



NEC3 Supply Contract (SC3)

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

and **Insert at award stage]**
(Reg No. _____)

for **The Supply and delivery of Induced Draught Fan
Blades for the Outage Department at Kusile Power
Station**

Contents:

- Part C1 Agreements & Contract Data**
- Part C2 Pricing Data**
- Part C3 Scope of Work**

CONTRACT No.

PART C1: AGREEMENTS & CONTRACT DATA

Contents:

C1.1 Form of Offer and Acceptance

C1.2a Contract Data provided by the *Purchaser*

C1.2b Contract Data provided by the *Supplier*

C1.3 Proforma Guarantees

C1.1 Form of Offer & Acceptance

Section 1.01 Offer

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

The Supply and delivery of Induced Draught Fan Blades for the Outage Department at Kusile Power Station

The tenderer, identified in the Offer signature block, 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
(in words).	

This Offer may be accepted by the Purchaser by signing the Acceptance part of this Form of Offer and Acceptance and returning one copy of this document including the Schedule of Deviations (if any) to the tenderer before the end of the period of validity stated in the Tender Data, or other period as agreed, whereupon the tenderer becomes the party named as the *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

Section 1.02 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 C1 Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
- Part C2 Pricing Data
- Part C3 Scope of Work: Goods Information including Supply Requirements

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

Deviations from and amendments to the documents listed in the Tender Data and any addenda thereto listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the 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.

The tenderer shall within two weeks 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 and signed original copy of this document, including the Schedule of Deviations (if any).

Signature(s)

Name(s)

Capacity

Power Station Manager: Kusile

**for the
Purchaser**

**Eskom Holdings SOC Ltd, Megawatt Park, Maxwell Drive, Sandton, Johannesburg,
2199**

(Insert name and address of organisation)

Name &
signature of
witness

Date

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

Section 1.03 Schedule of Deviations to be completed by the *Purchaser* prior to contract award

No.	Subject	Details
1	[•]	[•]

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.

(i) For the tenderer:

(ii) For the Purchaser

Signature	.....	.....
Name	.....	.....
Capacity	.....	Power Station Manager: Kusile
On behalf of	.....	Eskom Holdings SOC Ltd, Megawatt Park, Maxwell Drive, Sandton, Johannesburg, 2199
Name & signature of witness	.....	.....
Date	.....	.....



C1.2 SC3 Contract Data

Part one - Data provided by the *Purchaser*

Clause	Statement	Data
1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for Options	
		X1: Price adjustment for inflation X2: Changes in the law X7: Delay damages Z: Additional conditions of contract
	of the NEC3 Supply Contract (April 2013) ¹	(If the December 2009 edition is to be used delete April 2013 and replace by December 2013)
10.1	The <i>Purchaser</i> is (name): Address Tel No. Fax No.	Eskom Holdings SOC Ltd (reg no: 2002/015527/30), a state owned company incorporated in terms of the company laws of the Republic of South Africa Registered office at Megawatt Park, Maxwell Drive, Sandton, Johannesburg
10.1	The <i>Supply Manager</i> is (name): Address Tel Fax e-mail	Kusile Power Station
11.2(13)	The <i>goods</i> are	Induced draught fan blades
11.2(13)	The <i>services</i> are	Supply and delivery
11.2(14)	The following matters will be included in the Risk Register	Delays on delivery
11.2(15)	The Goods Information is in	Part 3: Scope of Work and all documents and drawings to which it makes reference.
11.2(15)	The Supply Requirements as part of the Goods Information is in	Annexure A to this Contract Data
12.2	The <i>law of the contract</i> is the law of	the Republic of South Africa

¹ Available from Engineering Contract Strategies Tel 011 803 3008 Fax 086 539 1902, www.ecs.co.za.

13.1	The <i>language of this contract</i> is	English				
13.3	The <i>period for reply</i> is	Two working days				
2	The <i>Supplier's</i> main responsibilities	Data required by this section of the core clauses is provided by the <i>Supplier</i> in Part 2 and terms in italics used in this section are identified elsewhere in this Contract Data.				
3	Time					
30.1	The <i>starting date</i> is.					
30.1	The <i>delivery date</i> of the <i>goods and services</i> is:	<table border="1"> <thead> <tr> <th><i>goods and services</i></th> <th><i>delivery date</i></th> </tr> </thead> <tbody> <tr> <td>Induced draught fan blades</td> <td>As per batch order</td> </tr> </tbody> </table>	<i>goods and services</i>	<i>delivery date</i>	Induced draught fan blades	As per batch order
<i>goods and services</i>	<i>delivery date</i>					
Induced draught fan blades	As per batch order					
30.2	The <i>Supplier</i> does not bring the <i>goods</i> to the Delivery Place more than one week before the Delivery Date.	[no data required]				
31.1	The <i>Supplier</i> is to submit a first programme for acceptance within	N/A				
32.2	The <i>Supplier</i> submits revised programmes at intervals no longer than	N/A				
4	Testing and defects					
42	The <i>defects date</i> is	52 weeks after Delivery.				
43.2	The <i>defect correction period</i> is	1 (One) week				
	except that the <i>defect correction period</i> for	N/A				
	and the <i>defect correction period</i> for	N/A				
42.2	The <i>defects access period</i> is	2 days				
	except that the <i>defect access period</i> for	N/A				
	and the <i>defect access period</i> for	N/A				
5	Payment					
50.1	The <i>assessment interval</i> is	Assessment will be done after every delivery				
51.1	The <i>currency of this contract</i> is the	South African Rand				
51.2	The period within which payments are made is	30 days				
51.4	The <i>interest rate</i> is	the publicly quoted prime rate of interest (calculated on a 365 day year) charged from time to time by the Standard Bank of South Africa Limited (as certified, in the event of any dispute, by any manager of such bank, whose appointment it shall not be necessary to prove) for amounts due in Rands and				

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

6	Compensation events	N/A.
7	Title	There is no reference to Contract Data in this section of the core clauses and terms in italics used in this section are identified elsewhere in this Contract Data.
8	Risks, liabilities, indemnities and insurance	
80.1	These are additional <i>Purchaser's</i> risks	1. Unloading of goods at delivery place.
84.1	The <i>Purchaser</i> provides these insurances from the Insurance Table	See notes about <i>Purchaser</i> provided insurance in Annexure B to this Contract Data
	1. Insurance against	Loss of or damage to the <i>goods</i>, plant and materials.
	Cover / indemnity is	Overseas shipment / transit insurance (only) to cover events at the <i>Supplier's</i> risk (if any) after the <i>goods</i> have left the <i>Supplier's</i> overseas premises. See notes in Annexure B
		If this contract includes the supervision of installation, testing, commissioning or building work at the <i>Purchaser's</i> premises, the <i>Purchaser</i> also provides cover for physical loss of or damage to the <i>Purchaser's</i> surrounding property including any temporary work required to complete the Delivery.
	The deductibles are	See notes in data for clause 88.2 below and Annexure B
84.1	The <i>Supplier</i> provides these additional insurances	See notes in Annexure B
84.2	The minimum amount of cover for loss of or damage to any plant and materials provided by the <i>Purchaser</i> is:	Replacement value of the batch order is equal to the value to what Eskom has purchased the delivery with equipment
84.2	The minimum limit of indemnity for insurance in respect of loss of or damage to property (except the <i>goods</i> , plant and materials and equipment) and liability for bodily injury to or death of a person (not an employee of the <i>Supplier</i>) caused by	whatever the <i>Supplier</i> deems necessary in addition to that provided by the <i>Purchaser</i> for any one event with cross liability so that the insurance applies to the Parties separately. However if the <i>Supplier</i> is exposed to damage to the

	activity in connection with this contract for any one event is:	<p>Purchaser's property the cover limit amount is not less than</p> <ul style="list-style-type: none"> • R15 million (fifteen million Rand) for exposure to Generation Division property; <p>for any one occurrence or series of occurrences arising out of one event but unlimited during the period of insurance.</p>
84.2	The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the <i>Supplier</i> arising out of and in the course of their employment in connection with this contract for any one event is:	<p>As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 and the Contractor's common law liability for people falling outside the scope of the Act with a limit of Indemnity of not less than R500 000 (five hundred thousand Rand).</p>
88.1	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	<p>R0.0 (zero Rand)</p>
88.2	For any one event, the <i>Supplier's</i> liability to the <i>Purchaser</i> for loss of or damage to the <i>Purchaser's</i> property is limited to	<p>(1) for the Purchaser's existing and surrounding property in the care, custody and control of the Supplier the amount of the deductible (first amount payable) relevant to the event described in the "Format A" / "Format B" / "Format Dx" {choose the applicable format, then delete the others and this note}, insurance policy available on http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx</p> <p>and</p> <p>(2) for all other existing Purchaser's property the highest applicable deductible (first amount payable) namely:</p> <ul style="list-style-type: none"> • R15 million (fifteen million Rand) for Generation Division property; <p>See notes in Annexure B</p>
88.3	The <i>Supplier's</i> liability for Defects due to his design which are not notified before the last <i>defects date</i> is limited to:	<p>Equal to total batch purchased value</p>
88.4	The <i>Supplier's</i> total liability to the <i>Purchaser</i> , for all matters arising under or in connection with this contract, other than the excluded matters, is limited to	<p>Equal to total batch purchased value</p>
88.5	The <i>end of liability date</i> is	<p>Until product is utilised the period of warranty of the product should commence from the date of use or installation of the product because we cannot determine if the goods were defect or not unless they were in use. As long as the one can objectively determine the date of use or installation and for as long as the goods were not stored for an unreasonably long period in good conditions of storage.</p>
9	Termination and dispute resolution	
94.1	The <i>Adjudicator</i> is	<p>the person selected from the ICE-SA Division (or its</p>

		successor body) of the South African Institution of Civil Engineering Panel of Adjudicators by the Party intending to refer a dispute to him. (see www.ice-sa.org.za). If the Parties do not agree on an Adjudicator the Adjudicator will be appointed by the Arbitration Foundation of Southern Africa (AFSA).
94.2(3)	The <i>Adjudicator nominating body</i> is:	the Chairman of ICE-SA, a Division of the South African Institution of Civil Engineering, or its successor body (See www.ice-sa.org.za)
94.4(2)	The <i>tribunal</i> is:	arbitration
94.4(5)	The <i>arbitration procedure</i> is	the latest edition of Rules for the Conduct of Arbitrations published by The Association of Arbitrators (Southern Africa) or its successor body.
94.4(5)	The place where arbitration is to be held is	Johannesburg South Africa
	The person or organisation who will choose an arbitrator	
	- if the Parties cannot agree a choice or	the Chairman for the time being or his nominee of the Association of Arbitrators (Southern Africa) or its successor body.
	- if the arbitration procedure does not state who selects an arbitrator, is	

10 Data for Option clauses

X1	Price adjustment for inflation		
X1.1	The <i>base date</i> for indices is	The month prior the enquiry closing	
	The proportions used to calculate the Price Adjustment Factor are:	proportion	linked to index for
			Index prepared by
		0.	[•] [•]
		0.	[•] [•]
		0.	[•] [•]
		0.	[•] [•]
		0.	[•] [•]
		15	non-adjustable
		1.00	
X2	Changes in the law		
X2.1	A change in the law of	Republic of South Africa is a compensation event if it occurs after the Contract Date	
X3	Multiple currencies		
X7	Delay damages		
X7.1	Delay damages for Delivery are	0.5% (zero point five per centum) increments of the batch order value per calendar day late, until damages have accumulated to 10% of the batch order.	
Z	The additional conditions of contract		

are

Z1 to Z12 always apply for Eskom

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.

Z2 Joint ventures

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

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

- Z3.1 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.
- Z3.2 The *Supplier* is required to submit an updated verification certificate and necessary supporting documentation confirming the change in his B-BBEE status to the *Supply Manager* within thirty days of the notification or as otherwise instructed by the *Supply Manager*.
- Z3.3 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 and Services.
- Z3.4 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 P1, P2 and P3 as stated in clause 92, and the amount due is A1 and A3 as stated in clause 93.

Z4 Ethics

- Z4.1 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 and Services or taking any other action as appropriate against the *Supplier* (including civil or criminal action).
- Z4.2 The *Purchaser* may terminate the *Supplier's* obligation to Provide the Goods and Services 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.

Z4.3 Notwithstanding the provisions of core clause 90.2, the procedures on termination in terms of this clause are P1, P2 and P3 as stated in the core clause 92 and the amount due is A1 and A3 as stated in core clause 93.

Z5 Confidentiality

- Z5.1 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 in terms of clause 23.1, the *Supplier* ensures that the provisions of this clause are complied with by the recipient.
- Z5.2 If the *Supplier* is uncertain about whether any such information is confidential, it is to be regarded as such until notified otherwise by the *Supply Manager*.
- Z5.3 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.
- Z5.4 The taking of images (whether photographs, video footage or otherwise) of the *goods* or any portion thereof, in the course of Providing the Goods and Services and after Delivery, requires the prior written consent of the *Supply Manager*. All rights in and to all such images vests exclusively in the *Purchaser*.
- Z5.5 The *Supplier* ensures that all his subcontractors abide by the undertakings in this clause.

Z6 Waiver and estoppel: Add to core clause 12.3:

- Z6.1 Any extension, concession, waiver or relaxation of any action stated in this contract by the Parties, the *Supply Manager* or the *Adjudicator* does not constitute a waiver of rights, and does not give rise to an estoppel unless the Parties agree otherwise and confirm such agreement in writing.

Z7 Health, safety and the environment: Add to core clause 25.4

- Z7.1 The *Supplier* undertakes to take all reasonable precautions to maintain the health and safety of persons in and about the provision of the *goods* and execution of the *services*.

Without limitation the *Supplier*:

- warrants that the total of the Prices as at the Contract Date includes a sufficient amount for proper compliance with all applicable health & safety laws and regulations and the health and safety rules, guidelines and procedures provided for in this contract and generally for the proper maintenance of health & safety in and about the execution of supply and
- undertakes, in and about the execution of the supply, to comply with all applicable health & safety laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures that his Subcontractors, employees and others under the *Supplier's* direction and control, likewise observe and comply with the foregoing.

- Z7.2 The *Supplier*, in and about the execution of the supply, complies with all applicable environmental laws and regulations and rules, guidelines and procedures otherwise provided for under this contract and ensures

that his Subcontractors, employees and others under the *Supplier's* direction and control, likewise observe and comply with the foregoing.

Z8 Provision of a Tax Invoice and interest. Add to core clause 51

- Z8.1 Within one week of receiving a payment certificate from the *Supply Manager* in terms of core clause 51.1, the *Supplier* provides the *Purchaser* with a tax invoice in accordance with the *Purchaser's* procedures stated in the Goods Information, showing the amount due for payment equal to that stated in the payment certificate.
- Z8.2 If the *Supplier* does not provide a tax invoice in the form and by the time required by this contract, 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.
- Z8.3 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.

Z9 Notifying compensation events

- Z9.1 Delete from the last sentence in core clause 61.3 the words, "unless the event arises from the *Supply Manager* giving an instruction, changing an earlier decision or correcting an assumption".

Z10 Purchaser's limitation of liability

- Z10.1 The *Purchaser's* liability to the *Supplier* for the *Supplier's* indirect or consequential loss is limited to R0.00 (zero Rand)
- Z10.2 The *Supplier's* entitlement under the indemnity in 83.1 is provided for in 60.1(12) and the *Purchaser's* liability under the indemnity is limited.

Z11 Termination: Add to core clause 91.1, at the second main bullet point, fourth sub-bullet point, after the words "against it":

- Z11.1 or had a business rescue order granted against it.

Z12 Addition to secondary Option X7 Delay damages (if applicable in this contract)

- Z12.1 If the amount due for the *Supplier's* payment of delay damages reaches the limits stated in this Contract Data for Option X7, the *Purchaser* may terminate the *Supplier's* obligation to Provide the Goods and Services using the same procedures and payment on termination as those applied for reasons R1 to R15 or R18 stated in the Termination Table.

Annexure A: Supply Requirements

[Notes: The example given in the NEC3 Supply Contract Guidance Notes pages 15 to 20 inclusive is based on Incoterms 2000. However users will probably wish to use Incoterms 2010 which the details below are based on. Users may need to adjust the information to comply with actual requirements. First decide whether Incoterms will be used or not, then delete the arrangement below which does not apply and delete these notes]

The Supply Requirements for this contract are based on the use of INCOTERMS:

The *Supplier* supplies the *goods* in accordance with INCOTERMS 2010² as follows:

[Select the group and then term within the group which applies and state the applicable delivery place. Delete all the other groups and this note]

Group	Category	Term	Delivery Place
E	departure	EXW	
F	main carriage unpaid	FCA, FAS, FOB	
C	main carriage paid	CFR, CIF, CPT, CIP	
D	arrival	DAT, DAP, DDP	

The Parties obligations described in Incoterms for the category and term selected are now incorporated into this contract as part of the Supply Requirements and hence the Goods Information.

The obligations of seller and buyer for the selected Incoterm determine each Party's costs, risks and insurance requirements incidental to the supply and transport of the *goods* from *Supplier* to *Purchaser*.

For each of the thirteen terms, Incoterms set out obligations of the seller (the *Supplier*) in ten paragraphs identified as A1 to A10 and the corresponding obligations of the buyer (the *Purchaser*) in paragraphs B1 to B10. These obligations cover the following subjects:

A	The <i>Supplier's</i> obligations	B	The <i>Purchaser's</i> obligations
A1	Provision of goods in conformity with contract	B1	Payment of the price
A2	Licences, authorisations and formalities	B2	Licences, authorisations and formalities
A3	Contracts of carriage and insurance	B3	Contracts of carriage and insurance
A4	Delivery	B4	Taking delivery
A5	Transfer of risks	B5	Transfer of risks
A6	Division of costs	B6	Division of costs
A7	Notice to the buyer	B7	Notice to the seller
A8	Proof of delivery, transport document or equivalent electronic message	B8	Proof of delivery, transport document or equivalent electronic message
A9	Checking - packing - marking	B9	Inspection of goods
A10	Other obligations	B10	Other obligations

[Should there be a need to amplify any of the published obligations listed above for the chosen INCOTERM, add them here.]

All other information NOT pertinent to the above is given in the balance of the Goods Information

² International Chamber of Commerce, Incoterms 2010, Paris, January 2011

The Supply Requirements for this contract are as follows:

[Use these when INCOTERMS do not apply].

<p>1. The requirements for the supply are</p>	<p>Constraints (see clause 11.2 (5))</p> <ul style="list-style-type: none"> • No compensation is payable if the <i>Supplier</i> arrives on site without prior arrangement with the <i>Purchaser</i>. • All goods shall be delivered to the Main stores • The <i>Purchaser</i> has the right to refuse acceptance of any consumables which in the opinion of <i>Purchaser</i>, does not meet the requirements specified and will have a detrimental effect on equipment/plant performance. • The <i>Supplier</i> ensures that all items to be supplied are to the standard and quality accepted by the <i>Purchaser</i> and ensures that they are suitable for the purpose intended for by the manufacturer. • Material (TEST) certificates as well as complete data packs will be submitted with all the mill feeder spares delivered to site. • The <i>Supplier</i> shall have no claim against the <i>Purchaser</i> in respect of delay due to the above constraints. • As business requirements might change in future, items that are not listed on the price list might be procured via this contract. The <i>Supplier</i> will use the same pricing strategy for unlisted items as was used for listed items. 	
<p>2. The requirements for transport are</p>	<p><i>Supplier</i> is responsible for transporting the <i>goods</i> to the delivery place.</p>	
<p>3. The delivery place is</p>	<p>Kusile Power Station - Main Stores</p>	
<p>4. Actions of the Parties during supply</p>	<p>Action</p>	<p>Party which does it</p>
	<p>Giving notice of Delivery</p>	<p><i>Supplier</i></p>
	<p>Checking packing and marking before dispatch</p>	<p><i>Supplier</i></p>
	<p>Contracting for transport</p>	<p><i>Supplier</i></p>
	<p>Pay costs of transport</p>	<p><i>Supplier</i></p>
	<p>Arrange access to delivery place</p>	<p><i>Purchaser</i></p>
	<p>Loading the <i>goods</i></p>	<p><i>Supplier</i></p>
	<p>Unloading the <i>goods</i></p>	<p><i>Purchaser</i></p>
<p>For international procurement</p>	<p>Undertake export requirements</p>	
	<p>Undertake import requirements</p>	
<p>5. Information to be provided by the <i>Supplier</i></p>	<p>Title of document</p>	
	<p>Packing lists for cases and their contents</p>	
	<p>Copy of invoice for the <i>goods</i></p>	
	<p>Delivery Note</p>	
	<p>Material certificates</p>	

For international procurement	Licences, authorisations and other formalities associated with export of the <i>goods</i>
	Air Waybill or Bill of Lading with associated landing, delivery and forwarding order
	The Bill of Entry endorsed by the importation authority
	Customs work sheets, showing tax, duties and surcharges which the law of the country into which the <i>goods</i> are being imported requires the importer to pay
	Invoice from the importation clearing agent showing airline fees, landing charges, wharfage and dock dues as applicable
	Specify other import documents required by authorised officials.

All other information NOT pertinent to the above is given in the balance of the Goods Information

Annexure B: Insurance provided by the Purchaser

These notes are provided as guidance to tendering suppliers and the Supplier about the insurance provided by the Purchaser. These notes are not part of this contract. The Supplier must obtain its own advice.

Transit insurance of goods originating from outside the borders of the Republic of South Africa

For the purpose of supply contracts, the only insurance provided by Eskom (the *Purchaser*) is transit shipment cover, commonly known as Marine Insurance for air, sea, rail and road freight (including local land arrangements) for conveyance of *goods* originating outside RSA. Please consult the website stated below to ascertain whether Format A, Format B or Format Dx is applicable to this contract and then the

- Marine Insurance Policy wording;
- Eskom Shipment Policies and Procedures – note a pre-shipment survey form has to be completed under certain circumstances;
- Marine Claims Handling Procedures – for important shipment actions and claims forms in event of damages to cargo freight via sea, barge, air, road or rail.

For EXW (Ex Works collections) this is of no concern to the *Supplier* but for any other Supply Requirement (such as CIF, DDU, or DDP) the *Supplier* need not provide such insurance even if the INCOTERM requires it and tendering suppliers should 'discount' their prices when tendering to allow for this provision by the *Purchaser* (Eskom).

Supplier's liability for damage to the Purchaser's property

Whilst this is a liability the *Supplier* carries and should cover (if he is required to deliver the *goods* to the *Purchaser's* premises) his liability is limited to the amount of cover provided to the *Purchaser* within his assets policy. This amount varies depending on the Division within Eskom to which the *Supplier* is making the delivery. For any one occurrence or series of occurrences arising out of one event but unlimited during the period of insurance the *Supplier's* liability would be:

- R15million for Generation Division projects,

All other insurance

As required by clause 84, the *Supplier* provides all other insurance for his risks. The *Supplier* should give further consideration to providing for these additional insurance concepts [for amounts and periods of insurance the *Supplier* deems fit and necessary].

Professional Indemnity: The insurance provided shall indemnify the *Supplier* (and/or his professional consultant) for those sums which the *Supplier* or his consultant shall become legally liable to pay as damages arising from any claim first made against the *Supplier* / consultant and reported to their insurers during the Period of Insurance, directly arising out of any negligent act, error or omission committed or alleged to have been committed by the *Supplier* / consultant in the conduct of **professional services** (for example, design) in connection with this contract.

Products Liability: A special General Liability extension for liability arising out of the *Supplier's* **defective**:

- production and manufacturing process (workmanship or material), or
- product design, or
- warnings, instructions, usage and maintenance manuals and specifications.

For any further explanation of insurance requirements tendering suppliers are advised to consult their brokers or insurers who may in turn contact Eskom Insurance Management Services per contact details provided on the following website:

http://www.eskom.co.za/Tenders/InsurancePoliciesProcedures/Pages/EIMS_Policies_From_1_April_2014_To_31_March_2015.aspx



PART 2: PRICING DATA

NEC3 Supply Contract

Document reference	Title	No of pages
C2.1	Pricing assumptions	2
C2.2	The <i>price schedule</i>	[•]

C2.1 Pricing assumptions

How goods and services are priced and assessed for payment

Clause 11 in NEC3 Supply Contract, (SC3) core clauses states:

Identified and defined terms	11	
	11.2	(11) The Prices are the amounts stated in the price column of the Price Schedule. Where a quantity is stated for an item in the Price Schedule, the Price is calculated by multiplying the quantity by the rate.
		(12) The Price Schedule is the <i>price schedule</i> unless later changed in accordance with this contract.
Assessing the amount due	50.2	The amount due is
		<ul style="list-style-type: none">• the Price for each lump sum item in the Price Schedule which the <i>Supplier</i> has completed,• where a quantity is stated for an item in the Price Schedule, an amount calculated by multiplying the quantity which the <i>Supplier</i> has completed by the rate,• plus other amounts to be paid to the <i>Supplier</i>,• less amounts to be paid by or retained from the <i>Supplier</i>.

Any tax which the law requires the *Purchaser* to pay to the *Supplier* is included in the amount due.

This confirms that the Supply Contract is a priced contract where the Prices are derived from a list of items of *goods* and *services* which can be priced as lump sums or as expected quantities of *goods* and *services* multiplied by a rate, or a mix of both.

Function of the Price Schedule

Clause 53.1 states: "Information in the Price Schedule is not Goods Information". This confirms that instructions to do work or how it is to be done are not included in the Price Schedule but in the Goods Information. This is further confirmed by Clause 20.1 which states, "The *Supplier* Provides the Goods and Services in accordance with the Goods Information". Hence the *Supplier* does **not** Provide the Goods and Services in accordance with the Price Schedule. The Price Schedule is only a pricing document.

Preparing the *price schedule*

Items in the *price schedule* may have been inserted by the *Purchaser* and the tendering supplier should insert any additional items which he considers necessary. Whichever party provides the items in the *price schedule* the total of the Prices is assumed to be fully inclusive of everything necessary to Provide the Goods and Services as described at the time of entering into this contract.

It will be assumed that the tendering supplier has

- Read Pages 8, 11, 12 and Appendix 5 of the SC3 Guidance Notes before preparing the *price schedule*;
- Included in his Prices and rates for correction of Defects (core clause 43.1) as there is no compensation event for this unless the Defect is due to a *Supplier's* risk;
- Spread the cost of doing work he chooses not to list as separate items in the *price schedule*

across other Prices and rates in order to fulfil the obligation to Provide the Goods and Services for the tendered total of the Prices;

- Understood that there is no adjustment to lump sum prices in the *price schedule* if the amount, or quantity, of work within that lump sum item later turns out to be different to that which the *Supplier* estimated at time of tender. The only basis for a change to the Prices is as a result of a compensation event per clause 60.1;
- Understood that the *Supplier* does not have to allow in his Prices and rates for matters that may arise as a result of a compensation event.

Format of the *price schedule*

Entries in the first four columns in the *price schedule* in section C2.2 are made either by the *Purchaser* or the tendering supplier.

If the *Supplier* is to be paid an amount for the item which is not adjusted if the quantity of work in the item changes, the tendering supplier 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 which is the rate for the item multiplied by the quantity completed, the tendering *Supplier* enters the rate which is then multiplied by the Quantity to produce the Price, which is also entered.

If the *Supplier* is to be paid an amount for an item proportional to the length of time for which the *goods* and *services* are provided, a unit of time is stated in the Unit column and the length of time (as a quantity of the stated units of time) is stated in the Quantity column.

• C2.2 the *price schedule*

ITEM No	PRICE	UNIT	Expected Quantity	RATE	PRICE
1	Spares Price and Logistics to Site				
1.1	Fixed Price	Unit	Quantities	Rate	Amount
1.1.1	Recirculating Pump strainers	Each	10		
1.1.2	Health and Safety File	Each	1		
1.1.3	Medical Fitness Certificate	Per Person	2		
1.1.4	Safety PPE	Per Person	2		
1.1.5	12 x 5' Sea worthy Containers	Each	10		
1.1.6	Shipping	1	1		
1.1.7	Transport to site	Per KM	350		
			Total		

The total of the Prices

PART 3: SCOPE OF WORK

Document reference	Title
C3.1	This cover page
C3.2	<i>Purchaser's</i> Goods Information
C3.2	<i>Supplier's</i> Goods Information

C3.1: *PURCHASER'S* GOODS INFORMATION

Contents

Scope of Work

Section 1.04 Scope of Work

Supply and deliver ID Fan blade for one full set. A full set consists of the following components:

- (i) 64 blades per set for both two ID fans (left and right). Includes rough casting, machining, trimming to mass, momentum weighing, conservation, radiographic and ultrasonic inspection, analyses, surface crack test, dimensional inspection.
- (ii) 512 Blade screws
- (iii) 512 Bushes
- (iv) 64 Piston rings
- (v) 64 spring support shaft seals

:

Required Spares

No	REPLACE/ REFURBISH	COMPONENT DESCRIPTION	COMPONENT / MATERIAL SPECIFICATION	OPERATING PARAMETERS	PART / NUMBER	STOCK NUMBER	DESIGN QUANTITY
1							
2							

Acceptance

This document has been seen and accepted by:

AName	BDesignation
Article II. Moshoeu Mailula	Article III. Auxiliary Engineering Manager
Article IV. Maruping Tshehla	Article V. FGD Outage controller
Article VI. Thabang Lejakane	Article VII. Auxiliary Engineer
Article VIII.	Article IX.
Article X.	Article XI.
Article XII.	Article XIII.

Revisions

CDate	DRev.	ECompiler	FRemarks
Article XIV.	1)	Article XV.	Article XVI.
Article XVII.	2)	Article XVIII.	Article XIX.

Development Team

The following people were involved in the development of this document:

Sipho Mthimunye and Isaac Netshiozwi

Acknowledgements

Not Applicable

1 Overview and purpose of the *goods* and *services*

1.1 Executive overview

The Supply and delivery of Induced Draught Fan Blades Once off Order for the Outage Department at Kusile Power Station

2 Specification and description of the *goods*

2.1 Detailed scope of work

As per full technical specification given on Goods Information / Price schedule Specifications (include Environmental specification) and drawing Numbers (where applicable)
The Supply and delivery of Induced Draught Fan Blades Once off Order for the Outage Department at Kusile Power Station
The system will be to the *Purchaser's* Satisfaction and will be Accepted prior to the signing of the *contract*. The *Supplier* will be subject to periodic audits by the *Purchaser* in order to ensure compliance with the system. Any deviations will be corrected to the *Purchaser's* satisfaction.

2.2 Technical specifications

Refer to signed scope of work

2.3 Supporting Documents supplied by *Purchaser*

The *Supplier* shall comply with all the following procedures / documentations.
The following documents will be supplied within one week of the contract being signed:

Quality Control Plan and Contract Plan Approval Process Standard 39-71.
OHSACT Requirements
SANS Approved standards
QM58 – Eskom's Quality Requirements

These documents and standards may be reviewed from time to time. In all cases, the latest revision will be applicable, unless the *Purchaser* indicates otherwise in writing.

2.4 Packaging / Crating

- The *Supplier* shall be responsible for the packaging of all ID Fan blades spares delivered to Kusile Power Station – Main Stores.
- All the spares supplied *shall* be individually wrapped as per the Kusile Commercial Stock Preservation and Management procedure

2.5 Delivery to Site

- The *Supplier* shall be responsible for the transportation of all ID Fan blades delivered to Kusile Power Station – Main Stores.
- Ownership will only be transferred to the *Purchaser* upon payment

2.6 Supply before award of contract

The *Supplier* will provide the following before the contract is awarded:

***Purchaser's* design**

As per the scope of work

Procedure for submission and acceptance of *Supplier's* design

N/A.

Other requirements of the *Supplier's* design

As per the scope of work

Use of *Supplier's* design

As per the scope of work

Manufacture & fabrication

As per the scope of work

Factory acceptance testing (FAT)

QC to be done with the end user before and after delivery

Other tests and inspections and commissioning in place of use

All relevant required certificates to be supplied

Operating manuals and maintenance schedules

N/A

Supply Requirements

Batches to be clearly mark and packed according to the price list or scope

Specification of the *services* to be provided

- All equipment / spares must be on time of required order date
- Transported by road on suppliers costs and transport
- End user to be informed when delivery will be done at least 2 days upfront
- No deliveries to be done on a Friday, Weekend or public holiday
- Pellets to convey the batch must be strong enough to carry and transport load at anytime

Constraints on how the *Supplier* Provides the Goods

Programming constraints

- All equipment / spares must be on time of required order date
- Transported by road on suppliers costs and transport
- End user to be informed when delivery will be done at least 2 days upfront
- No deliveries to be done on a Friday, Weekend or public holiday

- Lead time to be negotiated upfront to ensure that end user will receive materials, spares / equipment in time
- All vehicles to be roadworthy

Work to be done by the Delivery Date

- All equipment / spares must be on time of required order date
- Transported by road on suppliers costs and transport
- End user to be informed when delivery will be done at least 2 days upfront or other decided by end user on a as and when required basis
- No deliveries to be done on a Friday, Weekend or public holiday
- Lead time to be negotiated upfront to ensure that end user will receive materials, spares / equipment in time

Marking the goods

- Batches to be clearly mark and packed according to the price list or scope

Constraints at the delivery place and place of use

- End user will determine the offloading point at time
- Fork with driver will be supplied for off loading
- Pellets to convey the batch must be strong enough to carry and transport load at anytime

Cooperating with Others

- Co-operation with others will be from time to time and on a as and when required basis decided by the end user

Services & other things to be provided by the Purchaser or Supplier

Number	Title	Issued by
Act 85 of 93	Occupational Health and Safety Act	Supplier
	Spares Insurance Cover	Supplier

Management meetings

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

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

The meeting between both parties will be arranged and conducted whenever the need arises

Documentation control

- Each instruction, certificate, submission, proposal, record, acceptance, notification, Reply and other communication which this contract requires is communicated in a form which can be read, copied and recorded.
- Writing is in the Language of this contract.
- All reports to be discussed, compiled and handed in to the Eskom
- All communications must be printed and filed in the *Purchaser* file

Health and safety risk management

SHEQ Policy

Eskom SHEQ Policy

Eskom has made a commitment to conduct business with respect and care for people, the environment and assets and that no operating condition or urgency of service justifies exposing anyone to negative risks arising from Eskom's business.

Compliance with the Eskom SHEQ Policy and applicable regulations is the responsibility of every employee and *Contractor*.

Contractor SHEQ Policy

All *Contractors* shall have an OHS policy signed by the CEO of the contractor and prominently displayed where employees normally report for duty.

Signed copy of the OHS policy shall form part of the SHE file.

SHE PLAN REQUIREMENTS:-

- Principal *Contractors* shall develop a suitable and sufficiently documented site specific SHE plans, based on the scope of work and client SHEQ specification.
- The SHE plan must be pre-approved by the client for implementation. The principal *Contractor/Contractor* has a responsibility to send the SHE plan to the client for approval prior to commencement of work.
- The SHE plan must be applied from the commencement of and for the duration the Construction work, which must be updated/reviewed as the work progresses/changes. When a principal *Contractor* intends appointing contractor, the principal *Contractor* shall ensure that the *Contractor* provides and demonstrate a suitable, sufficiently documented and coherent site specific health and safety plan, based on the client's SHEQ specifications and scope of work

3.1.1 Health and Safety Arrangements

The *Contractor* ensures that all his personnel attend a Health and Safety Induction Course prior to contract starting date, and annual re- induction. The Induction Course is presented by the *Employer's* Safety Risk Department at Kusile Power Station. Arrangements are made with Safety Risk Management, by the *Contractor*.

The *Employer's* Safety Risk Manager visits and inspects the *Contractor's* workplace or site yard and the working areas to ensure that tools; machinery and Equipment comply with the minimum safety requirements.

The *Service Manager* may instruct the *Contractor* to stop work, where the *Contractor's* personnel fail to conform to safety standards or contravene health and safety regulations. Such stop-work order is not a compensation event. The *Service Manager* may instruct the *Contractor* to discipline his employees and to submit a disciplinary action report to the *Service Manager*. The *Contractor* implements additional health and safety precautions where necessary.

Health and safety

The *Contractor* complies with the Occupational Health and Safety Act 85 of 1993, as well as Eskom procedure as stipulated below:

- SHEQ Policy 32-727
- Eskom Procurement and Supply Chain Management Procedure 32-1034
- SHE Requirements for the Eskom Commercial Process 32-726
- *Contractor* Health and Safety Requirements 32-136
- Integrated SHE Organization; Roles and Responsibilities and Statutory Appointments 32- 296
- Live-saving Rules 240-62196227
- Working at Heights 32-418
- Eskom Vehicle Safety Specifications 32-345
- Tutuka *Contractor* SHEQ Specifications 14RISK SRM - 084

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

The *Contractor* undertakes not to do, or not to allow anything to be done which will contravene any of the provisions of the Act, Regulations or Safety and Operating Procedures.

The *Contractor* shall appoint a person who will liaise with the Eskom Safety Officer responsible for the premises relevant to this contract.

Do safety audits at the *Contractor's* premises, its work-places and on its employees;

Refuse any employee, sub-Contractor or agent of the *Contractor* access to its premises if such person has been found to commit any unlawful act or any unsafe working practice or is found to be not authorised or qualifies in terms of the OHSACT;

Issue the *Contractor* with a work order or a compliance order should Eskom become aware of any unsafe working procedures or conditions or any non-compliance with the Act, Regulations and Procedures by the *Contractor* or any of its employees, sub-Contractors or agents.

The *Contractors* Health and safety file is to be submitted for approval to Kusile's Safety Officer before contract commencement.

All work stoppages called by the *Employer* to be adhered to

Contractor is Responsible to ensure that his Letter of Good standing is valid at all times as stipulated in the construction regulations point 7 (C) (iv) and she specifications 2.5.2 (iv) and 3.10..*Contractor* will not be allowed on site if his letter of good standing is not valid

3.1.2 First aid and fire fighting

Adequate first aid and firefighting equipment to be provided by the *Employer*
All *Contractor* personnel must have First aid and firefighting training

3.1.3 Fire Precautions

Any tampering with the *Employer's* fire equipment is strictly forbidden.

All exit doors, fire escape routes, walkways, stairways, stair landings and access to electrical distribution boards is kept free of obstruction, and are not used for work or storage at any time. Firefighting equipment must remain accessible at all times.

The *Contractor* takes the necessary action to safe guard the area to prevent injury and the spreading of the fire.

3.1.4 Security, fire protection and safety

The *Contractor* shall be responsible for ensuring the security of the works, and of his plant, equipment and materials. To that end he shall make adequate provision for access control, lighting and watchman to the works where required.

3.1.5. Fire protection

The provision of Eskom's standard NWS 1494 "Fire Prevention and Protection of *Contractor's* premises at New Works sites" shall be applicable.

3.1.6 Safety and incident prevention

The *Contractor* shall implement and maintain an active Site Safety and Accident Prevention Programme in accordance with the Kusile SHEQ Specifications. The overriding regulations will however be the Occupational Health and Safety Act.

3.1.7 Reporting of accidents

The *Employer* 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 *Contractor* is expected to fully co-operate to achieve this objective. The *Service Manager* must be informed immediately of any incidents. A written report to be submitted to the *Employer* within 24 Hours of incidents and any damage to property or equipment

NOTE! This report does not relieve the *Contractor* of his legal obligations 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.

3.1.8 Occupational Health and Safety Act 85 Of 1993 – SECTION 37

In accordance with Section 37 (2) of the Act, the *Contractor* is appointed by the *Employer* as mandatory to assume Health and Safety duties and responsibilities. The *Contractor* ensures compliance with all requirements of the Act and any instruction or notification that enhances those requirements.

The *Contractor* acknowledges that he is fully aware of all the requirements of the Occupational Health and Safety Act and undertakes to employ only staff who have been duly authorised in terms thereof and who receive sufficient safety training to ensure that they can comply therewith.

The *Contractor* undertakes not to do, and not to allow anything to be done which will contravene any of the provisions of the Act, Regulations or Safety and Operating Procedures.

3.1.9 The *Contractor* appoints a person who liaises with the *Employer's* Safety Officer, responsible for the premises relevant to the Contract. The person appointed shall on request:

- Supply the *Employer's* Safety Officer with copies of minutes of all Health and Safety Committee meetings, whenever required.
- Supply the *Employer's* Safety Officer with copies of all appointments in respect of employees employed on this contract, in terms of the Act and Regulations and shall notify the *Employer's* Safety Officer of any changes thereto.

The *Employer* may, at any stage during the duration of this contract:

- perform safety audits at the *Contractor's* premises, its work place and its employees;
- refuse any employee, *Subcontractor* or agent of the *Contractor* access to its premises if such person is found to commit any unsafe act or any unsafe working practice or is found not to be duly authorised nor qualified in terms of the Act;
- Issue the *Contractor* with an instruction to stop work should the *Employer*

become aware of any unsafe working procedure or condition or any non-compliance with the Act, Regulations and Procedures referred to in the Occupational Health and Safety Act - 85 of 1993 and all Regulations made hereunder as well as all the *Employer's* Safety and Operating Procedures. Any such instruction is not a compensation event. Furthermore, no amendments to the act or the Regulations or reasonable amendment to the *Employer's* Safety and Operating Procedures will entitle the *Contractor* to claim any additional costs or time incurred in complying therewith, from the *Employer*

3.1.10 Safety Regulations of the Employer

The *Contractor* conforms to the Eskom Plant Safety Regulations

The *Employer* makes available to the *Contractor*, on request, a copy of the latest revision of the Plant Safety Regulations.

Environmental constraints and management

The *Supplier* shall comply with Kusile Power Station environmental management system. This includes the identification, collection, storage, transportation and disposal of waste. Hazardous waste shall be disposed off in line with the applicable environmental legislation. It is important to note that all spillages must be cleaned immediately and reported to the *Supply Manager* as soon as possible. It is the responsibility of the polluter to clean all spillages and for the rehabilitation of the polluted land. The clean-up cost is for the *Contractor's* account.

Quality

The *Purchaser* is in the process of implementing an ISO 9001:2000 series, therefore the *Supplier* will be expected to implement a quality system and maintains the quality system until the completion of this contract. The *Supplier* will comply with the provisions of the ISO 9001:2000 series

The *Supplier* will work according to the *Purchaser's* standards, specifications, guidelines and procedures. Where no standards, specifications, guidelines and procedures are available, the *Supplier* will work according to the Generation Quality manual and professional guidelines.

- Quality Control Plan and Contract Plan Approval Process Standard 39-71.
- SANS Approved standards
- QM58 – Eskom's Quality Requirements

Invoicing and payment

Within one week of receiving the goods, the *Supplier* provides the *Purchaser* with a tax invoice showing the amount due for payment equal to that stated in the Purchase Order number per batch order.

The *Supplier* shall address the tax invoice to *Purchaser as follows* and include on each invoice the following information:

Eskom Holdings SOC Ltd
Finance Department (Account Payable Section)
Kusile Power Station
Hartebeesfontein Farm R545
Kendal/Balmoral Road WITBANK

and include on it the following information:

- Name and address of the *Supplier*;
- The contract number and title;
- *Supplier's* VAT registration number;

- The *Employer's* VAT registration number 4740101508;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- Purchase Order number as provided by the *Employer* on monthly basis

Insurance provided by the *Purchaser*

Below is information with regards to the Eskom Insurance Management Service, for in case the Contractor has any questions with regards to insurances:

Eskom Insurance Management Services (EIMS) Contact Details:

Contact Person	Contact Number	E-mail address
Mr Wiseman Khoza	+27(0)11 800 6286	wiseman.khoza@eskom.co.za
Ms Thembi Mabanga	+27(0)11 800 6509	thembi.mabanga@eskom.co.za
Ms Mamosidi Katane-Mathibela	+27(0)11 800 6380	KataneE@eskom.co.za
Ms Beverley Jemaine-Cain	+27(0)11 800 3331	Beverley.jemaine-cain@eskom.co.za
Mr Krishan Chaithoo	+27(0)11 800 4455	Krishan.chaithoo@eskom.co.za
Mr Velaphi Mabaso	+27 (0)11 800 3836	velaphi.mabaso@eskom.co.za

EIMS General Information:

Fax Number: +27 11 507 5758
 Telephone Number: +27 11 800 4466

Contract change management

- Changing the service information
- Access
 - Provision by the *Employers*
 - Stopping work
 - Work of the *Employer* or others
 - Reply to communication
 - Changing a decision
 - Withholding acceptance
 - Delayed tests or inspections
 - Change of affected property
 - Materials, facilities etc. for tests
 - *Employer's* risks
 - Assumption about compensation events
 - *Employer's* breach of contract

Provision of bonds and guarantees

- N/A

Records of Defined Cost, payments & assessments of compensation events to be kept by the *Supplier*

- Will be done as per Eskom assessments, invoicing and payment procedure and requirements.

Procurement

Subcontracting

- Only 30% can be subcontracting
- Subcontracting will be approved by the *Supply Manager* if it is required to do subcontracting

Spares and consumables

- All materials, spares / equipment will be done via the Eskom Procurement system

Other requirements related to procurement

- To be negotiated with end user and *Supply Manager*

List of drawings

Drawings issued by the *Purchaser*

As per OEM specifications

C3.2 SUPPLIER'S GOODS INFORMATION

- As per OEM specifications
- All relevant documentation to be handed in as requested from end user / *Supply Manager*

This section could also be compiled as a separate file.
