

PART T2: RETURNABLE DOCUMENTS

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Part T2
Returnable documents



T2.1 LIST OF RETURNABLE DOCUMENTS

The tenderer must complete the following returnable documents:

1 Returnable Schedules required for tender evaluation purposes

No	Returnable schedules	To be incorporated into the contract	
		Yes	No
1	Schedule of Subcontractors		No
2	Schedule of Plant and Equipment		No
3	Schedule of Tenderer's experience		No
4	Proposed amendments and qualifications	Yes	
5	Labour payment schedule	Yes	
6	Certificate of Attendance at Site Meeting		No
7	Record of Addenda to Tender Documents	Yes	
8	Experience of Key Staff in the form of Curriculum Vitae		No
9	Supplier Declaration form (version 7)		No

2 Other documents required for tender evaluation purposes

No	Returnable Documents	To be incorporated into the contract	
		Yes	No
1	Letter of Good Standing with the Compensation Commissioner		No
2	Certificate of Authority for Signatory (Resolution by Board)	Yes	
3	Safety Plan and Fall Protection Plan in accordance with the Construction Regulations of 2003 and Transnet's E4E	Yes	
4	Quality Assurance Plan		No
5	Environmental Management Plan	Yes	
6	Approach paper and work plan	Yes	
7	Proposed Organization and Staffing		No
8	BBBEE rating certificate with detailed scorecard		No

9	Statement of compliance with requirements of the Scope of Work	Yes	
10	Certified Copy of Financial Statements (for the past 3 years) including Balance sheets		No
11	Certified Copy of Share Certificates CK1 & CK2		No
12	Certified copy of certificate of incorporation and CM29 and CM9		No
13	Certified Copy of Identity Documents of Shareholders/Directors/members (where applicable)		No
14	Cancelled Cheque		No
15	Current and original Tax clearance certificate		No
16	Vat registration certificate		No
17	Copy of BEE Policy/BEE Plan/Employment Policy/Procurement Policy		No

3 Other documents that will be incorporated into the contract

3.1 C1.1 Form of Offer and Acceptance

3.2 C1.2 Contract Data (Part 1 and 2)

3.3 C2.2 Price List

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T2.2 RETURNABLE SCHEDULES

- Certificate of Attendance at Site Meeting
- Schedule of the Tender Experience
- CV of the key personnel
- Schedule of Subcontractors
- Schedule of Plant and Equipment
- Record of Addenda to Tender Documents
- Proposed Amendments and Qualifications
- Labour Payment Schedule
- Supplier Declaration form (version 7)

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Schedule of Proposed Subcontractors

We notify you that it is our intention to employ the following Subcontractors for work in this contract.

If we are awarded a contract we agree that this notification does not change the requirement for us to submit the names of proposed Subcontractors in accordance with requirements in the contract for such appointments. If there are no such requirements in the contract, then your written acceptance of this list shall be binding between us.

We confirm that all subcontractors who are contracted to construct a house are registered as home builders with the National Home Builders Registration Council.

	Name and address of proposed Subcontractor	Nature and extent of work	Previous experience with Subcontractor.
1.			
2.			
3.			
4.			
5.			

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Signed

Date

Name

Position

Tenderer

Schedule of Plant and Equipment

The following are lists of major items of relevant Equipment that I/we presently own or lease and will have available for this contract or will acquire or hire for this contract if my/our tender is accepted.

(a) Details of major Equipment that is owned by and immediately available for this contract.

Quantity	Description, size, capacity, etc.

Attach additional pages if more space is required.

(b) Details of major Equipment that will be hired, or acquired for this contract if my/our tender is acceptable.

Quantity	Description, size, capacity, etc.

Attach additional pages if more space is required.

Signed

Date

.....
Name

.....
Position

.....
Tenderer

Record of Addenda to tender documents

We confirm that the following communications received from the Employer before the submission of this tender offer, amending the tender documents, have been taken into account in this tender offer:

	Date	Title or Details
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Attach additional pages if more space is required.

Signed

Date

Name

Position

Tenderer

Compulsory Enterprise Questionnaire

The following particulars must be furnished. In the case of a joint venture, separate enterprise questionnaires in respect of each partner must be completed and submitted.

Section 1: Name of enterprise:

Section 2: VAT registration number, if any:

Section 3: CIDB registration number, if any:

Section 4: Particulars of sole proprietors and partners in partnerships

Name*	Identity number*	Personal income tax number*

* Complete only if sole proprietor or partnership and attach separate page if more than 3 partners

Section 5: Particulars of companies and close corporations

Company registration number

Close corporation number

Tax reference number

Section 6: Record in the service of the state

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Province
- a member of the board of directors of any municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

If any of the above boxes are marked, disclose the following:

Name of sole proprietor, partner, director, manager, principal shareholder or stakeholder	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months



*insert separate page if necessary

Section 7: Record of spouses, children and parents in the service of the state

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- a member of any municipal council
- a member of any provincial legislature
- a member of the National Assembly or the National Council of Province
- a member of the board of directors of any municipal entity
- an official of any municipality or municipal entity
- an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999)
- a member of an accounting authority of any national or provincial public entity
- an employee of Parliament or a provincial legislature

Name of spouse, child or parent	Name of institution, public office, board or organ of state and position held	Status of service (tick appropriate column)	
		Current	Within last 12 months

*insert separate page if necessary

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise:

- i) authorizes the Employer to obtain a tax clearance certificate from the South African Revenue Services that my / our tax matters are in order;
- ii) confirms that the neither the name of the enterprise or the name of any partner, manager, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears on the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;
- iii) confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears, has within the last five years been convicted of fraud or corruption;
- iv) confirms that I / we are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest; and
- iv) confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

Signed

Date

Name

Position

Enterprise name

Preferencing schedule where direct preferences are granted in respect of targeted enterprise status

<p>1 Definitions</p> <p>The following definitions shall apply to this schedule:</p> <p>1 Conditions associated with the granting of preferences</p> <p>The tenderer, who being a Targeted Enterprise undertakes to:</p> <ol style="list-style-type: none"> 1) not subcontract more than ...% of the Contract Price to non-Targeted Enterprises; 2) remain a Targeted Enterprise for the duration of the Contract; 3) accept the sanctions set out in Section 3 below should conditions 1 or 2 be breached; 4) complete the Tender Preference Claim Form contained in Section 4 below; and 5) complete a Targeted Declaration Affidavit and submit this with the tender. <p>3 Sanctions relating to breaches of preferencing conditions</p> <p>The sanctions for breaching the preferencing conditions are:</p> <ol style="list-style-type: none"> 1) termination of the Contract; or 2) a financial penalty payable to the Employer equal to 1,25 times the number of tender evaluation points awarded in respect of the preference claimed, multiplied by the Contract Price exclusive of VAT, divided by 100. <p>4 Tender preference claim in respect of enterprise status or structure of the tendering entity</p> <p>I/we apply on behalf of my/our firm for the following preference:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Category of Targeted Enterprise</th> <th style="width: 30%;">Percentage of maximum tender evaluation points provided for in the Preferential Procurement Policy Framework Act (Act 5 of 2000)</th> <th style="width: 40%;">Preference claimed for Targeted Enterprise status (Y=yes)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>The undersigned, who warrants that he / she is duly authorised to do so on behalf of the firm or sole proprietor confirms that he / she understands the conditions under which such preferences are granted and confirms that the tenderer satisfies the conditions pertaining to the granting of tender preferences.</p> <p>Signature :</p> <p>Name :</p> <p>Duly authorised to sign on behalf of :</p> <p>Telephone :</p> <p>Fax :</p> <p>Date :</p>	Category of Targeted Enterprise	Percentage of maximum tender evaluation points provided for in the Preferential Procurement Policy Framework Act (Act 5 of 2000)	Preference claimed for Targeted Enterprise status (Y=yes)										<p>Guidance notes</p> <p><i>Insert definitions for Targeted Enterprises</i></p> <p><i>Insert percentage (typically between 20 and 25%)</i></p> <p><i>Insert factor ≥1,0 (typically 1,25 to 1,5)</i></p> <p><i>Insert category description and percentage of maximum tender evaluation points tender schedule in table.</i></p>
Category of Targeted Enterprise	Percentage of maximum tender evaluation points provided for in the Preferential Procurement Policy Framework Act (Act 5 of 2000)	Preference claimed for Targeted Enterprise status (Y=yes)											

Preferencing schedule where preferences are granted in respect of HDI equity

1 Definitions

The following definitions shall apply to this schedule:

Equity ownership: The percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of the company's shares that are owned by individuals, who are actively involved in the management of an enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

Note: All claims for HDI equity ownership by an HDI will be considered according to the following criteria:

- equity within private companies will be based on the percentage of equity ownership;
- preference points will not be awarded to public companies and tertiary institutions;
- equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust; and
- a consortium or Joint Venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership.

Historically disadvantaged individual (HDI): A natural person who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993) (the interim Constitution).

2 Conditions associated with the granting of preferences

The tenderer who claims a preference, undertakes to:

- 1) not subcontract more than 25% of the Net Amount of the Contract to a person who is not an HDI or does not qualify for such preference;
- 2) maintain a HDI equity ownership of not less than that upon which the preference is based upon for the duration of the Contract;
- 3) accept the sanctions set out in Section 3 below should conditions 1 or 2 be breached;
- 4) complete the Tender Preference Claim in respect of Enterprise Status or Structure in the Tendering Entity contained in Section 4 below; and
- 5) complete the Declaration with regard to Equity Ownership contained in section 5 below.

3 Sanctions relating to breaches of preferencing conditions

The sanctions for breaching the preferencing conditions are:

- 1) termination of the Contract; or
- 2) a financial penalty payable to the Employer equal to 1,25 times the number of tender evaluation points awarded in respect of the preference claimed, multiplied by the Contract Price exclusive of VAT, divided by 100.

4 Tender preference claim in respect of enterprise status or structure of the tendering entity

Number of preference points = $\text{NOP} \times \text{EP} / 100$

NOP = maximum tender evaluation points provided for in the Preferential Procurement Policy Framework Act (Act 5 of 2000)

EP = the percentage of equity ownership by an HDI within the business enterprise

I/we apply on behalf of my/our firm for a preference based on an HDI equity ownership percentage of%

5 Declaration with regard to equity ownership

5.1 How long has the Company been in existence ?

5.2 Describe principal business activities:

.....
.....

Sample preferencing schedule where preferences are granted in respect of the direct participation of targeted enterprises and / or labour

1 Definitions	Guidance notes
<p>The following definitions shall apply to this schedule:</p>	<p><i>Insert definition for Targeted Enterprises and / or Targeted Labour.</i></p>
<p>2 Conditions associated with the granting of preferences</p>	
<p>The Tenderer, undertakes to:</p> <ol style="list-style-type: none"> 1) engage one or more.....in accordance with the provisions of the SANS 1914-.....as varied in Section 3 hereunder; 2) deliver to the Employer, within 5 working days of being requested in writing to do so, a completed Joint Venture Disclosure Form (Annex D of SANS 1914-1) and a Joint Venture Agreement, should a joint venture be proposed at prime contract level with Targeted Partners to satisfy Contract Participation Goal undertakings (deliver to the Employer, within 5 working days of being requested in writing to do so, a Targeted Enterprise Declaration Affidavit in respect of all Targeted Enterprises engaged at prime contract level to satisfy Contract Participation Goal undertakings 3) accept the sanctions set out in Section 4 below should such conditions be breached; 4) complete the Tender Preference Claim Form contained in Section 5 below; and 5) complete the Supporting Contract Participation Goal Calculation contained in this schedule. 	<p><i>Insert targeted enterprises / targeted labour (or both) and insert appropriate SANS part number in 1). Adjust wording to 2) to reflect documentation that is required or delete if not required..</i></p>
<p>3 Variations to the targeted construction procurement specification SANS 1914-</p>	<p><i>Insert SANS part number.</i></p>
<p>The variations to SANS 1914-..... are set out below. Should any requirements of the variations conflict with requirements of SANS 1914-, the requirements of the variations shall prevail. </p>	<p><i>Insert SANS part number and title as relevant.</i></p>
<p>4 Sanctions</p>	<p><i>Insert variations if any. If none, insert "There are no variations".</i></p>
<p>In the event that the Tenderer fails to substantiate that any failure to achieve the Contract Participation Goal relating to the granting of a preference was due to quantitative under runs, the elimination of items, or any other reason beyond the Contractor's control which may be acceptable to the Employer, it shall be liable to pay to the Employer a financial penalty calculated in the following manner:</p>	
$P = \frac{0.15 \times (D - D_0) \times N_A}{(100)}$	
<p>where D = tendered Contract Participation Goal percentage. D₀ = the Contract Participation Goal which the Employer's representative based on the credits passed, certifies as being achieved upon completion of the Contract. N_A = Net Amount P = Rand value of penalty payable</p>	
<p>5 Tender preference claim in respect of enterprise status or structure of the tendering entity</p>	
<p>I / we hereby tender a Contract Participation Goal of% in order to claim a preference.</p>	

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the firm or sole proprietor confirms that he / she understands the conditions under which such preferences are granted and confirms that the tenderer satisfies the conditions pertaining to the granting of tender preferences.

Signature :
.....

Name :
.....

Duly authorised to sign on behalf of :
.....

Telephone :

Fax : Date :
.....

Supporting contract participation goal calculation

.....

*Insert Annex A:
Tendered goal
calculation from
relevant part of SANS
1914*

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Schedule of the Tenderer's Experience

The following is a statement of similar work successfully executed by myself/ourselves:

Employer, contact person and telephone number	Description of contract	Value of work inclusive of VAT (Rand)	Date completed
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Signed _____

Date _____

Name _____

Position _____

Tenderer



Curriculum Vitae of Key Personnel

Name:	Date of birth:
Profession:	Nationality:
Qualifications:	
Professional registration number:	
Name of employer (firm):	
Current Position:	Years with the firm:
Employment record: (list in chronological order starting with earliest work experience)	
Experience record pertinent to required service	
Certification:	
I, the undersigned, certify that to the best of my knowledge and belief, this data correctly describes me, my qualifications and my experience.	
_____	_____
<i>[Signature of person named in schedule]</i>	Date

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Schedule of Plant and Equipment

The following are lists of major items of relevant equipment that I / we presently own or lease and will have available for this contract or will acquire or hire for this contract if my / our tender is accepted.

(a) Details of major equipment that is owned by and immediately available for this contract.

Quantity	Description, size, capacity, etc.

Attach additional pages if more space is required.

(b) Details of major equipment that will be hired, or acquired for this contract if my / our tender is acceptable.

Quantity	Description, size, capacity, etc.

Attach additional pages if more space is required.

Signed

Date

Name

Position

Tenderer

Proposed amendments and qualifications

The Tenderer should record any deviations or qualifications he may wish to make to the tender documents in this Returnable Schedule. Alternatively, a tenderer may state such deviations and qualifications in a covering letter to his tender and reference such letter in this schedule.

The Tenderer's attention is drawn to clause F.3.8 of the Standard Conditions of Tender referenced in the Tender Data regarding the employer's handling of material deviations and qualifications.

Page	Clause or item	Proposal
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Signed

Date

.....
Name

.....
Position

.....
Tenderer

Labour payment schedule

Tenderers are required to complete the following schedule:

DAY LABOUR (if required)

Skilled Hour _____
Unskilled Hour _____
Labourer Hour _____
Driver/Operator Hour _____
% Profit on Material _____

TRANSPORT AND MACHINERY

RUNNING

STANDING

1. Light vehicle up to 1 ton
2. 5 Ton vehicle
3. 10 Ton vehicle with crane
4. Crane
5. Scaffolding
6. Generator
7. Other equipment:

8. Full details of any other charges:

Tenderer _____

Name _____ Position _____

Signed _____ Date _____





Transnet Supplier Declaration/Application

The Financial Director or Company Secretary

Transnet Vendor Management has received a request to load your company on to the Transnet vendor database. Please furnish us with the following to enable us to process this request:

1. Complete the "Supplier Declaration Form" (SDF) on page 2 of this letter
2. Copy of cancelled cheque **OR** letter from the bank verifying banking details (**with bank stamp**)
3. **Certified** copy of Identity document of Shareholders/Directors/Members (where applicable)
4. **Certified** copy of certificate of incorporation, CM29 / CM9 (name change)
5. **Certified** copy of share Certificates of Shareholders, CK1 / CK2 (if CC)
6. A letter with the company's letterhead confirming physical and postal addresses
7. **Original or certified** copy of SARS Tax Clearance certificate and Vat registration certificate
8. A signed letter from the Auditor / Accountant confirming most recent annual turnover and percentage black ownership in the company **AND/OR** BBBEE certificate and detailed scorecard from an accredited rating agency (ABVA Member).

NB:

- **Failure to submit the above documentation will delay the vendor creation process.**
- *Where applicable, the respective Transnet business unit processing your application may request further information from you. E.g. proof of an existence of a Service/Business contract between your business and the respective Transnet business unit etc.*

IMPORTANT NOTES:

- a) **If your annual turnover is less than R5 million**, then in terms of the DTI codes, you are classified as an Exempted Micro Enterprise (EME). If your company is classified as an EME, please include in your submission, a signed letter from your Auditor / Accountant confirming your company's most recent annual turnover is less than R5 million and percentage of black ownership and black female ownership in the company AND/OR BBBEE certificate and detailed scorecard from an accredited rating agency (e.g. permanent ABVA Member), should you feel you will be able to attain a better BBBEE score.
- b) **If your annual turnover is between R5 million and R35million**, then in terms of the DTI codes, you are classified as a Qualifying Small Enterprise (QSE) and you claim a specific BBBEE level based on any 4 of the 7 elements of the BBBEE score-card, please include your BEE certificate in your submission as confirmation of your status.
NB: BBBEE certificate and detailed scorecard should be obtained from an accredited rating agency (e.g. permanent ABVA Member).
- c) **If your annual turnover is in excess of R35million**, then in terms of the DTI codes, you are classified as a Large Enterprise and you claim a specific BEE level based on all seven elements of the BBBEE generic score-card. Please include your BEE certificate in your submission as confirmation of your status.
NB: BBBEE certificate and detailed scorecard should be obtained from an accredited rating agency (permanent ABVA Member).
- d) **To avoid PAYE tax being automatically deducted from any invoices received from you**, you must also contact the Transnet person who lodged this request on your behalf, so as to be correctly classified in terms of Tax legislation.
- e) Unfortunately, **No payments can be made to a vendor** until the vendor has been registered, and no vendor can be registered until the vendor application form, together with its supporting documentation, has been received and processed.
- f) **Please return the completed Supplier Declaration Form (SDF) together with the required supporting documents mentioned above to the Transnet Official who is intending to procure your company's services/products in order that he/she should complete and Internal Transnet Departmental Questionnaire before referring the matter to the appropriate Transnet Vendor Master Office.**

Regards,

Transnet Vendor/Supplier Management *[please substitute this with your relevant Transnet department before sending this document out]*



Supplier Declaration Form

Company Trading Name							
Company Registered Name							
Company Registration Number Or ID Number If A Sole Proprietor							
Form of entity	CC	Trust	Pty Ltd	Limited	Partnership	Sole Proprietor	
VAT number (if registered)							
Company Telephone Number							
Company Fax Number							
Company E-Mail Address							
Company Website Address							
Postal Address						Code	
Physical Address						Code	
Contact Person							
Designation							
Telephone							
Email							
Annual Turnover Range (Last Financial Year)	< R5 Million	R5-35 million		> R35 million			
Does Your Company Provide	Products	Services		Both			
Area Of Delivery	National	Provincial		Local			
Is Your Company A Public Or Private Entity		Public		Private			
Does Your Company Have A Tax Directive Or IRP30 Certificate		Yes		No			
Main Product Or Service Supplied (E.G.: Stationery/Consulting)							
BEE Ownership Details							
% Black Ownership		% Black women ownership		% Disabled person/s ownership			
Does your company have a BEE certificate		Yes		No			
What is your broad based BEE status (Level 1 to 8 / Unknown)							
How many personnel does the firm employ		Permanent		Part time			
Name of person procuring your services/products							
Contact number							
Transnet operating division							
Duly Authorised To Sign For And On Behalf Of Firm / Organisation							
Name				Designation			
Signature				Date			
Stamp And Signature Of Commissioner Of Oath							
Name				Date			
Signature				Telephone No.			

NB: Please return the completed Supplier Declaration Form (SDF) together with the required supporting documents mentioned above to the Transnet Official who is intending to procure your company's services/products.



Internal Transnet Departmental Questionnaire (for office use only)

NB: "Once-off vendor" will only be created for extraordinary circumstances, i.e. derailments and other emergency situations. Note that only one (1) purchase order must be created against a "once-off vendor". Should the need arise to use a "once-off vendor" again, then an updated SDF together with the required documentation, is required for a "trade vendor" to be created

Section 1: To be completed by the Transnet Requesting / Sourcing Department

Vendor Name										Vendor Number											
TFR		TRE		TPT		TPL		TNPA		TCP		TRN									
Create		Unblock		Amend		Extend		Once-Off / Emergency Request													
Supplier's trading name																					
Supplier's registered name																					
Please indicate if the Supplier has a contract with sourcing Transnet OD										Yes		No									
If yes please submit / furnish details of such a contract (together with the SDF)																					

a) What is being procured from the supplier?

i. Products only	Yes	No	
ii. Services only	Yes	No	
iii. Labour only	Yes	No	
iv. Mix of services and products	Yes	No	
v. Mix of services and labour	Yes	No	

b) If your answer is **YES** to questions II, III, IV or V in paragraph a) above, please indicate whether the relevant **PAYE questionnaires** have been forwarded to the appropriate **Transnet Operational Divisions'** decision making bodies / **Strategic Supply Management** team for a directive /decision on tax withholding from payments to this supplier.

Yes		No	
-----	--	----	--

c) If your reply to (b) is **"NO"**, please furnish reasons :

d) Advise on the Detailed Procurement Process (DPP) / Procurement Mechanism that was followed (Please also take into consideration the revised P2P value/strategy as set out in the Weekly News Bulletin dated 6 October 2008 on the Intranet)

Name	Grade	Date								Signature
		Y	Y	Y	Y	M	M	D	D	

Section 2: To be completed by the BEE Department (this section is for Confirmation/Determining of BEE Status)

NARROW BASED (NB)				BROADBASED (BBBEE)					VALIDITY DATE					
BEE O/S	BWBE	DPBE	MR	CONTB. LEVEL	EME: <R5m	QSE: >R5m <R35m	LARGE: >R35m							
Name				Grade		Date				Signature				
						Y	Y	Y	Y	M	M	D	D	
						Y	Y	Y	Y	M	M	D	D	

Section 3: To be completed by Supplier Management

I hereby approve disapprove this application

Name	Grade	Date								Signature	
		Y	Y	Y	Y	M	M	D	D		
Vendor Number				Date captured on SAP				Recon Account			

**PART C1: AGREEMENTS AND CONTRACT
DATA**

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C1.1 FORM OF OFFER AND ACCEPTANCE (TSC)

OFFER

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

For the maintenance of permanent track with one on-track dual purpose ballast tamping machine (working with desec machine) Countrywide.

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, signing this part as well as the Schedule of Deviations of this Form of Offer and Acceptance, the tenderer offers to perform all of the obligations and liabilities of the *Contractor* under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the *conditions of contract* identified in the Contract Data. The representative, when signing this part of the Form of Offer and Acceptance, shall be deemed to be duly authorised by a Resolution of the Board of Directors/Certificate of Partners, a certified copy to be included in the Returnable Documents.

The offered total of the Prices exclusive of VAT is	R
Value Added Tax @ 14% is	R
The offered total of the Prices inclusive of VAT is	R
(in words)	

If Option E or F (Cost reimbursable or management contract) applies, replace table with following sentence: "The offered prices are the Actual Cost plus the fee contained in the Contract Data".

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

Signature(s)

Name(s)

Capacity

For the tenderer:

(Insert name and address of organisation)

Name of witness

Signature of witness

Date

Tenderer's CIDB registration number (if any):

ACCEPTANCE

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

The terms of the contract, are contained in:

Part C1	Agreements and Contract Data, (which includes this Form of Offer and Acceptance)
Part C2	Pricing Data
Part C3	Scope of Work: Works Information
Part C4	Site 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 as listed in the Returnable Schedules as well as any changes to the terms of the Offer agreed by the tenderer and the Employer during this process of offer and acceptance, are contained in the Schedule of Deviations attached to and forming part of this Agreement. No amendments to or deviations from said documents are valid unless contained in this Schedule.

The tenderer shall within two weeks of receiving a completed copy of this agreement, including the Schedule of Deviations (if any), contact the Employer's agent (whose details are given in the Contract Data) to arrange the delivery of any securities, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data at, or immediately 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 original copy of this document, including the Schedule of Deviations (if any). Unless the tenderer (now Contractor) within five working days of the date of such receipt notifies the Employer 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
Employer

**Transnet Limited trading as Transnet Freight Rail, 49th floor, Carlton Centre, 150
Commissioner Street, Johannesburg, 2000**

(Insert name and address of Employer)

Name of
witness

Signature of
witness

Date

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

SCHEDULE OF DEVIATIONS

Note:

1. To be completed by the Employer 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 Employer prior to the tender closing date is limited to those permitted in terms of the Conditions of Tender.
3. A tenderer's covering letter must not be included in the final contract document. Should any matter in such letter, which constitutes a deviation as aforesaid be the subject of agreement reached during the process of Offer and Acceptance, the outcome of such agreement shall be recorded here and the final draft of the contract documents shall be revised to incorporate the effect of it.
4. Any other matter arising from the process of offer and acceptance either as a confirmation, clarification or change to the tender documents and which it is agreed by the parties become an obligation of the contract, shall also be recorded here.

No.	Subject	Details
1		
2		
3		
4		
5		
6		

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

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

PRIEVIEW COPY ONLY



C1.2 Contract Data

Part one - Data provided by the *Employer*

Please read the relevant clauses in the conditions of contract before you enter data. The number of the principal clause is shown for each statement however other clauses may also use the same data.

Rows containing the statement and data for options in the core clauses and for main & secondary option clauses, according to the options chosen, are identified by shading in the left-hand column.

Completion of this data in full, according to the Options chosen, is essential to create a complete contract.

Clause	Statement	Data
PART 1	General	
	The <i>conditions of contract</i> are the core clauses and the clauses for main Option: dispute resolution Option and secondary Options	A: Priced contract with price list W1: Dispute resolution procedure X1: Price adjustment for inflation X3: Multiple currencies X13: Performance bond X17: Low performance damages Z: Additional conditions of contract
	of the NEC3 Term Service Contract (June 2005)	
10.1	The <i>Employer</i> is (name): Address Tel No. Fax No.	Transnet Freight Rail, A Division of Transnet Ltd. 49th Floor, Carlton Centre, 150 Commissioner Street, Johannesburg (011) 3082435 (011) 3082430
10.1	The <i>Service Manager</i> is (name): Address Tel Fax e-mail	Mr Chris Norden Room 318, 138 Eloff Street, Braamfontein (011) 773-8872 (011) 773-7717 Chris.Norden@transnet.net
11.2(2)	The Affected Property is	Various regions, Countrywide
11.2(13)	The <i>service</i> is	Maintenance of permanent track with on-track ballast tamping machine. Refer to clause Z.5.1.1



11.2(14)	The following matters will be included in the Risk Register	<ul style="list-style-type: none"> i. Cancellation of track occupations at short notice. ii. The shortage of wagons, locomotives and locomotive driver crews may disrupt logistics to move material, equipment and staff on railway lines. iii. Work on railway track near live OHTE electrical equipment holds a danger of electrocution for workers. iv. Working on a railway lines adjacent to lines on which rail traffic continue to run holds the risk of injury or death to workers. v. Dry vegetation at or near most worksites is a fire hazard.
11.2(15)	The Service Information is in	Part C3 : Service Information (Works Information)
12.2	The <i>law of the contract</i> is the law of	The Republic of South Africa subject to the jurisdiction of the Courts of South Africa.
13.1	The <i>language of this contract</i> is	English
13.3	The <i>period for reply</i> is	2 weeks
PART 2	The Contractor's main responsibilities	Refer to option Z.5.1
PART 3	Time	
30.1	The starting date is	The Contract date
	The <i>service period</i> is	As stated in the service information.
PART 4	Testing and defects	No data is required for this section of the conditions of contract.
PART 5	Payment	
51.1	The <i>currency of this contract</i> is the	South African Rand (ZAR).
51.2	The period within which payments are made is	Payment will be made 45 days from month end statement. The assessment interval is a calendar month.
51.4	The <i>interest rate</i> is	2% Per annum above the prime lending rate of the Standard Bank of South Africa Ltd as determined from time to time.
PART 6	Compensation events	No data is required for this section of the conditions of contract.
PART 7	Use of Equipment Plant and Materials	No data is required for this section of the conditions of contract.
PART 8	Risks and insurance	
8.3.1	The <i>Employer</i> provides these insurances	

- (a) The minimum limit of indemnity for insurance in respect of loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with this contract for any one event is **whatever the Contractor deems desirable in addition to that provided by the Employer.**
- (b) The minimum limit of indemnity for insurance in respect of death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with this contract for any one event is that **which is prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 as amended.**

Indemnities and insurance

- i. The Contractor shall take every precaution not to cause damage to property or injury to any person as a result of his execution of the work.
- ii. Transnet will insure in the joint names of Transnet Freight Rail and the Contractor against all legal liabilities which may arise from the accidental death of or injury to third party persons and/or accidental loss of, or damage to third party property in the course of the Contractor's execution of the Work.
- iii. The insurance policy will be for an indemnity limit as stated in the policy and will be maintained in force during the entire period of the Contract.
- iv. The Contractor shall in the case of a liability arising out of a negligent act or omission on the part of the Contractor be responsible for payment of the amount(s) stated in the policy as being the deductible.
- v. The insurance to be provided in terms of clause 83.1(ii) will have a cross liabilities cover in respect of which each party shall be separately indemnified in respect of claims made by any one of them against the other as though a separate policy has been issued to each of them.
- vi. The Contractor shall insure against loss of or damage to his own machinery, tools, equipment, materials and site establishments and any consequential financial losses arising from such damage. This insurance is to be maintained in force during the entire period of the Contract. The Contractor shall likewise arrange his own insurances in respect of motor vehicle liabilities and employer's common law liabilities of the Contractor.

PART 9	Termination	Refer to Clause Z.5.9
Dispute Resolution	Option W1	
W1.1	The <i>Adjudicator</i> is (Name)	Will be mutually agreed upon by the parties if a dispute arises.
W1.2(3)	The <i>Adjudicator nominating body</i> is:	The Association of Arbitrators (Southern Africa)
W1.4(2)	The <i>tribunal</i> is:	Arbitration
W1.4(5)	The <i>arbitration procedure</i> is	The Rules for the Conduct of Arbitrators of the Association of Arbitrators (Southern Africa)
	The place where arbitration is to be held is	Johannesburg

- The person or organisation who will choose an arbitrator
- if the Parties cannot agree a choice or
 - if the arbitration procedure does not state who selects an arbitrator, is

**The Chairman of the Association of Arbitrators
(Southern Africa)**

Data for secondary Option clauses

Options X1, X3, X13 and X17

1 OPTION X1:

1.1 PRICE ADJUSTMENT FOR INFLATION:

- 1.1.1 Price adjustment factor calculated monthly according to paragraphs 1.1.1 to 1.1.10 below.
- 1.1.2 Price to be fixed for a year on rates offered in tender and adjusted each end of year for next year by the escalation increase of the past year. The increase for the following year shall be calculated as per clause 1.1.1 to 1.1.10, exactly one year later than the base date of the contract.
- 1.1.3 Alternative proposal of tenderers. Detail to be provided by tenderer.
- 1.1.4 A contract price adjustment factor to be determined in accordance with the formula as described below will be applied to allow for all increases or decreases in costs, from any cause whatsoever, which may occur after the closing date of the submission of tenders and before the date of completion. The factor shall be rounded off to six decimal places. The contract price adjustment factor shall be:
- $$(1 - x) \left(0.35 \frac{L_t}{L_o} + 0.40 \frac{P_t}{P_o} + 0.13 \frac{M_t}{M_o} + 0.12 \frac{D_t}{D_o} - 1 \right)$$
- where x = 0,15 and
- L_o, P_o, M_o and D_o are respectively labour, machinery, material and diesel fuel indices ruling for the calendar month two (2) months prior to closing date of the tender;
- L_t, P_t, M_t and D_t are respectively labour, machinery, material and diesel fuel indices ruling for the calendar month two (2) months prior to the date of measurement.
- 1.1.5 The indices to be used shall be those for the Consumer Price Index and Production Price Index as obtained from the monthly Statistical News Release published by STATS South Africa.
- L_o and L_t shall be the labour indices for Metropolitan Areas (P0141.1 Table A).
 - P_o and P_t shall be the average of the price indices of Non-Electrical Machinery and Transport Equipment in the ratio of 1:1 (P0142.1 Table 8 item 2.16 and 2.21 respectively).
 - M_o and M_t shall be the price indices of materials used in Mechanical Engineering (P0142.1 Table 10).
 - D_o and D_t shall be the price indices of "Diesel Oil – Average Coastal and Witwatersrand" (P0142.1 Table 12).
- 1.1.6 When the value of an index at the time of calculation is not known the latest available index shall be used and any correction necessary shall be made by addition or subtraction in subsequent monthly payment certificates.

- 1.1.7 The amounts to be added to or subtracted from the monthly payment certificates shall be calculated by multiplying the amount certified for payment for that month (but excluding amounts not subject to price adjustment) by the contract price adjustment factor for that month.
- 1.1.8 Adjustment to measurements of previous months' quantities will be included in calculation of the amount certified for payment and will therefore be subject to the price adjustment factor of the current measurement month.
- 1.1.9 Any additions to or deductions from the amount payable, brought about by the application of the contract price adjustment factor, shall be deemed to have made full allowance for all increases or decreases in cost from any cause whatsoever, including all overhead costs as well as any increases and decreases therein, and profit.
- 1.1.10 Value added tax shall be excluded from individual payment item rates and price adjustment indices as it will be added to the total of the month's measurement, after price adjustment has been made in terms hereof.

2 OPTION X3:

2.2 FOREIGN EXCHANGE RATE FLUCTUATIONS

- 2.2.1 The contract price payable to the Contractor will be adjusted for increases and decreases in costs of imported materials, machines and spare parts, due to fluctuations in foreign currency exchange rates after the conclusion of the Contract and for the duration thereof.
- 2.2.2 Tenderers shall, by furnishing the particulars in the appendix to the Price List, indicate whether their tenders or part(s) thereof are subject to variation because of exchange rate fluctuations.
- 2.2.3 Where no particulars are furnished, such tenders will be deemed to be not subject to variation because of exchange rate fluctuations.
- 2.2.4 The foreign exchange rate adjustment will be made in the monthly payment certificates in respect of the progress payments for that month and are to be based on the Standard Bank of South Africa's "TT sell" rate at the close of business on the last banker's day of the month for which measurement is being made.
- 2.2.5 The percentages quoted in the appendix shall indicate the proportion of the scheduled rate or price that are subject to exchange rate fluctuations and the adjustments on account of exchange rate fluctuations shall only be made in respect of those proportions of the tendered rates and/or prices. The percentages quoted shall not be subject to variation because the actual quantities measured being more or less than the estimated quantities stated in the tender Price List.
- 2.2.6 The rate of exchange to be used by Tenderers in the computation of their tender rates and/or prices and which is to be quoted in the appendix are the rate of exchange on the day 7 days prior to the date on which tenders close.
- 2.2.7 The adjustments of the tendered rates and prices will be made in respect of percentages quoted to be affected by fluctuations in the rate of exchange of the stated currency, between the rate stated in the appendix and the ruling rate determined in accordance with clause 2.2.9 hereof.

2.2.8 The contract price adjustments stipulated in clause 1.1.1 hereof shall not apply to the portions of the contract payments that are subject to adjustments for exchange rate fluctuations in terms hereof and the following formula shall apply instead.

2.2.9 The foreign exchange rate adjustment formula shall read:

$$(1-x)\left[\frac{C_t}{C_o} - 1\right]$$

Where x = the percentage not applicable to foreign exchange
Co shall be the rate as prescribed in clause 2.2.4 hereof.
Ct shall be the rate as prescribed in clause 2.2.4 hereof.

The indices to be used will be those that the Contractor proposed in his tender. These indices shall be from an official series, published by the generally accepted institution of the country to which the foreign currency is to be remitted. The tender shall furthermore show the trend of the indices over a period of at least two years.

2.2.10 The Contractor shall, when requested by the Service Manager's Deputy, furnish documentary proof of remittance to another country of the contract payments made in terms of this clause.

3 OPTION X13: PERFORMANCE BOND:

Transnet Freight Rail requires a Performance Bond of 5% of the total value of the Contract as security for the due and faithful performance by the Contractor of all the duties and obligations resting upon and assumed by him in terms of the Contract.

The Performance Bond is to be returned to the Contractor upon completion of the contract after certification from the Service Manager that all contract requirements have been met.

4 OPTION X17: LOW PERFORMANCE DAMAGES:

4.1. UNSATISFACTORY PERFORMANCE OF THE MACHINERY

4.1.1 The Service Manager's Deputy may terminate the Work and/or order the machinery to be moved to another place of Work and/or order the removal of mechanic(s) and/or operator(s), and/or order the temporary or permanent removal and replacement of a machine under the following conditions:

- When the output of the machinery is less than 70% of the required minimum productivity for a period of two consecutive months, or
- when the percentage availability of the machinery (as described in the Contract data) is less than 75% for a period of two consecutive months.

4.1.2 The Contractor may substitute, either temporarily or for the duration of the Contract, other machinery in place of that listed in the Schedule of Machinery offered. The substitute machinery shall be subject to all the terms and conditions of the Contract and shall in no way be inferior to the original machinery. The Service Manager's Deputy shall be advised of any proposed substitution, which shall be subject to his approval.

4.1.3 Should the Service Manager's Deputy, at any time, be of the opinion that the machinery provided by the Contractor is performing defectively or is incapable of achieving the specified output and availability the Service Manager's Deputy may notify the Contractor in writing, but the Contractor shall not be relieved of any of his contractual obligations if such notification is not given.

4.1.4 The Contractor shall there-upon take steps to improve the output and availability of the machinery to specified performance levels or to replace the machinery with machinery capable of achieving the specified performance, failing which the Employer may act in terms of clause Z.5.9.

Option Z Additional conditions of contract

The Additional conditions of contract are
Definitions:

Z.1 Day

Day is a calendar day and where a specific number of days is allowed in the Contract for the performance of any act or is stipulated for the extinction of any right or the duration of any event or circumstance, public holidays and the annual Christmas break from 20 December to 4 January (both days included) is excluded from the calculation of the number of days concerned.

Z.2 Intellectual property

Intellectual property rights (including patents, copyright, trade marks etc), rests with the party owning them and the Contractor indemnifies the Employer from any liability arising from infringement of such intellectual property rights.

Z.3 Assignment & cession

Neither the *Contractor* nor the *Employer* may, without the written consent of the other, assign the Contract or any part thereof or any obligation under the Contract or cede any right or benefit there under.

Z.4 Non-Waiver

No grant by the *Employer* or the *Contractor* to the other of any concession, waiver, condonation or allowance is, in respect of any specific event or circumstance other than that in respect of which the grant was made to constitute a waiver of the rights of the grantor in terms of the Contract or an *estoppel* of the grantor's right to enforce the provision of the Contract.

Z.5.1 THE CONTRACTOR'S GENERAL OBLIGATIONS

The following information in addition to Core Clause 2 of the Schedule of Options will apply:

Z.5.1.1 The Contractor's general obligations under the Contract comprise: -

- maintenance of railway track and the provision of on-track maintenance machinery and all accessory tools and equipment of the types and nature stipulated in the Particular Specifications and
- the provision of all labour, Service Manager's Deputy personnel and specialised tradesman required to undertake the duties and functions required in terms of the Contract and everything, whether of a temporary or permanent nature, required for performance of the Work and services to be provided in terms of the Contract.

Z.5.1.2 Transnet Freight Rail shall, in the case of a breach of contract by the Contractor in terms of clause Z.5.9, have a lien over the Contractor's machines and accessory tools and equipment and all temporary buildings of the Contractor used for carrying out the Work.

Z.5.1.3 The clause headings in these conditions of contract are not deemed to be part thereof and will not be taken into consideration in the interpretation of the Contract.

Z.5.1.4 Any grant by Transnet Freight Rail or the Contractor (the Grantor), or by any of the persons authorised to act on their behalf to the other, of any concession, waiver, condonation or allowance shall not, in respect of any specific event or circumstance other than that in respect of which the grant was made, constitute a waiver of the rights of the grantor in terms of the Contract or an *estoppel* of the grantor's right to enforce the provisions of the Contract.

Z.5.1.5 Value-added tax in terms of the Value-added Tax Act No. 89 of 1991 shall be dealt with as follows: -

- In Tendering; Value-added tax shall not be included in the tendered rates and prices.
- In payment; Value-added tax shall not be reflected on monthly contract payment certificates, but paid separately on the presentation of a tax invoice by the Contractor. The value of the work reflected on the tax-invoice must correspond with the netto amount indicated on the contract payment certificate.
- Changes to the VAT rate will be dealt with in terms of sections 67 and 67A of the Act.

Z.5.2 CESSION, ASSIGNMENT AND SUBCONTRACTING

Z.5.2.1 The Contractor shall not cede or assign the Contract or any part thereof without the prior written approval of the Service Manager.

Z.5.2.2 The Contractor shall not enter into any subcontract without the prior written approval of the Service Manager which approval shall not unreasonably be withheld. The subcontractor, in respect of whom approval is so granted and his employees or workmen shall for all the intentions and purposes of the Contract, be deemed to be workmen of the Contractor, as provided in clause Z.5.1 hereof.

Z.5.2.3 Approval given in terms of clauses Z.5.2.1 and Z.5.2.2 hereof shall not relieve the Contractor of any responsibility, duty or obligation imposed upon him by the Contract, and the Contractor shall in particular be and remain solely liable and responsible for all acts, omissions, negligence or breaches of contract on the part of the assignee or any of his employees, and for all acts, omissions or negligence of any subcontractor or any of his employees.

Z.5.3 SUFFICIENCY OF TENDER

Z.5.3.1 The Contractor shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his tender and of the rates and prices stated in the Price List. These rates shall be sufficient to cover his obligations under the Contract and everything necessary for the proper performance of the Work and services specified here in.

Z.5.4 ACCESS, RIGHTS-OF-WAY AND CAMPSITES

Z.5.4.1 Where entry onto Transnet Freight Rail's property is restricted, permission to enter will be given only for the performing the Work and services included in the Contract and will be subject to the terms and conditions laid down by Transnet Freight Rail.

Z.5.4.2 The Contractor shall arrange for campsites, workplaces and access thereto as well as for any right-of-way over private property to the place of the Work, and for access within the boundaries of Transnet Freight Rail's property. The owners of private property to be traversed shall be approached and treated with tact and courtesy by the Contractor, who shall, if necessary, obtain a letter of introduction to such property owners from the Service Manager's Deputy.

Z.5.4.3 The Contractor shall be responsible for the closing of all gates on roads and tracks used by him or his employees. Except with the prior approval of the Service Manager's Deputy and the owner or occupier of any private land to be traversed, the Contractor shall not cut, lower, damage, remove or otherwise interfere with any fence or gate which is either on Transnet Freight Rail's property or on private property and which restricts access to the Work.

Z.5.4.4 Where such approval has been given, the Contractor shall prevent entry of animals or unauthorised persons onto Transnet Freight Rail's or private property and shall make the fences safe against trespass at the close of each day's work.

Z.5.4.5 The Contractor shall take all reasonable steps to confine the movement of vehicles and plant to the approved right-of-way to minimise damage to property, crops and natural vegetation.

Z.5.4.6 When access is no longer required and before completion of the Work, the Contractor shall repair, restore or replace any fence or gate damaged during execution of the Work and services to the satisfaction of the Service Manager's Deputy.

Z.5.5 WORKMEN

Z.5.5.1 All persons employed by the Contractor to carry out the Contract shall be competent, responsible and of good character.

Z.5.5.2 If, in the opinion of the Service Manager's Deputy, any person employed by the Contractor is inefficient, negligent, disrespectful or objectionable, the Service Manager's Deputy may, after consultation with the Contractor, instruct that such person be removed from the Contract Work.

Z.5.5.3 During the currency of the Contract, the Contractor shall not approach any employee of Transnet Freight Rail with a view to offering him employment in any capacity whatsoever.

Z.5.5.4 The Contractor shall, upon request, provide the Service Manager's Deputy with a weekly statement of the number of persons employed on the Work each day by the Contractor and any sub-contractor, the capacity in which employed, the total number of hours worked in that week for each grade of staff separately and details of any incentive or bonus payment schemes introduced. The statement shall be supported by documentary evidence when so required by the Service Manager's Deputy.

Z.5.5.5 The Contractor shall ensure that all staff transported on on-track machines and Transnet Freight Rail wagons or coaches, shall at all times be transported in a safe and responsible way. Only authorised staff shall be transported.

Z.5.5.6 The attention of the Contractor is directed to the requirements of safety legislation and regulations with regard to storage and transport of dangerous substances, accommodation and transport of people.

Z.5.5.7 Staff shall only be allowed to travel on a train or machine in approved accommodation or cabin facilities.

Z.5.6 HOUSING OF EMPLOYEES

Z.5.6.1 The Contractor shall, where necessary, make his own arrangements for suitable housing of his employees. Where temporary housing is permitted by the Service Manager's Deputy on Transnet Freight Rail land the Contractor shall provide suitable sanitation, lighting and portable water supplies.

Z.5.6.2 The Contractor may, where available and subject to the approval of the Service Manager's Deputy, use Transnet Freight Rail campsites and sanitary services. The Contractor may in such case use Transnet Freight Rail waste disposal service if available at such campsite.

Z.5.6.3 Fouling of the area inside or outside Transnet Freight Rail's boundaries must be prevented. The Contractor may be called upon by the Service Manager's Deputy to dispose of any foul or waste matter generated by the Contractor.

Z.5.7 HOURS OF WORK

Z.5.7.1 The Contractor shall conform to the hours of duty laid down by the Service Manager's Deputy. When required, the Contractor shall work either overtime or shifts, on paid public holidays, Saturdays or Sundays. The machinery will not be required to work more than 6 shifts in any 7-day period or 11 shifts in any 14-day period.

Z.5.7.2 Work shall not be suspended for rain or inclement weather unless otherwise agreed by the Service Manager's Deputy. Before the end of each day's work the Contractor will be advised in writing of the commencement time and duration of the following day's occupation(s). The duration of the occupation will be subject to train operating conditions.

Z.5.7.3 The Contractor may be required to work SPLIT occupations as defined in clause 3.10 of the Service Information when a 2 hour period will be allowed between occupation periods for servicing of the machines.

Z.5.7.4 The Contractor will be allowed sufficient time on-track to calibrate and adjust the machine as part of the preventive maintenance of the machine. This time will be outside the scheduled occupation periods and will not be included in any of the contract measurements.

Z.5.8 COMPLIANCE WITH STATUTES AND SAFETY RULES

Z.5.8.1 The Contractor shall comply with all applicable legislation and the Transnet safety requirements. The cost of such compliance shall be borne by the Contractor and shall be deemed to have been allowed for in the rates and prices in the Contract.

Z.5.8.2 The Contractor shall, in particular, comply with the following Acts: -

- The Compensation for Occupational Injuries and Diseases Act, (Act 130 of 1993); The Contractor shall produce proof of his registration and good standing with the Compensation Commissioner in terms of the Act.
- The Occupational Health and Safety Act (Act 85 of 1993); The Contractor is in terms of section 37(2) of Act 85 of 1993, deemed to be an employer in his own right with duties as prescribed in the Act and agrees to ensure that all work will be performed or machinery and plant used in accordance with the provisions of the Act in respect of all persons in his employ, other persons on the premises or the site or place of the Work or on the Work to be executed by him and under his control in terms of the Contract. The agreements in this Contract and all documents attached or referred to, form an integral part of the arrangements and procedures stipulated in the aforementioned section.
- The Contractor shall comply with the current Transnet Specification E.4E, Safety Arrangements and Procedural Compliance with the Occupational Health and Safety Act, Act 85 of 1993 and Regulations as applicable, and shall, before commencement with the execution of the Contract, submit to the Service Manager's Deputy, documentary proof of his procedural compliance with the Act and particulars of his Health and Safety Policy and Programme to be implemented on the Work in accordance with Specification E.4E.
- The Contractor's Health and Safety Policy and Programme will be subject to the agreement of the Service Manager's Deputy, who may order supplementary and/or additional safety arrangements and/or different safe working methods to ensure compliance by the Contractor with his obligations as an employer in terms of the Act.
- The Contractor shall comply with the current Specification for Work On, Over, Under or Adjacent to Railway Lines and near High Voltage Equipment - E7/1, where applicable, and shall take particular care of the safety of his employees working on or in close proximity to a railway line during track occupations as well as under normal operational conditions.
- He shall also comply with all other safety requirements, regulations and guidelines of Transnet applicable to the nature of Work carried out under the Contract and shall obtain the particulars thereof from the Service Manager's Deputy.
- In addition to compliance with clause Z.5.8.2 hereof, the Contractor shall report all incidents contemplated by Section 24 of the Act in writing to the Service Manager's Deputy. Any incident resulting in the death of or injury to any person on the WORK shall be reported within 24 hours of its occurrence and any other incident shall be reported within 48 hours of its occurrence.
- The term "safety rules" is used in a generic sense and refers to all Transnet arrangements, procedures and requirements, pertaining to safety, specified or incorporated by reference in the contract documents, such as the Specification for Work On, Over, Under or Adjacent to Railway Lines and near High Voltage Equipment, E7/1, the Electrical Safety Instructions - High Voltage Equipment. (Copies of these documents are available for inspection at the offices of Transnet Freight Rail.

Z.5.9 BREACHES AND REMEDIES

Z.5.9.1 Should the Contractor commit any breach or default of any kind mentioned in clause Z.5.9.2 hereof, the Employer may exercise, subject to the provisions as stated in Option W1 as well as clause Z.5.9.3, for and on behalf of Transnet, immediately, in whole or in part and consecutively or concurrently, all or any of the options, rights and powers set out in clause Z.5.9.3 hereof.

Z.5.9.2 Breaches or defaults entitling the Employer to act in terms of clause Z.5.9.3 hereof shall be the following: -

- Z.5.9.2.1 insolvency of the Contractor or an act of insolvency comprising inter alia, the following: -
 - Z.5.9.2.1.1 liquidation or sequestration of the Contractor's estate (provisionally or finally); or
 - Z.5.9.2.1.2 the Contractor publishing a notice of surrender of his estate as insolvent; or
 - Z.5.9.2.1.3 the Contractor entering into a compromise with the general body of his creditors; or
 - Z.5.9.2.1.4 the Contractor having an execution levied on his goods.
- Z.5.9.2.1 material breach of the Contract by the Contractor comprising inter alia;
 - Z.5.9.2.1.1 the abandonment or repudiation of the Contract;
 - Z.5.9.2.1.2 suspension of progress of the Work without contractual cause;
 - Z.5.9.2.1.3 assigning of the Contract without the consent in writing of the Employer having first being obtained;
 - Z.5.9.2.1.4 subcontracting any part of the Contract without the Service Manager's approval;
 - Z.5.9.2.1.5 failing to provide the performance bond in terms of option X13 hereof;
 - Z.5.9.2.1.6 failing to satisfy any judgment or arbitrator's award entered against him within 7 days after such judgment or award is so entered; or to satisfy any attachment order against property within 3 days of its issue;
 - Z.5.9.2.1.7 failure, after he has been notified in terms of Option X17 clause 4.1.3 to achieve the specified output and/or availability of the machinery; or to rectify defective performance; or conviction of the Contractor or any of his employees in a court of law for any offence which adversely affects the interests of Transnet.

Z.5.9.3 In the event of any breach or default mentioned in clause Z.5.9.2 hereof, the Employer may exercise any of the following options, rights and powers: -

- Z.5.9.3.1 To cancel the Contract and to invoke the lien over the Contractor's machines, equipment, tools and temporary buildings, and any indemnities or safeguards in favour of Transnet in terms of the Contract.
- Z.5.9.3.2 To take over full possession and control of the whole or any portion of the Work and the Contractor's machinery equipment, tools and material used thereon, and control of any or all of the Contractor's employees (with or without accepting any liability for arrear salaries or wages, or for any contracts of personal service) and to continue and complete the Work, by employment of such of the Contractor's employees and using such of his site establishment, temporary buildings, machinery equipment tools and materials, as is necessary in the discretion of the Service Manager, all for the account of and at the cost and risk of the Contractor.
- Z.5.9.3.3 To remove and dismiss any person employed by the Contractor and, for the account of and at the cost and risk of the Contractor, to engage or appoint any other person under such conditions and to pay him such salary or wage as the Service Manager may deem fit.
- Z.5.9.3.4 To obtain from any source whatsoever, at the cost of the Contractor, tools, equipment and material as are necessary, in the opinion of the Service Manager, for the proper completion of the Contract.

- Z.5.9.3.5 To dismiss the Contractor from any further control of the execution of the Contract, and thereafter to take over full control of and to utilise the whole or any portion of the machinery, equipment, tools and material belonging to the Contractor, and to employ any person other than the Contractor to complete the Contract, in each case for the account of and at the risk and cost of the Contractor, after or without offering such work for tender and without the interference or intervention in any way by the Contractor. After the said work has been completed by such other person and such other person has been paid therefore, the Service Manager shall issue the Final Certificate when so authorised by the Employer.
- Z.5.9.3.6 To reduce, in the case where the Contractor's defective workmanship and/or performance is accepted by Transnet, any one or all of the rates and prices in the Contract by the amounts of Transnet's losses or the costs of rectifying the defective workmanship and/or performance of the Contractor, or by the amounts that the Contract Work is reduced in value as a consequence of the deficiencies.
- Z.5.9.4 Should any money as shown by the final certificate be due by the Contractor to Transnet, the Contractor and/or his guarantor shall forthwith pay such money to Transnet, failing which Transnet may recover the said amount from the Contractor.
- Z.5.9.5 All wages, salaries, costs, expenses and damages paid, incurred or sustained by Transnet for which the Contractor is liable in terms of the Contract, shall be paid by the Contractor on demand or shall be recovered from monies owing to the Contractor or by legal action in a court of appropriate jurisdiction.
- Z.5.9.6 In any action taken or instituted by Transnet in terms of clauses Z.5.9.1 to Z.5.9.4 hereof or any clause of the Contract read alone or in conjunction with these clauses, a certificate issued by the Service Manager shall be deemed to be proof of any amount due by the Contractor to Transnet or by Transnet to the Contractor.
- Z.5.9.7 No action taken or instituted by Transnet in terms of clauses Z.5.9.1 to Z.5.9.4 hereof or any clause of the Contract read alone or in conjunction with these clauses shall prejudice or detract from Transnet's right to recover damages for any other breach or default committed by the Contractor in respect of the Contract. The remedies provided under clauses Z.5.9.3 and Z.5.9.4 hereof are additional to any other rights, claims or remedies that Transnet may have in law or under the Contract against the Contractor.