Contracting Party operates under the direction and instructions of the Kendal Power Station Manager or such person/s as may be appointed by him if not in conflict with the Occupational Health and Safety Act and the Generation Plant and Safety Regulations.
- d) The Contracting Party maintains a high standard of workmanship expected by Eskom Holdings SOC Limited and complies with any quality assurance and quality procedures implemented by Eskom SOC Holdings Limited.
- e) The Contracting Party provides all overalls for his staff with clearly identifying motifs.
- f) The Contracting Party provides the necessary supervision to ensure that activities are conducted safely.

2. Security Arrangements:

- a) The Contracting Party applies for a photo permit (if on site for longer than two- (2) months) at Protective Services at the Kendal Power Station main security gate, prior to the start of any work on site.
- b) All Contracting Party's personnel are issued with a temporary access permit if not on site for at least two- (2) months which contains the following information:
 - Name
 - ID Number
 - Company
 - Validity date
- c) In order to assist Protective Services with the issuing of permits and the identification of personnel on site, the Contracting Party supplies a list of all personnel that he intends using on site, at least 24-hours prior to entry of the Kendal Power Station Security Area. This list is hand delivered to Protective Services, or can be faxed to (013) 647-9100. The list, identified with the Contracting Party's name, contains the following information:
 - Employee name
 - Employee ID Number
 - Signature of the contract person representing Eskom Holdings SOC Limited
 - Copy of the first page of the ID book of every employee of the Contracting Party
- d) The list of details is completed on the special form attached to the Contractor's Safety Manual, available on request from the contract person representing Eskom Holdings SOC Limited.
- e) The Contracting Party's personnel are required to be in possession of their Contractor's Permits at all times.
- f) All Contractor Permits are submitted to Protective Services when the relevant personnel leave the site after completion of the work.
- g) Lost permits are paid for by the Contracting Party to Protective Services at a cost of R200,00 per lost permit.
- h) The Contracting Party's visitors and all personnel conform at all times, to the security arrangements in force at the time. Application forms for visitors are filled in by the Contracting Party's Site Manager and approved by the contract person representing Eskom Holdings SOC Limited, one- (1) day before the visit and submitted to the Protective Services office. Visitors are not allowed on site if the necessary forms are not in the possession of security staff.
- i) The Chief of Protective Services may with valid cause remove any of the Contracting Party's personnel from the site, either temporarily or permanently. He may deny access to the site to any person, whom, in the opinion of the said Chief of Protective Services, constitutes a security risk.
- j) No unauthorised vehicles are allowed on site. Only the Contracting Party's vehicles with displayed Contract Vehicle Permit disks are allowed on site. Contract Vehicle Permit applications are directed to the contract person representing Eskom Holdings SOC Limited.
- k) The Contracting Party is restricted to the areas associated with his place of work. The Contracting Party is forbidden to enter any other areas, and ensures that his employees, subcontractors and/or sub consultants abide by these regulations.
- l) Parking inside the Kendal Power Station building is strictly forbidden, except for loading and off-loading purposes.
- m) No recruiting of labour, casual or otherwise, may be done on the Kendal Power Station premises, including the area outside the Kendal Power Station main security gate.

Health and Safety:

2.1. Plant Safety Regulations:

- a) Eskom Holdings SOC Limited, on request from the Contracting Party, isolates required plant from all sources of danger as described in the Plant Safety Regulations
- b) Eskom Holdings SOC Limited, on request from the Contracting Party, makes available a copy of the latest revision of the Plant Safety Regulations to the Contracting Party.
- c) The Contracting Party conforms to all rules and regulations applicable to Plant Safety and completes the Workman's Register prior to working on the plant.

2.2. Fire Precautions:

- a) Any tampering with Eskom Holdings SOC Limited's fire equipment is strictly forbidden.
- b) All exit doors, fire escape routes, walkways, stairways and stair landings and access to electrical distribution boards are kept free of obstruction and are used for work or storage at any time. Firefighting equipment remains accessible at all times.
- c) In case of fire, report the location and extent of the fire to the Kendal Power Station Electrical Operating Desk at 6795/6/7.
- d) Take the necessary action to safe guard the area to prevent injury and spreading of the fire.

2.3. Reporting of accidents:

Eskom Holdings SOC Limited follows an accident prevention policy that includes the investigation of all accidents involving personnel and property. This is done with the intention of introducing control measures to prevent a recurrence of the same incidents. The Contracting Party is expected to co-operate fully to achieve this objective. The Contractor shall notify the client of any incident occurring during the contract period preferable immediately/ before end of the shift and therefore submit the notification of the incident by means of flash report within 24 hours.

NOTE: This report does not relieve the Contracting Party of his legal obligation to report certain incidents to the Department of Labour, or to keep records in terms of the Occupational Health and Safety Act, and Compensation for Occupational Injuries and Diseases Act and Eskom incident management procedure 32-95.

2.4. Speed limit:

All vehicles are driven with due consideration for personnel and property. A maximum speed limit of 40 km per hour is adhered to on the Kendal Power Station premises at all times.

2.5. Health and Safety Arrangements:

- a) The Contracting Party ensures that all his personnel attend a Health and Safety Induction Course prior to starting with the work. A SHEQ induction session is provided by Eskom Holdings SOC Limited and is valid for the duration of one- (1) year.
- b) The Contracting Party complies with the guidelines set out in the provided SHE specification. The Contracting Party shall submit a health and safety file to the client for evaluation and approval by the Safety Risk Department before taking access of the areas associated with his place of work.
- c) Kendal Power Station Safety Risk Management reserves the right and authority to visit and inspect the Contracting Party's workplace or site establishment to ensure that tools, machinery and equipment comply with the minimum safety requirements.
- d) The contract person representing Eskom Holdings SOC Limited may instruct the Contracting Party to stop work, without penalty to Eskom Holdings Limited, where the Contracting Party's personnel fail to conform to safety standards or contravene health and safety regulations. The contract person representing Eskom Holdings SOC Limited may cause the Contracting Party to discipline his employees and to submit a disciplinary action report to Eskom Holdings SOC Limited. The Contracting Party implements additional health and safety precautions where necessary.
- e) The following Health & Safety requirements are also complied with:
 - i) The Contracting Party's proof of registration with the Compensation Commissioner and assessment of payment is verified.
 - ii) The Contracting Party demonstrates that all of his/her employees have been made aware and understand the risks and hazards associated with the type of work or activity to be carried out.
 - iii) The Contracting Party shall ensure that all employees performing work under his management have been trained and are competent to perform any work allocated to them.
 - iv) The Contracting Party demonstrates to Eskom Holdings SOC Limited that he/she is capable of providing adequate free issue (preferably SABS approved) Personal Protective Equipment (P.P.E.) for use by his employees.

- v) The Contracting Party obtains a Eskom OHS Act section 37(2) agreement to be signed at procurement during the signing of the NEC contract, it is the responsibility of the project manager to ensure that the 37(2) agreement is signed and a copy be kept in the contractor file at procurement.
- vi) All the Contracting Party's employees receive formal Safety Induction Training from SRM before commencement of work on site.
- vii) Noisy equipment and tools - no equipment or tools > 105dB (A) are supplied or used by the Contracting Party.
- viii) Contractors - the Principal Contractor (Contracting Party) states if the use of contractor/s are envisaged and who the contractor/s are. Proof is provided to Eskom Holdings SOC Limited that the sub-contractor/s has the necessary competence and resources to carry out the work safely and to ensure that the obligation of care to the environment is exercised.
- ix) The Contracting Party complies with medical examination processes.

2.6. Vehicle and driver safety

All drivers, passengers and pedestrians must obey all vehicle safety requirements in terms of the National Road Traffic Act, Act No 93 of 1996, as amended, including other relevant provincial or local requirements.

Transportation of passengers

- a) The contracting party shall comply with requirements National Road Traffic Act an OHS Act.
- b) All motor vehicles driven / operated by contractors within the contract shall, in all respects, comply with the National Road Traffic Act.
- c) Eskom does not approve the conveying of passengers in the back of vehicles designed to carry equipment/loads (any truck/trailer), irrespective of whether crew cabs are fitted and seating with four-point seat belts is fitted. Eskom procedure 240-62946386.

2.7. Eskom Life Saving Rules:

- a) Five Life Saving Rules have been developed that will apply to all Eskom Holdings SOC Limited employees, agents, consultants and contractors.
- b) Due to the importance to save life's and apparatus of Eskom it is recommended that if a contractor abuse any Life Saving rules, the affected work allocated to the contractor will immediately put on hold until final outcome with investigation. Safety is the combined responsibility of the team and therefore team leader or team will be disciplined together. There are five Life Saving rules that may not be broken by the Team Leader and his/her team.

The five Eskom Life Saving Rules are as follows:

Five Life Saving Rules have been developed that will apply to all Eskom Holdings SOC Limited employees, agents, consultants and contractors.

- **Rule 1:** Open, Isolate, Test, Earth, Bond, and/or Insulate before touch - that is any plant operating above 1 000 V.
- **Rule 2:** Hook up at heights - no person may work at height where there is a risk of falling.
- **Rule 3:** Buckle up – no person may drive any vehicle on Eskom business and/or on Eskom premises unless the driver and all passengers are wearing seat belts.

Eskom takes a "ZERO TOLERANCE" attitude to drivers and passengers who do not wear safety belts when driving in any vehicle on Eskom Business and/or on Eskom premises. The violation of this very important safety rule as well as any safety rule while performing work for or on behalf of Eskom may result in Eskom terminating your obligation to perform work in terms of your contract with Eskom.

All occupants must wear their safety belts properly, and must never put the shoulder belt under their arm or behind their backs. Drivers and all passengers must buckle-up at all times for the sake of themselves and their families.

- **Rule 4:** Be sober (no person is allowed to work under the influence of drugs or alcohol).
- **Rule 5:** Use a permit to work – where an authorization limitation exists, no person shall work without the required permit to work.

2.8. Thermal and Flash Suits – Personal Protective Equipment

The following Health & Safety requirements are also complied with:

a) Policy:

Generation Policy GGP 36-941 Rev 0 – “SAFETY MEASURES AND APPROVED PROTECTIVE CLOTHING AND PERSONAL PROTECTIVE EQUIPMENT AGAINST THERMAL HAZARDS OF AN ELECTRIC ARC FOR METAL CLAD SWITCHGEAR (UP TO 11Kv) NOT INTERNAL ARC PROOF” was issued in February 2008, and all Generation BU’s are to comply with it.

b) Standard:

Standard GGS 36-941 Rev 0 - “SAFETY MEASURES AND APPROVED PROTECTIVE CLOTHING AND PERSONAL PROTECTIVE EQUIPMENT AGAINST THERMAL HAZARDS OF AN ELECTRIC ARC FOR METAL CLAD SWITCHGEAR (UP TO 11Kv) NOT INTERNAL ARC PROOF” was issued in February 2008, and sets out the requirements to ensure safety with this plant.

c) Procedure:

A proper Procedure is required at each Station to ensure that all involved and affected staff are fully aware of the dangers attached to MV and LV Switchgear, and the approved methods of managing the risks involved.

For externally mounted Switchgear, GGS 36-942 prescribes the following standard Flash Protection Boundaries:

FLASH PROTECTION BOUNDRY	
VOLTAGE (VOLTS)	DISTANCE (METERS)
50 TO 750	0.9
750 TO 1,000	1.2
1,000 TO 11,000	4.8

2.9. Plant Safety Regulations - Appointment of a Responsible Person, Appointed Person and/or an Authorised Supervisor (Rev 0 - May 2008)

The OHSA states that anyone entering Eskom Holdings SOC Limited's premises must adhere to its set of regulations, i.e. Plant Safety Regulations, as Eskom Holdings SOC Limited is responsible for the Contractor’s safety while they are on Eskom Holdings SOC Limited’s sites.

It is required that all Contractors must appoint a Responsible Person or an Authorised Supervisor to supervise work done by the Contracting Party.

An Appointed Person can be appointed by the Contracting Party to do isolations if required.

2.9.1.Process to appoint a Responsible Person, Appointed Person and/or Authorised Supervisor

The Contracting Party will identify a person who will represent him as a Responsible Person, Appointed Person and/or an Authorised Supervisor. The Contracting Party may send more than one person for training.

The appointed person/s will be trained by Eskom Holdings SOC Limited. There are two Formal sets of training, i.e. Theoretical Training and Practical Training

2.9.2.Training

i) Practical training

The Contracting Party will send a representative for training to become a Responsible Person, an Appointed Person and/or an Authorised Supervisor to be instructed in the Practical aspects of the plant, Isolations, Plant Identification, Plant systems etc.

ii) **Theoretical training**

During his practical training period, the representative of the Contracting Party must attend a theoretical course of 5 days for a Responsible Person and 2.5 days for an Authorised Supervisor. From the time that the person has written the Exam for the theoretical test to the time that he must appear before the Authorisation Committee is three months.

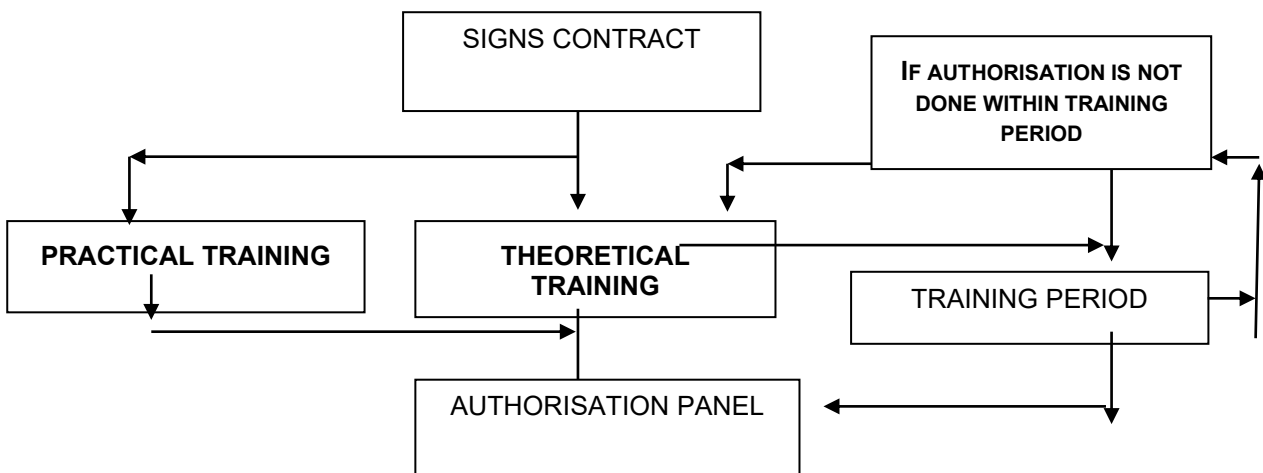
If he does not appear before the Authorisation Committee during the three months, he must redo the theoretical exam.

The duration and cost for Practical and Theoretical training, as a package, will be determined by Ms Matshego Koto (Legislation Instructor – Kendal Power Station).

She can be contacted at +27 13 647 6999, to arrange for training.

The costs will be handled as a compensation event.

2.9.3. Training process



3.9.3.1 Costs related to training

The Contracting Party will be responsible for all costs related to the training. The costs must be shown separately in the price list.

3.9.3.2 Accreditation and validity period and area

A certificate will be issued to the Responsible Person, an Appointed Person and/or an Authorised Supervisor which will be valid for 2 years and it will only be applicable to Kendal Power Station.

If a person who is authorised moves from one Contracting Party to another, his/her authorisation automatically lapses.

3.9.3.3 Contact Person - Kendal Power Station

Ms Matshego Koto (Legislative Instructor - Kendal Power Station) is the custodian at Kendal Power Station for the above training and accreditation and he can be contacted at Tel +27 13 647 6999.

No work will be done at Kendal Power Station by the Contracting Party if he did not appoint an accredited Responsible Person for Kendal Power Station.

2.10. Authorisation of contractors in term of ORHVS (Operating Regulations for High Voltage Systems) and PSR (Plant Safety Regulations):

2.11.

Eskom Holdings SOC Limited employs many contractors to work not only on new installations but to a greater extent on existing plant and networks and the contractors are therefore required to comply with Eskom Holdings SOC Limited's relevant regulations.

To enable contractor's staff to be authorized as responsible persons or other authorizations in terms of the ORHVS, PSR, and Directive ESKADAAU4 there has been much speculation as to what the requirements are in terms of the OHS act.

In order to clarify these issues, many discussions with our Legal department and consulting advocates had taken place and the following are minimum requirements to ensure that reasonable steps are taken.

1. It is absolutely necessary at the outset to stipulate in the tender documents what the requirements are in terms of the ORHVS and PSR. These requirements must include (inter alia):
 - Competencies required of the contractor or their employees.
 - What knowledge of the ORHVS and PSR parts thereof, is required by the relevant persons.
 - The scope of the contractor's responsibilities in terms of any authorizations.
 - What the contractor will be required to satisfy with respect to the requirements of the OHS Act.
2. Contracts shall include:
 - In terms of Section 37(2) of the OHS Act an agreement to ensure compliance by the mandatory with the provisions of the Act. It is not possible to quote a single standard that will cater for all contracts. Each contract shall be handled on a case by case basis.
 - The above-mentioned requirements that were requested in the call for Tender.
 - The contractor's person designated in terms of Section 16 of the Act. The contractor shall also declare in writing their employees competent in terms of the relevant requirements.
3. Once a contract is awarded, the Eskom Holdings SOC Limited person designated in terms of the General Machinery Regulation 2, shall ensure the following before work in terms of the ORHVS and PSR is done.
 - The contractor or their employees shall be evaluated against the scope of authorization.
 - The Eskom Holdings SOC Limited regulations applicable to the scope of the work to be done shall be handed to the contractor. Depending on the nature of the contract it may be beneficial for the contractor's person/s requiring authorization to attend the relevant formal regulation course.
 - With regard to the actual authorization the contractor shall declare in writing their Section 16 appointee competent and define the extent of his responsibility. The Eskom Holdings SOC Limited GMR2 appointee shall approve the acceptability of the contractor's Responsible Person (Section 16 appointee) or shall authorize any other duties in terms of the ORHVS and PSR as per ESKADAAU4.
 - All authorizations shall be for specific contracts and limited to a specific time frame.
 - Notwithstanding the Section 37(2) agreement that was concluded between Eskom Holdings SOC Limited and the contractor, Eskom Holdings SOC Limited is not absolved from a "Duty of Care" requirement over the "mandatory". This implies that for example, when contractors are working on, or in close proximity to Eskom Holdings SOC Limited's live apparatus they shall be supervised to the extent of what would be considered reasonable.

2.12. Barricading / Screens and Scaffolding:

The Contracting Party provides and installs barricades and warning devices to ensure that equipment and persons are not exposed to danger or to prevent access to dangerous areas. Eskom Holdings SOC Limited supplies scaffolding. Arrangements of such are made at least one-(1) week in advance by the Contracting Party. (Tampering of any approved scaffold is not allowed for any adjustments – The contract person representing Eskom Holdings SOC Limited is notified for any adjustments.

2.13. Asbestos (if applicable):

- a) All stripping of asbestos material shall be undertaken strictly in accordance with the Eskom Holdings SOC Limited Procedure OVP76 HSPHRN 00 00 5 and other relevant standards and updates, with special reference to the asbestos regulations according to the Occupational Health and Safety Act number 85 of 1993.
- b) The contract person representing Eskom Holdings SOC Limited advises the Contracting Party whether areas that are to be stripped of lagging have been identified as containing asbestos. If the Contracting Party is not sure whether lagging contains asbestos, he is to notify Safety Risk Management who will identify whether the lagging contains asbestos.
- c) The Contracting Party shall be obliged to ascertain from the contract person representing Eskom Holdings SOC Limited in advance whether areas required to be stripped are non-asbestos. Any contractor, other than the contractor appointed to remove asbestos shall strip lagging material containing asbestos fibres.
- d) The contractor appointed to remove asbestos, may not begin removal without first obtaining the necessary permission from the Inspector of Labour and Risk Management.

3. Construction/ Erection/ Maintenance work on site:

- a) The Contracting Party is responsible for the provision of all or any temporary or expendable materials required allowing for storage of material.
- b) The Contracting Party is responsible for the safeguarding, care and security of all items whilst in the Contracting Party's custody and control, until completion of the work.
- c) The Contracting Party is responsible for all cramage and equipment that is required to complete the work.
- d) The Contracting Party is responsible to check and verify correctness of civil work installed by others prior to commencement of installation/erection.
- e) The Contracting Party is responsible for the repair, replacement or correction as necessary of any and all items of plant and/or materials supplied by Eskom Holdings SOC Limited, which are damaged and/or lost while in the Contracting Party's custody and control.
- f) The site where the work was done must be clean when the Contracting Party leaves Eskom's premises.

5. Use of Eskom Holdings SOC Limited's Tools and Equipment:

- a) For the purpose of expediting the work, Eskom Holdings SOC Limited may make facilities and services available to the Contracting Party at no cost to the Contracting Party. The Contracting Party will not receive any reimbursement or make any change to the beneficial use of the facilities or services.
- b) Eskom Holdings SOC Limited may allow the Contracting Party, for the execution of the work, the reasonable use of its workshop, cranes, tools and equipment, provided that the Eskom Holdings SOC Limited's own work and business are not interfered with in any manner by such use. The Contracting Party shall leave all workshops, cranes, tools and equipment in as good a condition as he found them, fair wear and tear excepted, and shall be liable for any damages as a result of any act of negligence by the Contracting Party, his employees or sub-contractor while using such workshop, cranes, tools and equipment.
- c) The Contracting Party is responsible for the repair, replacement or correction as necessary of all pieces of tools and equipment supplied by Eskom Holdings Limited which are damaged and/or lost whilst in the Contracting Party's custody and control.
- d) The Contracting Party ensures that any one of his employees or subcontractor, operating hoist equipment belonging to Eskom Holdings SOC Limited, is authorised by the Contracting Party.

6. Plant Identification Labels:

The Contracting Party replaces or repairs all plant identification labels that are removed or damaged during the execution of the work.

7. Quality Requirements:

- a) A quality requirement for Engineering and Construction Works QM 58 is adhered to. This document is available on request, from the contract person representing Eskom Holdings SOC Limited.

8. Waste Disposal:

All waste introduced to and/or produced on Eskom Holdings SOC Limited's premises by the Contracting Party for this contract, is handled in accordance with the minimum requirements for the Handling and Disposal of Hazardous Waste in terms of Government Legislation as proclaimed by the Department of Water Affairs and Forestry Act, 1994 Ref: ISBN0621-16296-5.

9. Hazardous substances

If any products used by the Contracting Party are classified as a hazardous substance, Material safety data sheet, must accompany delivery in accordance with the Occupational Health and Safety Act (OHSA), Act 85 of 1993 section 10 and Hazardous chemical substance regulations. If any hazard is identified by the Contracting Party, he immediately informs the contract person representing Eskom Holdings SOC Limited.

The Contracting Party must make sure that hazardous waste is not dumped in improper areas at the Station, it should be handled according to the above Act. The site where the work was done must be clean when the Contracting Party leaves Eskom's premises.

10. Environmental Requirements:

The Contracting Party ensures that the following environmental requirements are complied with at all times:

- Environmental Management System (ISO 14001, 2015)
- Kendal Waste and Recycling Management Work Instruction (*1024102). All waste must be disposed in a legal manner and environmental department must be provided with a waste manifest and safe disposal certificate.
- Non-Conformance, corrective and preventive Action *1017357.
- Environmental Legal and other requirements *1015685.
- Environmental communication *1015692.
- Environmental Management procedure for contractors *1018332.
- The contractor must have an oil spill kit on site and a trained person in oil spillage management.
- The contractor must provide the department with Environmental file which must be checked and approved by environmental department before the contractor can start to work.
- The contractor must report any Environmental incident immediately to environmental department.
- No water shall be drained into the clean water dam/ storm water drains.

11. Contracting Party terms and conditions of employment

The terms and conditions of employment of the Contracting Party is made available to the contract person representing Eskom Holdings SOC Limited before any work commences.

12. Rigging, working at elevated places and with mobile equipment

The Contracting Party ensures that:

- a) All the necessary resources (people, materials and tools, etc) are available.
- b) All his employees who are appointed in terms of the OHS Act are trained and made aware of their legal liabilities (16(2)'s, etc.)
- c) All supervisors and drivers are trained in the HIRA technique of risk assessment.
- d) Where applicable, special tools/auxiliary equipment such as tractors, trailers, cranes and any mobile equipment are inspected and declared fit and roadworthy for the task at hand.
- e) Adequate Risk Assessments are conducted in advance to identify all the anticipated hazards associated with the task/activity. Special attention is given to rigging, working at elevated places and with mobile equipment.

- f) Pre-job briefs are conducted before commencement of the planned activities. The detail of the task and the details of the anticipated hazards are explained and mitigation measures are understood by all.
- g) During the task execution regular job observations by the incumbent supervisor takes place, especially where high risks had been anticipated.
- h) For each task/activity the relevant Procedure/Works Instruction is current and approved.

13. Accommodation:

Eskom Holdings SOC Limited does not supply accommodation. The Contracting Party provides accommodation for his employees and the cost for this is deemed to be included in the contract prices.

14. Messing Facilities:

Eskom Holdings SOC Limited does not provide meals. The Contracting Party provides meals for his employees and the cost for this is deemed to be included in the contract prices. However, the Contracting Party can make use of the Tuck-shop on site.

15. Medical Facilities:

Eskom Kendal Power Station Medical Centre and Ambulance assistant facilities are available for incidents occurring within Kendal Power Station Boundaries.

Eskom Kendal Power Station Medical Centre is entitled however to recover the reasonable costs incurred in respect thereof from the Contracting Party.

After-hours all incident must be reported to Kendal Power Station Electrical Operating desk 013 647 6795, Internal Pax 7911.

16. Scrap Removal

Scrap bins are provided at set points. These are for scrap metal only and not for cement or any other form of debris. The Contracting Party takes cognizance of the fact that scrap metal and rubber are stored in two different locations.

17. Irregularities

In accordance with Eskom's Directive "ESKADABK9 - Protecting Disclosure of Crime and Irregularities in the Workplace", the Contracting Party is encouraged to report any crime and irregularities in accordance with the provisions of the Protected Disclosures Act 26 of 2000 as follows:

1. You may direct any concerns or process related queries, in writing, to the Kendal Power Station Manager.
2. Kindly include the following information with your concerns:
 - 2.1: Enquiry or Purchase orders number (if available).
 - 2.2: Date of enquiry or purchase order.
 - 2.3: Name of person or buyer.
3. Contact details of the Kendal Power Station Manager is as follows:
Kendal Power Station
The General Manager Acting
Mr T Lekalakala
Private Bag X7272
Witbank
1035 Mpumalanga
Fax: 013 647 9115
4. Alternatively, to disclose any concerns or process related queries you may contact:
Eskom's Corporate Investigations and Security
Phone toll free: 0800 11 27 22
Speak to a person: (011) 800 4444
Via the Internet: ciands@eskom.co.za

All information will be handled and dealt with extreme confidentiality.

18. Abuse of alcohol and/or intoxicating substances

Eskom Kendal Power Station will test the Contracting Party's employees for being under the influence of alcohol and/or intoxicating substances on an ad hoc basis. The Contracting Party informs his employees that such behaviour is in contravention of the Occupational Health and Safety Act and Eskom Life Saving Rules Procedure (Rule 4 :Be Sober). The Contracting Party shall enforce compliance to these rules and implement disciplinary measures where the rules are contravened. Should such behaviour persist, Eskom Holdings SOC Limited reserves the right to review this contract. The Contracting Party's co-operation in this regard is paramount.

19. Assessment and Invoicing

To enable payment, the Contracting Party ensures conformance to the following:

- An official 4500..... Order Number is available BEFORE commencing work.
- An assessment is jointly completed by the contract person representing Eskom Holdings Limited and the Contracting Party and that they are in agreement on at least the following:
 - * Completed scope
 - * Completed quantity
 - * Value of work completed
- Preparation of an invoice in accordance with the assessment and deliver it directly to the Accounts Payable Department at the Commercial Building, Kendal Power Station.
- A copy of the invoice is forwarded to the contract person representing Eskom Holdings SOC Limited.

Invoices - Value-Added Tax Act No 89 of 1991 (the VAT Act)

A valid invoice is an invoice that corresponds per line to the applicable valid order, complies with all tax law requirements and is addressed to Eskom Holdings SOC Limited for attention, Kendal Power Station.

Particulars to be included on the Contracting Party's Tax Invoice:

Contract number and/or Order number

The word "TAX INVOICE" in a prominent place (preferably at the top of the page)

An individual serial number (tax invoice number)

Name, address and VAT registration number of the Contracting Party *

Name, address and VAT registration number of Eskom Holdings SOC Limited *
(Eskom Holdings SOC Ltd, Kendal Power Station - VAT No 4740101508)

Date of issue of Tax Invoice

A full and proper description of goods delivered and/or service/s rendered

Quantity or volume of goods or services supplied *

Where the supply is subject to VAT at the standard rate, the following in Rand:

- The value, VAT amount and consideration OR
- The total consideration with a statement that VAT is included @ 15% OR
- The total consideration and the amount of VAT charged

Address where service was rendered

Value and VAT amount

Task Order number

Discounts

- * These two requirements do not apply where the consideration (VAT inclusive amount) is less than R3 000,00.

Scanned tax invoices sent by e-mail are not acceptable to Eskom Holdings SOC Limited- only original tax invoices are considered for payment.

Address where invoices are to be forwarded

invoiceseskomlocal@eskom.co.za

20. Cost Price Adjustment (CPA) implementation

If CPA is applicable, the contract person representing Eskom Holdings SOC Limited and the Contracting Party confirms the increase/decrease with the buyer BEFORE the revised prices are stated on the Invoice.

21. Invoice price versus order price

It is important that the value stated on the Invoice corresponds with the Order. If the Invoice value is different to the Order value payment is likely to be delayed. The Contracting Party confirms that there are no discrepancies on the Invoice to ensure timely payment in accordance with the contractual terms of payment. Any discrepancies are resolved by the Contracting Party with the Buyer BEFORE it is submitted for payment.

22. Labour

All labour laws must be adhered to.

C4: Site Information

1. General

The Power Station is situated approximately 40 km outside Witbank in the Mpumalanga. It is approximately 100 km from Johannesburg in Gauteng, 10 km of the N12 freeway.

2. Climate

Kendal Power Station is situated in a summer rainfall area with an average annual precipitation of about 750 mm falling almost entirely during the months of October to April. The average rainfall per month generally exceeds 40 mm during this period, although drought periods do occur which can last for 20 days or longer. Drought periods occur most frequently during the months of October/November and March/April. January is statistically the highest rainfall month with an average monthly rainfall of about 130 mm. June has the lowest rainfall with an average monthly rainfall of about 7 mm.

Approximately 85% of the annual rainfall occurs in the summer months and heavy falls of 125 to 150 mm occasionally occur in a single day. The annual average number of thunderstorms is about 75. These storms are often violent with severe lightning and strong (but short-lived) gusty winds and are sometimes accompanied by hail. This region has among the highest hail frequencies in South Africa; about 4 to 7 occurrences (depending mainly on altitude) may be expected annually.

January is normally the hottest month with an average daily maximum temperature of 27°C with a mean daily temperature in winter being about 16°C. Winter average daily temperatures vary from 18.5°C maximum to -1°C minimum. The extreme temperatures recorded range from 34.7°C to -12.4°C for the period 1920 - 1984. (Source: Weather Bureau, Pretoria)

Winds are generally light to moderate except during thunderstorms. Generally the prevailing wind directions are from the North West during the day and from the east at night. During daytime, the prevailing winds are from the north western sector. During night time, the prevailing winds are from the north eastern sector. The highest recorded wind speeds are on average 17.6 km/hour. The average wind velocity over the year is 14.5 km/hour.

Evaporation for the area is in the range of 75 mm to 190 mm per month, with an average monthly evaporation at the Station B 1E 001 (Witbank Dam) of 127 mm for a precipitation of 58 mm from 1963 to 1989. The highest evaporation occurs in December, and the lowest in June.

Kendal power Station has an Environmental Monitoring Station within 5 kilometres of the Site. The Station measures hourly wind speed, temperature and other parameters. Data from this Station is available on request.