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# Part C1

## Agreement and contract data

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PRIEVIEW COPY ONLY

**C1.1 FORM OF OFFER AND ACCEPTANCE (ECC3)**

**OFFER**

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

**SUPPLY, OPERATE AND MAINTAIN OF LOGISTICAL PROCESS FOR LOADING, TRANSPORTING AND OFF-LOADING OF NEW/SECOND HAND RAILS ON ALL LINES OWNED AND/OR OPERATED BY TRANSNET FREIGHT RAIL.**

The tenderer, identified in the Offer signature block, has 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.

By the representative of the tenderer, signing this part 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)	

This Offer may be accepted by the Employer 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 *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 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 Tender 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, bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the *conditions of contract* identified in the Contract Data. 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

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		
7		

By the duly authorised representatives signing this agreement, the Employer and the tenderer agree to and accept the foregoing 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.



## C1.2 CONTRACT DATA PROVIDED BY *EMPLOYER* (ECC3)

The conditions of contract are the NEC3 Engineering and Construction Contract (June 2005), copies of which may be obtained from the South African Institution of Civil Engineering (tel. 011-805 5947) or Engineering Contract Strategies (tel. 011 803-3008).

### Part One – Data Provided by the *Employer*

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

#### Statements given in all contracts

##### 1 General

(a) The conditions of contract are the core clauses and the clauses for main Option **B**, dispute resolution Option **W1** and secondary Options **X1, X3, X7, X13 & X17** of the NEC3 Engineering and Construction Contract

June 2005 (with amendments June 2006).

(b) **The Contractor's Offer and the Employer's Acceptance is in the document called Form of Offer and Acceptance – Part 1 (C1.1).**

(c) The *works* are the **Supply, Operate and Maintain of logistical process for Loading, Transporting and Off-loading of new/second hand rails on all lines owned and/or operated by Transnet Freight Rail.**

(d) The *Employer* is

Name Transnet Limited trading as Transnet Freight Rail  
Address 49<sup>th</sup> Floor Carlton Centre  
150 Commissioner Street  
Johannesburg, 2000

(e) The *Project Manager* is

Name : William Goosen  
Address: Room 317  
138 Eloff Street  
Braamfontein, 2001

(f) The *Supervisor* is

Name : **To be advised**

(g) The *Adjudicator* will be mutually agreed upon between the parties when a dispute arises.

(h) The *Works Information* is in the document called “**Scope of Work**” – Part 3 (C3).

- (i) The *Site Information* is in the document called “**Site Information**” – **Part 4 (C4)**.
- (j) The *boundaries of the site* are **all lines owned and or operated by Transnet Freight Rail**.
- (k) The *language of this contract* is **English**.
- (l) The *law of the contract* is the law of the **Republic of South Africa**.
- (m) The *period for reply to a communication* is **3 weeks**.
- (n) The *Adjudicator nominating body* is the **Association of Arbitrators (Southern Africa)**.
- (o) The *tribunal* is **Arbitration**.
- (p) The following matters will be included in the Risk Register
- 1 The process must be able to deliver normal production under live OHTE conditions.**
  - 2 Must be able to travel outside daylight hours under loaded conditions**
  - 3 Must be able to travel day or night loaded or unloaded up to 80km/hr.**
  - 4 Must be able to load and offload while trains run normally on adjacent lines.**
  - 5 The whole of the process must be able to fit within the TFR vehicle gauge when travelling.**
- 3 Time
- (a) The *starting date* is to be advised upon awarding of contract.
- (b) The *access dates* are **for the duration of the contract**
- | Part of the Site                                | Date                  |
|---|-----------------------|
| 1. All sites listed under “Description of work” | Duration of contract. |
- (c) The *Contractor* submits revised programmes at intervals no longer than **4 weeks**.
- 4 Testing and Defects
- (a) The *defects date* is **N/A** after Completion of each site.
- (b) The *defect correction period* is **N/A** weeks
- (i) The *defect correction period* for **N/A**.
  - (ii) The *defect correction period* for **N/A**.
- 5 Payment
- (a) The *currency of this contract* is the **South African Rand (ZAR)**.
- (b) The *assessment interval* is **on the 10<sup>th</sup> of each calendar month**.

- (c) The *interest rate* is **two percent** per annum above the **prime lending** rate of the **Standard Bank of South Africa Ltd. as determined from time to time.**

## 6 Compensation events

- (a) The place where weather is to be recorded is **at the town nearest to the site of the works.**
- (b) The *weather measurements* to be recorded for each calendar month are
- (i) the number of days with rainfall more than **10mm**
  - (ii) the number of days temperature below zero
  - (iii) the number of days snow lying on the ground at 09h00
- (c) The *weather measurements* are supplied by the **SA Weather Service.**
- (d) The *weather data* are the records of past *weather measurements* for each calendar month which were recorded at **the town nearest to each work site where the works are carried out** and which are available from **SA Weather Service.**
- (e) Where no recorded data are available  
Assumed values for the ten year return *weather data* for each *weather measurement* for each calendar month are  
**N/A**

## 8 Risks and insurance

- (a) The minimum limit of indemnity for insurance in respect of loss of or damage to property (except the *works*, Plant and Materials and (not an employee of the *Contractor*) caused by activity in Equipment) and liability for bodily injury to or death of a person 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.**

## Optional statements

- (a) Arbitration
- The *arbitration procedure* is **the Rules for the Conduct of Arbitrations issued by the Association of Arbitrators (Southern Africa) by an Arbitrator to be mutually agreed by the parties and failing agreement to be appointed by the association of Arbitrators.**
  - The place where arbitration is to be held is  
**To be advised.**

- The person or organisation who will choose an Arbitrator if the Parties cannot agree a choice is **The Chairman of the Association of Arbitrators (Southern Africa)**.
- (b) The completion date for the whole of the *works* is **24 (twenty four) months from the starting date**.
- (c) The Employer is not willing to take over the works before the completion date.
- (d) If no programme is identified in part two of the Contract Data.  
The *Contractor* is to submit a first programme for acceptance within **4** weeks of the Contract Date.
- (e) The *key dates* and *conditions* to be met are  

<i>condition</i> to be met	<i>key date</i>
<b>N/A</b>	
- (f) The period within which payments are made is **30 days within receipt of the necessary tax invoice based on the progress payment certificate prepared by the Project Manager**.
- (g) These are additional *Employer's* risks  
**Any occupation arranged and approved requires an adjustment of the train service. Any exceedance of an approved occupation time will cause damage to TFR's business by way of unplanned disruption of the train service, hence loss in income. Breakdown of machinery during a planned occupation will result in low performance damages due to the fact that additional occupation time will need to be arranged to complete the work. Low performance due to any other problem on the side of the contractor during an approved occupation will result in similar low performance damages to TFR's business.**
- (h) The *Employer* provides these insurances from the Insurance Table
  1. Insurance against loss of or damage to the *works*, Plant and Materials is **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**  
Cover/indemnity is **to the extent as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**  
The deductibles are **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**
  2. Insurance against loss of or damage to Equipment (**Temporary Works only**) **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**  
Cover/indemnity is **to the extent as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**  
The deductibles are **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**



3. Insurance against loss of or damage to property (except the *works*, Plant, 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 **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**

Cover/indemnity is **to the extent as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**

The deductibles are **as stated in the insurance policy for contract works and public liability (Principal Controlled Insurance), attached to the tender documents.**

(j) The *Employer* provides these additional insurances

1. **Contract Works SASRIA insurance subject to the terms exceptions and conditions of the SASRIA coupon policy.**

Cover/indemnity is **to the extent provided by the SASRIA coupon policy**

The deductibles are **in respect of each and every theft claim 0,1% of Contract Value subject to a minimum of R2 500 and a maximum of R25 000.**

The Contractor provides these additional insurances

- 1 Where the Contract requires that design of any part of the *works* shall be provided by the *Contractor*, he shall satisfy the *Employer* that professional indemnity insurance cover in connection therewith has been effected.
- 2 Where the Contract involves manufacture and/or fabrication of Plant and Materials, components or other goods to be incorporated into the *works*, at premises other than the site, the *Contractor* shall satisfy the *Employer* that such Plant and Materials, components or other goods for incorporation in the *works* are adequately insured during manufacture and/or fabrication.
- 3 Should the *Employer* have an insurable interest in such items during manufacture or fabrication, such interest shall be noted by endorsement to the *Contractor's* policies of insurance as well as those of any subcontractor.
- 4 The insurance coverage referred to in 1 and 2 above shall be obtained from an insurer in terms of an insurance policy approved by the *Employer*. The *Contractor* shall arrange with the insurer to submit to the *Project Manager* the original and duplicate original of the policy or policies of insurance and the receipts for payment of current premiums, together with a certificate from the insurer or insurance broker concerned, confirming that the policy or policies provide the full coverage as required. The original policy will be returned to the *Contractor*.

## Option B

All Option B clauses apply with the following amplification:-

- (a) The method of measurement is **as indicated in the measurement clauses of SANS 1200.**
- (b) The last sentence of Clause 63.13 of Option B states:-

“The *Employer* and the *Contractor* agree, rates and lump sums to be used to assess a compensation event instead of Defined Cost.”

- (c) When agreed rates and lump sums are used, Compensation Events are assessed as follows:-
- (i) Where in the opinion of the *Project Manager* work is of a similar character and executed under similar conditions to work priced in the Bill of Quantities, it is to be valued at such rates and prices (including General Items) contained therein as may be applicable; or
  - (ii) Where work is not of a similar character or is not executed under similar conditions, the rates and prices in the Bill of Quantities are to be used as the basis for valuation as far as may be reasonable; or
  - (iii) Where work cannot reasonably be valued in accordance with Clauses (c)(i) and (c)(ii) above, suitable rates or prices are agreed upon between the *Project Manager* and the *Contractor* after due consultation by the *Project Manager* with the *Employer* and the *Contractor*; or
  - (iv) In respect of additional or substituted work, the *Project Manager* may, if in his opinion it is necessary or desirable, issue an instruction that the work be executed in some other appropriate manner.
  - (v) If the parties cannot agree, the *Project Manager* notifies the *Contractor* accordingly and makes his own assessment.

#### Option X1

- (a) 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.
- (b) 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.

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 7.1).
- $P_o$  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).

- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.

### Option X3

- (a) 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.
- (b) 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.
- (c) Where no particulars are furnished, such tenders will be deemed to be not subject to variation because of exchange rate fluctuations.
- (d) The contract price adjustments 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.
- (e) 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.
- (f) 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.
- (g) 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 1.2.9 hereof.

- (h) 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.
- (i) 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

C<sub>o</sub> shall be the rate as prescribed in clause 1.2.4 hereof.

C<sub>t</sub> shall be the rate as prescribed in clause 1.2.4 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.

- (j) 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.

#### Option X7

Delay damage is a penalty in South African Law and the word penalty is to replace delayed damages throughout the Contract.

- a) If the contractor is the cause of delays to the train service beyond the approved occupation then the contractor will be penalized at a rate of R 10,000 per hour or part thereof for each hour that the train service is delayed.

#### Option X13

- (a) The amount of the Performance Bond is to be calculated as 10% of the tender price (excluding VAT).
- (b) The Pro forma Performance Bond is in Part C1.3.

#### Option X17

- a) The value of the low performance damages will be equal to the damages calculated by applying the availability factor (AV) as per the pricing instruction clause 2.7.3.
- b) Any exceedance of a planned occupation time will result in damages claimed from the contractor at the rate of R 10,000 per hour or part thereof irrespective of the number of trains delayed.
- c) If low performance by the contractor during an approved occupation results in partial completion of the work for the planned occupation then low performance damages may be claimed from the contractor. This will be equal to R 10,000 per hour or part thereof of additional occupation time required to complete the unfinished work.

## Option Z

The additional Conditions of Contract are:-

### 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.5.9.2.2 material breach of the Contract by the Contractor comprising inter alia;
  - Z.5.9.2.2.1 the abandonment or repudiation of the Contract;
  - Z.5.9.2.2.2 suspension of progress of the Work without contractual cause;
  - Z.5.9.2.2.3 assigning of the Contract without the consent in writing of the Employer having first being obtained;
  - Z.5.9.2.2.4 subcontracting any part of the Contract without the Service Manager's approval;
  - Z.5.9.2.2.5 failing to provide the performance bond in terms of option X13 hereof;
  - Z.5.9.2.2.6 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.5.9.2.2.7 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
  - Z.5.9.2.2.8 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.
- Z.5.10 Availability during annual builder's holidays
- This contract shall include for allowing the normal annual 3-week builder's holiday during December provided that the contractor shall be on standby for normal production if required based on a 48-hour notice period by TFR.

**C1.2 CONTRACT DATA PROVIDED BY CONTRACTOR (ECC3)**

**Part Two – Data Provided by the Contractor**

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

**Statements given in all contracts**

(a) The Contractor is

Name .....

Address .....

.....

.....

(b) The direct fee percentage is ..... %

(c) The subcontracted fee percentage is ..... %

(d) The working areas are the Site and .....

.....

(e) The key people are

(1) Name .....

Job .....

Responsibilities .....

.....

Qualifications .....

Experience .....

.....

(2) Name .....

Job .....

Responsibilities .....

.....

Qualifications .....

Experience .....

.....

.....

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(3) Name .....  
Job .....  
Responsibilities .....  
.....  
Qualifications .....  
Experience .....

(4) Name .....  
Job .....  
Responsibilities .....  
.....  
Qualifications .....  
Experience .....

(f) The following matters will be included in the Risk Register

.....  
.....  
.....  
.....

**Optional statements (a) If the Contractor is to provide Works Information for his design**

The Works Information for the Contractor's design is in

.....  
.....  
.....  
.....

**(b) If a programme is to be identified by the Contract Data.**

The programme identified in the Contract Data is

.....

**(c) If the Contractor is to decide the completion date for the whole of the works**

The completion date for the whole of works is

.....

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**If Option A or B is used**

**Data for SSCC**

- (a) The percentage for people overheads is .....%
  
- (a) The published list of Equipment is the last edition of the list published by .....
  
- (c) The percentage for adjustment for Equipment in the published list is .....% (state plus or minus).
  
- (d) The rates for other Equipment are  
Equipment                      size or capacity                      rate  
.....                                      .....                                      .....  
.....                                      .....                                      .....  
.....                                      .....                                      .....  
.....                                      .....                                      .....  
.....                                      .....                                      .....
  
- (e) The hourly rates for Defined Cost of design outside the Working Areas are  
category of employee                      hourly rate  
**Senior Engineer**                                      .....  
**Junior Engineer**                                      .....  
**Draughtsperson**                                      .....  
**Tracer**    .....
  
- (f) The percentage of design overheads is .....%
  
- (g) The categories of design employees whose travelling expenses to and from the Working Areas are included in Defined Cost are **all of the categories listed above.**

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