



**Transnet Freight Rail**, a division of

**TRANSNET SOC LTD**

Registration Number 1990/000900/30

[hereinafter referred to as **Transnet**]

**REQUEST FOR QUOTATION [RFQ] No CRAC-JHB-9277**

**FOR THE SUPPLY OF: CHEMICAL CONTROL OF VEGETATION IN YARDS BY  
MEANS OF HERBICIDES FOR TWO YEARS**

**FOR DELIVERY TO: VEREENIGING**

<b>ISSUE DATE</b>	<b>: 03 SEPTEMBER 2012</b>
<b>CLOSING DATE</b>	<b>: 25 SEPTEMBER 2012</b>
<b>CLOSING TIME</b>	<b>: 10:00</b>
<b>BRIEFING SESSION DATE</b>	<b>: 17 SEPTEMBER 2012</b>
<b>TIME</b>	<b>: 10:00</b>

**Section 1**  
**NOTICE TO BIDDERS**

Quotations which must be detailed in Section 2 of this RFQ are to be submitted as follows:

**METHOD:** Courier/Hand delivered  
**CLOSING VENUE:** The Chairperson,  
 Transnet Freight Rail Acquisition Council,  
 Inyanda House 1,  
 21 Wellington Road,  
 Parktown,  
 JOHANNESBURG,  
 2001

**1 Responses to RFQ**

Responses to this RFQ must not include documents or reference relating to any other quotation or proposal. Any additional conditions must be embodied in an accompanying letter.

**2 Broad-Based Black Economic Empowerment [B-BBEE]**

Transnet fully endorses and supports the Government's Broad-Based Black Economic Empowerment Programme and it would therefore prefer to do business with local business enterprises who share these same values. Transnet will accordingly allow a "preference" in accordance with the 10%/20% preference system, as per the Preferential Procurement Policy Framework Act 5 of 2000 [as amended], to companies who provide a B-BBEE Accreditation Certificate. All procurement transactions will be evaluated accordingly.

In compliance with the Government Gazette No 34612, Notice No. 754 dated 23 September 2011, as from 1 October 2011 valid B-BBEE Accreditation Certificates must be issued by:

- a) Verification Agencies accredited by the South African National Accreditation System [SANAS]; or
- b) Registered Auditors approved by the Independent Regulatory Board of Auditors [IRBA], in accordance with the approval granted by the Department of Trade and Industry.

Enterprises will be rated by such agencies based on the following:

- c) **Large Enterprises** [i.e. annual turnover greater than R35 million]:
  - Rating level based on all seven elements of the B-BBEE scorecard
- d) **Qualifying Small Enterprises – QSE** [i.e. annual turnover between R5 million and R35 million]:
  - Rating based on any four of the elements of the B-BBEE scorecard
- e) **Exempted Micro Enterprises – EME** [i.e. annual turnover less than R5 million]:
  - Automatic rating of Level 4 B-BBEE irrespective of race or ownership

- Black ownership greater than 50% or Black Women ownership greater than 50% automatically qualify as Level 3 B-BBEE

EME's should only provide documentary proof of annual turnover [i.e. audited financials] plus proof of Black ownership if Black ownership is greater than 50% [fifty per cent] or Black women ownership is greater than 30% [thirty per cent].

*[Refer Section 4, Vendor Application Form, for Returnable Documents required]*

### 3 Communication

a) Respondents are warned that a response will be liable for disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer(s) or employee of Transnet in respect of this RFQ between the closing date and the date of the award of the business.

b) A Respondent may, however, before the closing date and time, direct any enquiries relating to the RFQ to the following Transnet employee:

Name: Thabo Matlou

Email: thabo.matlou@transnet.net

c) Respondents may also, at any time after the closing date of the RFQ, communicate with the Secretary of the Transnet Acquisition Council on any matter relating to its RFQ response:

Telephone 011 544 9846

Facsimile 011 774 9760

Email TAC.SECRETARIAT@transnet.net

### 4 Tax Clearance

The Respondent's valid Tax Clearance Certificate or letter of good standing from SARS must accompany the Quotation.

### 5 VAT Registration

The valid VAT registration number must be stated here: \_\_\_\_\_ *[for all companies with a turnover of more than R1 million per annum].*

### 6 Legal Compliance

The successful Respondent shall be in full and complete compliance with any and all applicable state and local laws and regulations.

### 7 Returnable Documents

Failure to return all returnable documents as indicated in paragraph 20 below and elsewhere in this RFQ document may lead to disqualification of a bid.

**8 Changes to Quotations**

Changes by the Respondent to its submission will not be considered after the closing date and time.

**9 Pricing**

All prices must be quoted in South African Rand on a fixed price basis.

**10 Prices Subject to Confirmation**

Prices quoted which are subject to confirmation will not be considered.

**11 Negotiations**

Transnet reserves the right to undertake post-bid negotiations with selected Respondents or any number of short-listed Respondents.

**12 Binding Offer**

Any Quotation furnished pursuant to this Request shall be deemed to be an offer. Any exceptions to this statement must be clearly and specifically indicated.

**13 Disclaimers**

Transnet is not committed to any course of action as a result of its issuance of this RFQ and/or its receipt of a Quotation in response to it. Please note that Transnet reserves the right to:

- modify the RFQ’s goods / service(s) and request Respondents to re-bid on any changes;
- reject any Quotation which does not conform to instructions and specifications which are detailed herein;
- disqualify Quotations submitted after the stated submission deadline;
- not necessarily accept the lowest priced Quotation;
- reject all Quotations, if it so decides;
- place an order in connection with this Quotation at any time after the RFQ’s closing date;
- award only a portion of the proposed goods / service/s which are reflected in the scope of this RFQ;
- split the award of the order/s between more than one Supplier; or
- make no award at all.

**14 Evaluation Criteria**

Transnet will utilise the following criteria [not necessarily in this order] in choosing a Supplier, if so required:

- Compliance with this RFQ - Completeness of response and returnable documents
- Technical:

<b>TECHNICAL EVALUATION</b>
<b>There is a set minimum threshold</b>
<b>CATEGORY: TECHNICAL</b>
<ul style="list-style-type: none"> <li>• Compliance to specifications</li> <li>• Fit for purpose</li> <li>• Health and safety compliance</li> </ul>

• Risk and Environment
• Technical capacity/resources
• Delivery/ Schedule

- Suppliers must attain at least the set minimum technical evaluation threshold in order to proceed to the next stage of evaluation
- Proof of Registration in terms of the farm feeds agricultural and stock remedies act, Act 36 of 1947 as amended. It should be noted that this requirement is a disqualifying criteria

<b>COMMERCIAL EVALUATION</b>
<b>CATEGORY: COMMERCIAL</b>
Competitive Pricing
References/Previous performance
<b>BBBEE EVALUATION</b>
<b>CATEGORY: B-BBEE</b>
B-BBEE Certificate and Scorecard
<b>CATEGORY: SUPPLIER / ENTERPRISE DEVELOPMENT</b>
Job Creation/preservation
<b>Further recognition</b>
Black owned (More than 50%)
Black female owned (More than 50%)

**15 Validity Period**

Transnet desires a validity period of 30 [thirty] days from the closing date of this RFQ. It should be noted that Respondents may offer an earlier validity period, but Quotations may be rejected for that reason. Should Respondents be unable to comply with this validity period, an alternative validity period must be stated hereunder:

This RFQ is valid until \_\_\_\_\_ [State alternative validity period/date].

**16 Banking Details**

BANK: \_\_\_\_\_  
 BRANCH NAME / CODE: \_\_\_\_\_  
 ACCOUNT HOLDER: \_\_\_\_\_  
 ACCOUNT NUMBER: \_\_\_\_\_

**17 Company Registration**

Registration number of company / C.C. \_\_\_\_\_  
 Registered name of company / C.C. \_\_\_\_\_

**18 Disclosure of Prices Quoted**

Respondents must indicate here whether Transnet may disclose their quoted prices and conditions to other Respondents:

YES  NO

**19 Returnable Documents**

Respondents are required to submit the following returnable documents with their responses [see tick]. All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent:

Section 1 – Notice to Bidders	Pages 2-5	✓
Section 2 – Quotation Form	Page 6	✓
Section 3 – Conditions of Contract, Form ST&C	Pages 7-11	✓
Proof of annual turnover [EMEs]	Section 1 clause 2	✓
Proof of Black ownership [Black-owned EMEs]	Section 1 clause 2	✓
Section 4 – Vendor Application Form	Pages 12-13	✓
Original cancelled cheque or bank verification of banking details		✓
Certified copies of IDs of shareholder/directors/members [as applicable]		✓
Certified copy of Certificate of Incorporation [CM29/CM9 name change]		✓
Certified copy of share certificates [CK1/CK2 if CC]		✓
Company letterhead		✓
Original current Tax Clearance Certificate		✓
Certified copy of VAT Registration Certificate		✓
Certified copy of Company Registration Certificate		✓
Valid current B-BBEE Accreditation Certificate [Large Enterprises and QSEs]		✓
Audited Financials for previous 3 years		✓
Copies of registered pest control operators, registered in industrial weed control in terms of the farm feeds agricultural and stock remedies act, Act 36 of 1947 as amended.		✓

**FAILURE TO OBSERVE ANY OF THE AFOREMENTIONED REQUIREMENTS  
MAY RESULT IN A QUOTATION BEING REJECTED**

**Section 2**  
**QUOTATION FORM**

I/We \_\_\_\_\_  
hereby offer to supply the goods/services at the prices quoted in the Price Schedule below, in accordance with the conditions related thereto.

I/We agree to be bound by those terms and conditions in:

- the Standard Terms and Conditions for the Supply of Goods and Services to Transnet [Section 3 hereof]; and
- any other standard or special conditions mentioned and/or embodied in this Request for Quotation.

I/We accept that unless Transnet should otherwise decide and so inform me/us, this Quotation [and, if any, its covering letter and any subsequent exchange of correspondence], together with Transnet's acceptance thereof shall constitute a binding contract between Transnet and me/us.

I/We further agree that if, after I/we have been notified of the acceptance of my/our Quotation, I/we fail to deliver the said goods/service/s within the delivery lead-time quoted, Transnet may, without prejudice to any other legal remedy which it may have, cancel the order and recover from me/us any expenses incurred by Transnet in calling for Quotations afresh and/or having to accept any less favourable offer.

**Price Schedule**

I/We quote as follows for the goods required, on a "delivered nominated destination" basis, excluding VAT:

**BILL OF QUANTITIES AND PRICES**  
**VEREENIGING DEPOT**

Item	Description	Hectare	Area m2	Annual Worklots (300m2)	Rate per Worklot Year 1	Total for Year 1	Rate per Worklot Year 2	Total for Year 2	Total for 2 Years
1	Alloy siding	0,80	8 000,00	26,67					
2	Boksburg	0,48	4839,00	16,13					
3	Boksburg East	1,70	17001,00	56,67					
4	Boovsens	4,63	46275,00	154,25					
5	Bijlkor triangle	0,75	4500,00	15,00					
6	Bijlkor	9,20	92000,00	306,67					
7	Braamfontein	22,90	229011,00	763,37					
8	City Deep Service line	1,60	16000,00	53,33					
9	Daleside	1,22	12240,00	40,80					
10	Daleside siding	1,08	10800,00	36,00					
11	Dunswart	3,90	38997,00	129,99					
12	Dunswart 101 siding	3,00	30000,00	100,00					
13	Elandsfontein	12,02	120212,00	400,71					
14	Elandsfontein R.R.V	3,10	30996,00	103,32					
15	Elandsfontein (Fuel siding)	1,23	12300,00	41,00					
16	Eisburg-univ on wheels	0,54	5400,00	18,00					
17	Eisburg	4,06	40600,00	135,33					
18	Enseispruit	2,70	27000,00	90,00					
19	Fochville yard and platform	2,50	25000,00	83,33					
20	Germiston	53,23	532260,00	1774,20					
21	Germiston Loco	4,30	42996,00	143,32					
22	Germiston abbotoir lines	5,60	56000,00	186,67					
23	Germiston infra depot	0,25	2500,00	8,33					
24	Germiston New yard	4,80	48000,00	160,00					
25	Hollywood	2,40	24000,00	80,00					
26	India station	0,46	4600,00	15,33					
27	Isando car park	0,26	2600,00	8,67					
28	Isando walkway	0,94	9400,00	31,33					
29	Jupiter	2,23	22299,00	74,33					
30	Kaalfontein	1,40	13960,00	46,60					
31	Kaalfontein Motorvia	5,34	53439,00	178,13					
32	OTK,Lavarge,Motorvia feeder lines	2,70	27000,00	90,00					
33	Kaseme Tx	31,19	311662,00	1039,54					
34	Kaseme Px	19,27	192729,00	642,43					
35	Kaseme Vickers bridge	0,75	7500,00	25,00					
36	Kaseme Telecoms cable	0,78	7800,00	26,00					
37	Klipriver	4,65	46491,00	154,97					
38	Klipriver service line	0,40	4000,00	13,33					
39	Klipdrift	1,60	16000,00	53,33					
40	Langlaagte	15,30	152994,00	509,98					
41	Langlaagte - Engen fuel siding	3,25	32500,00	108,33					
42	Leeuhof	10,57	105706,00	352,35					



TENDER No.SIW

BILL OF QUANTITIES AND PRICES  
VEREENIGING DEPOT

Item	Description	Hectare	Area m2	Annual Worklots (300m2)	Rate per Worklot Year 1	Total for Year 1	Rate per Worklot Year 2	Total for Year 2	Total for 2 Years
43	Leeuhof, loco yard and repair yard	3,90	39000,00	130,00					
44	Leeuhof Infra depot	1,25	12500,00	41,67					
45	Luijardsvlei	1,66	16666,00	55,22					
46	Meyerton	11,28	112789,00	375,96					
47	Meyerton Airbrake line	0,90	9000,00	30,00					
48	M.T.V. City Deep	1,24	12400,00	41,33					
49	M.T.V. Kaseme	1,05	10500,00	35,00					
50	Natalspruit	15,23	152344,00	507,80					
51	Olifantsfontein	9,74	97410,00	324,70					
52	Paarshoop cutting	1,80	18000,00	60,00					
53	Raathsvlei	1,68	16800,00	56,00					
54	Randwater	3,60	36000,00	120,00					
55	Redan	3,04	30350,00	101,17					
56	Roodepoort	4,51	45100,00	150,33					
57	Roodepoort feeder line	1,84	18400,00	61,33					
58	Rooikop	9,80	97974,00	326,58					
59	Rooikop feeder line	0,84	8400,00	28,00					
60	Sasolburg	10,82	108225,00	360,75					
61	Simpson	0,36	3600,00	12,00					
62	Suurbekom	0,85	8472,00	28,24					
63	Union	1,56	15843,00	52,81					
64	Union - Scaw metals	0,40	4000,00	13,33					
65	Vereeniging	2,94	29400,00	98,00					
66	Viljoensdrift	4,40	44000,00	146,67					
67	Viljoensdrift - Vaalcoon	2,32	23200,00	77,33					
68	Viljoensdrift - platform	0,84	8400,00	28,00					
69	Watties feeder line	1,20	12000,00	40,00					
70	Westonaria	3,42	34155,00	113,85					
	Subtotal	351,27	3 512 652,00	11 708,84					
50	Provisional (10%)	35,13	351 265,20	1 170,88					
	Total	386,39	3 863 917,20	12 879,72					

PREVIEW COPY ONLY

## PROJECT SPECIFICATION

### CONTENTS

<b>SECTION</b>	<b>DESCRIPTION</b>
<b>1.</b>	<b>DESCRIPTION OF THE WORKS</b>
1.1.	EMPLOYERS OBJECTIVE
1.2.	OVERVIEW OF THE WORKS
1.3.	PERFORMANCE BOND
1.4.	EXTENT OF THE WORKS
1.5.	LOCATION OF THE WORKS
1.6.	DURATION OF AGREEMENT
<b>2.</b>	<b>GENERAL MAINTENANCE ASPECTS</b>
2.1.	WORKS SPECIFICATIONS
2.2.	PLANT AND MATERIAL
2.3.	CONSTRUCTION EQUIPMENT
2.4.	EXISTING SERVICES
2.5.	SITE ESTABLISHMENT
<b>3.</b>	<b>MANAGEMENT OF THE WORKS</b>
3.1.	SITE MEETINGS
3.2.	SITE BOOKS
3.3.	PROGRAMME OF WORK
3.4.	PERFORMANCE MONITORING AND EVALUATIONS / INSPECTIONS
<b>4.</b>	<b>ENVIRONMENTAL REQUIREMENTS</b>
4.1.	COMPLIANCE WITH STATUTES
4.2.	DAMAGE TO FAUNA AND FLORA
<b>5.</b>	<b>PARTICULAR SPECIFICATIONS</b>
5.1.	DEFINITIONS
5.2.	METHOD OF VEGETATION CONTROL
5.3.	STANDARD OF WORKMANSHIP
5.4.	MANUAL REMOVAL OF VEGETATION
5.5.	PRICE ADJUSTMENT FOR INFLATION
5.6.	REMEDIAL WORK
5.7.	OVERALL CONTROL

- 6. GENERAL SPECIFICATIONS**
  - 6.1. GENERAL
  - 6.2. HEALTH AND SAFETY
- 7. PRICING INSTRUCTIONS**
  - 7.1. GENERAL
  - 7.2. MEASUREMENT AND PAYMENT
- 8. LIST OF RETURNABLE DOCUMENTS**
  - 8.1. RETURNABLE SCHEDULES
  - 8.2. RETURNABLE DOCUMENTS

“PREVIEW COPY ONLY”

## **1. DESCRIPTION OF THE WORKS**

### **1.1. EMPLOYERS OBJECTIVE**

- 1.1.1. The essence of the Agreement is that Transnet Freight Rail requires the control of living vegetation and the management of dead remains of previously living vegetation, to the extent that areas treated in terms of the Agreement are free from any form of vegetation (dead or otherwise) which may obstruct, hinder or interfere with operational activities, or have the potential to damage equipment or facilities, on tracks or other areas included in the Agreement.
- 1.1.2. The ways and means by which the above-mentioned results are obtained are the responsibility of the Supplier. Transnet Freight Rail, however, shall have the right to monitor the materials and activities of the Supplier to ascertain that all procedures and herbicidal applications are in accordance with his/her tender, the relevant legislation and are conducive to the achievement of long-term control of vegetation. Such right of monitoring shall be entirely without prejudice to Transnet Freight Rail and shall in no way relieve the Supplier of his/her responsibility for satisfactory control of vegetation.
- 1.1.3. Failure to comply with the minimum performance proposed by the Supplier in his/her tender may form the basis for non-payment for work done, pending the achievement of control as defined and/or termination or cancellation of the Agreement.
- 1.1.4. The Supplier must obtain his/her own information regarding the extent, occurrence and the species of the vegetation over the work area. He/she must also determine the best method to control the vegetation.
- 1.1.5. The Agreement will only be awarded to a tenderer who has the required experience in the application of herbicides in Southern Africa as stipulated in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, Act 36 of 1947.

### **1.2. OVERVIEW OF THE WORKS**

The Agreement covers the control of vegetation in mainly yards including declared weeds and declared invader plants, by means of chemical herbicides on Transnet property, to the extent that areas treated chemically or otherwise in terms of this Agreement are rendered and maintained free from obstructing vegetation as defined for the periods specified herein.

### **1.3. PERFORMANCE BOND:**

- 1.3.1. Transnet Freight Rail requires a Performance Bond of 10% of the total value of the Agreement as security for the due and faithful performance by the Supplier of all the duties and obligations resting upon and assumed by him in terms of the Agreement.
- 1.3.2. The Performance Bond is to be returned to the Supplier upon completion of the Agreement after certification from the Project Manager that all Agreement requirements have been met

### **1.4. EXTENT OF THE WORKS**

The service information briefly consists of the following:

- The control of vegetation, including declared weeds and declared invader plants by means of chemical herbicides of mainly yards as indicated in the Schedule of Requirements.
- The execution of the works shall include any work arising from or incidental to the service information or required of the Supplier for the proper completion of the

Agreement in accordance with the true meaning and detail of the Agreement documents.

- The Supplier shall obtain his/her own information regarding species occurrence and extent of vegetation to be controlled in order to comply with the required standards.

1.4.1. The extent of the work consists of mainly yards as indicated in the Schedule of Requirements.

1.4.2. The performance due by the Supplier shall include any work arising from or incidental to the above or required of the Supplier for the proper completion of the Agreement in accordance with the true meaning and intent of the Agreement documents.

1.4.3. The Supplier shall obtain his/her own information regarding species, occurrence and extent of vegetation to be controlled in order to comply with the required standards.

## 1.5. LOCATION OF THE WORKS

1.5.1. The location of the works is as indicated in the Prices List and is in the geographical area controlled by the Depot Engineer (As per schedule of quantities).

1.5.2. Transnet Freight Rail's representative will provide one-copy schematic diagrams to the successful tenderer, indicating the areas to be treated.

## 1.6. DURATION OF AGREEMENT

The work provides for the control of vegetation for commencing on the date of notification of acceptance of tender with Transnet Freight Rail for a period of **24 months**.

## 2. GENERAL MAINTENANCE ASPECTS

### 2.1. WORK SPECIFICATIONS

2.1.1. Standard Specifications.

The following standard Specifications will be applicable to this Agreement:

- SANS 1200A – General
- SABS Code of Practices no 0206-1983 "Safety procedures for the disposal of surplus pesticides and associated toxic waste."

2.1.2. Generic Specifications:

The following Generic Specifications will be applicable to this Agreement:

- Transnet generic specifications.
- E4E (August 2006): Safety arrangements and procedural compliance with the Occupational Health and Safety Act, Act 85 of 1993 and regulations.
- E7/1 (July 1998); Specifications for works on, over, under or adjacent to railway lines and near high voltage equipment.

### 2.2. PLANT AND MATERIAL

2.2.1. Any plant and/or equipment provided to the Supplier at the beginning of the Agreement shall be returned to Transnet Freight Rail in the same condition, normal wear and tear accepted. Any loss or damage shall be made good by the Supplier, or the value thereof will be deducted from moneys falling due to him/her.

2.2.2. The Supplier shall provide written certification of compliance with specification of any materials (chemical) or equipment supplied by him / her.

## **2.3. CONSTRUCTION EQUIPMENT**

All equipment necessary to execute the works shall be supplied by the Supplier.

## **2.4. EXISTING SERVICES**

2.4.1. Reinstatement of services and property damaged during execution of the work.

2.4.2. Any damages caused by the Supplier to Transnet property and services shall be rectified by the Supplier at his own cost and to the full satisfaction of the Transnet Freight Rail's representative.

## **2.5. SITE ESTABLISHMENT**

### **2.5.1. SERVICES AND FACILITIES PROVIDED BY THE EMPLOYER:**

2.5.1.1. In the case of a Agreement for vegetation control the following will be provided free of charge:

2.5.1.2. Water as required from Transnet Freight Rail's existing points of supply; such water may be untreated, chemically treated or borehole water. The Supplier shall be responsible for all work and equipment needed to fill the water trucks or spray units from the water point provided and to ensure that the water is suitable for its intended use. These water points may be up to 200km apart.

2.5.1.3. Road vehicle accessibility via service roads to the work site is not always possible.

2.5.1.4. Inspections of the areas of work by motor trolley may be arranged with the Project Manager's Deputy, but will have to coincide with normal track inspections carried out by the inspection /technical staff of the Depot. The Project Manager's Deputy shall be given timeous notice (4 calendar weeks) of the Supplier's intention to inspect.

2.5.1.5. Any plant and/or equipment provided to the Supplier at the beginning of the Agreement shall be returned to Transnet Freight Rail in the same condition, normal wear and tear accepted. Any loss or damage shall be made good by the Supplier, or the value thereof will be deducted from moneys falling due to him/her.

### **2.5.2. TO BE PROVIDED BY THE SUPPLIER**

2.5.2.1. In addition to all labour materials, plant, equipment and incidentals needed to complete the work, the Supplier shall provide all accommodation and toilet facilities for his/her employees.

2.5.2.2. The Supplier shall provide safe and secure storage facilities for all herbicides or chemicals brought onto and in use on the site. Such facilities shall be capable of ensuring that unauthorised persons or animals cannot gain access to such chemicals.

2.5.2.3. The Supplier shall provide at his/her own cost any security measures he/she may deem necessary for safe and effective execution of the work within the Agreement area.

2.5.2.4. The personnel of the Supplier shall at all times, while on Transnet Freight Rail property and during vegetation control operations, wear reflective safety jackets. These jackets must either be yellow or light blue and preferably bear the name of the Supplier's company.

Should the Supplier wish to use another colour this must first be cleared with the Project Manager's Deputy or his/her deputy.

- 2.5.2.5. An effective safety procedure to be followed by all personnel on any Transnet Freight Rail work site shall be compiled by the Supplier and implemented before any work commences. The procedure shall be updated whenever the need arises and any changes shall be communicated to all employees on a work site before work proceeds.

### **3. MANAGEMENT OF THE WORKS**

#### **3.1. SITE MEETINGS**

The Supplier shall attend site meetings when required. These meetings will be held under the chairmanship of Transnet's representative. These meetings will be conducted to monitor progress and discuss agreed issues when required. A register will be kept of attendance and a minute of the proceedings will be recorded and distributed afterwards. When sub-Suppliers are required to attend, the Supplier shall ensure their attendance.

#### **3.2. SITE BOOKS**

- 3.2.1. A Site Instruction Book, A4 size, with triplicate pages shall be provided by the Supplier. The format for written communication on site shall be the Site Instruction Book. The site instruction shall have numbered sheet for receiving and recording instructions by the Employer's representative and shall be clearly marked "Site Instruction Book".
- 3.2.2. A Daily Diary Book with triplicate pages shall be provided by the Supplier and be available on site at all times. The number of staff and plant on site for every day shall be recorded. The hours of actual work and the accurate amount of work measured per item as in the Schedule of Requirements completed for each day shall also be recorded and signed off by both Transnet Freight Rail (TFR) and the Supplier at the end of each day. This site diary shall also serve as a daily record of all relevant information concerning herbicide application and site conditions prevailing on site and as required in terms of section 16 of Act 36 of 1947.
- 3.2.3. Only persons authorised in writing by the Project Manager or Supplier may make entries in the site books.

#### **3.3. PROGRAMME OF WORK**

- 3.3.1. The Supplier shall undertake the planning and programming of the entire vegetation control operation and shall submit to the Project Manager's Deputy for approval full particulars thereof within 2 weeks from the date of notification by Transnet Freight Rail of the acceptance of his/her tender or the commencement of the annual rainy season as the case may be.
- 3.3.2. The particulars to be provided in respect of the Supplier's vegetation control programme shall include but not be limited to the following:
- 3.3.3. An assessment, based on a proper site investigation of the nature and types of vegetation to be controlled in the Agreement area,
- 3.3.4. The appropriate methods and procedures to be implemented by him/her to achieve the standards of vegetation control required in terms of the Agreement,
- 3.3.5. The chemicals to be applied, design mixes, rates of application and the timing and number of applications.

- 3.3.6. The methods and procedures to be implemented in mixing of chemicals pertaining to health and safety, quality control, protection of third parties and security,
- 3.3.7. The Supplier shall conduct regular site investigations and monitoring procedures for the purpose of:
- Ascertaining the nature of weed infestation and factors that could influence the work;
  - monitoring the standard of weed control achieved;
  - identifying any damage or hazards which may have been caused by the weed control operation, and
  - planning of timeous execution of remedial work where control is not being achieved.
- 3.3.8. The Supplier's programme shall allow for commencement with the initial application of chemicals at the appropriate timing, i.e. coinciding with the initial rainy season, for achieving maximum success and for completion in the shortest possible time, but not later than **six** weeks after commencement of the initial application.
- 3.3.9. The programme shall be based on the quantities and numbers of worklots shown in the Schedule of Requirements.
- 3.3.10. In addition to the annual programme provided the Supplier shall submit daily working programmes to the Project Manager's Deputy, 7 days in advance of the next working week, indicating the specific areas where the Supplier will be working each day of the week. Failure by the Supplier to submit a daily programme and/or deviating from it without notifying the Project Manager's Deputy, preventing him/her from monitoring the Supplier's performance, may result in payment for such work being withheld.

#### **3.4. PERFORMANCE MONITORING AND EVALUATION / INSPECTIONS**

- 3.4.1. The Supplier shall at all times be responsible for supervision of the work and for follow-up inspections to monitor the successful control achieved over areas of completed application. He/she shall immediately take appropriate remedial action in areas where the specified standards of control are not achieved.
- 3.4.2. The Project Manager's Deputy shall at any time during the application periods carry out inspections of the Supplier's performance methods and procedures. He/she may at any time take samples of the chemicals applied and arrange for the testing thereof. Where test-samples fail to conform to the specifications the costs of testing will be recovered from the Supplier and he/she may be ordered by the Project Manager's Deputy to re-treat entire worklots or sections where such chemicals were applied.
- 3.4.3. The Project Manager's Deputy will during each growth season carry out **[two / three]** official inspections of the work for the purpose of measuring progress and evaluating whether control, as defined, has been achieved. The inspections shall be performed visually and the Supplier shall be present or forfeit his/her right to dispute the measurements and evaluation of the Project Manager's Deputy.
- 3.4.4. The first inspection shall be done at, or within [20] weeks after completion of the Supplier's initial spraying programme and after he/she has notified the Project Manager's Deputy that he/she has inspected the work and that control has been achieved. This inspection may be brought forward but not by more than four (4) weeks.
- 3.4.5. The second inspection of the season will be carried out at, or within [36] weeks after completion of the Supplier's initial spraying programme and after he/she has notified the Project Manager's Deputy that he/she has inspected the work and that control has been achieved. This inspection may be brought forward but not by more than four (4) weeks.



3.4.6. During each of these inspections the worklots treated will each be measured and evaluated. A worklot that does not comply with the specified level of control will be recorded as a "rejected worklot".

3.4.7. The rejection of worklots that do not comply with the standard of control for individual worklots will be final and valid for that inspection in that particular year.

The rejection by the Project Manager's Deputy of work performance may be contested by the Supplier only at the time and place of rejection.

The rejection of a worklot at a particular inspection shall remain final for that inspection for payment purposes, notwithstanding the fact that the Supplier may execute further remedial work in order to achieve control at further and final inspections.

3.4.8. In the case where the Project Manager's Deputy and the Supplier fail to agree on whether a worklot has failed, the worklot shall be recorded as a "disputed worklot" and the Supplier shall prepare an appropriate record of all disputed worklots in order that such disputes may be resolved by way of the disputes resolution procedures stipulated in the clause 25 of the standard terms and conditions of contract for the provision of services to Transnet (form US7-Services).

## 4. ENVIRONMENTAL REQUIREMENTS

### 4.1. COMPLIANCE WITH STATUTES

4.1.1. The Supplier's procedures for the procurement, storage, handling, transportation, application and general use of chemicals shall comply with all applicable legislation, Codes of Practice and Local, Regional or Provincial Authorities, including but not restricted to:

- a) The Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act 36 of 1947) as amended.
- b) The Hazardous Substance Act (Act 15 of 1973) as amended.
- c) The Water Act (Act 54 of 1956) and the Water Amendment Act (Act 96 of 1984)(where applicable).
- d) The National Environmental Management Act (Act 107 of 1998).
- e) SABS Code of Practice No. 0206-1985 "Safety procedures for the disposal of surplus pesticide and associated toxic waste".
- f) Conservation of Agricultural resources Act (Act 43 of 1983) as amended.
- g) Common law of nuisance.
- h) Mountain Catchment Area Act (Act 63 of 1970).
- i) The National Veld and Forest Fire Act (Act 101 of 1989)

4.1.2. The Supplier's authorised representative on site shall be a **registered Pest Control Operator**, specialising in the field of **weed control** and registered in terms of the Farm Feeds Agricultural and Stock Remedies Act, Act 36 of 1947 as amended. A registered Pest Control Operator shall be in direct control of work taking place on site.

In the event of work taking place on numerous sites at the same time, the Supplier must ensure that there is a registered Pest Control Operator on each site.

### 4.2. DAMAGE TO FAUNA AND FLORA

4.2.1. The Supplier shall ensure that his/her employees at all times exercise care and consideration for the fauna and flora within and adjacent to the area to be sprayed.

4.2.2. The Supplier shall not apply any chemicals of an explosive, inflammable, highly volatile or corrosive nature, which may damage crops vegetation or property or be hazardous to humans or animals. The Supplier shall assume full responsibility for the efficiency and safety of whatever chemicals are used.

4.2.3. Dumping or polluting of any kind will not be permitted. This stipulation is also applicable to the washing out of tanks and equipment containing harmful chemicals and pollutants.

The Supplier shall institute and maintain procedures for the safe disposal of all chemicals and residual materials originating from the execution of the works.

Containers and residual material shall not be disposed of on Transnet Freight Rail property or as part of Transnet Freight Rail refuse.

4.2.4. The Supplier shall take particular note of environmentally sensitive areas and shall plan and execute his/her work with the utmost care and responsibility.

## 5. PARTICULAR SPECIFICATIONS

This part covers the techniques, types and use of spraying equipment, required standards of workmanship, inspections, measurement, payment, and acceptability of the works in respect of the control of vegetation required in terms of the Agreement.

### 5.1. DEFINITIONS

5.1.1. **Project Manager's Deputy.** Any person appointed by the Employer to deputise for him / her in supervising and carrying out the Agreement.

### 5.1.2. CONTROL

5.1.2.1. Control is achieved when all existing or potential growth of vegetation is permanently impaired or destroyed by the application and effects of chemical herbicides, to the extent that:

- The constituent parts of all plants occurring within the area of treatment (worklots) cease to exist as living organisms or entities; and
- the development of new growth of plants from dormant seeds is effectively counteracted or suppressed, for at least the growing season of the year in question; and
- there are no dead or dry remains of any vegetation within the treated area (worklot), which may constitute a hazard, danger, or hindrance to Transnet Freight Rail personnel, equipment trucks or operations.

5.1.2.2. Control constitutes a process or situation where the destruction of vegetation on treated areas occurs on an **on-going basis** and not only at the time of measurement and payment inspections.

### 5.1.3. WORKLOTS

- 5.1.3.1. A WORKLOT is a subdivision of any area on which the Supplier shall control vegetation.
- In the case of yards and areas of a worklot will be areas of 300m<sup>2</sup> each.
  - Worklots in yards, depots/areas are not demarcated individually. The number of worklots within any area to be treated is calculated by dividing the total

surface area by the surface area of single worklot i.e. 300 square metres.

- In yards, depots/areas where control is required worklots may be irregular in shape. For inspection and payment purposes, worklots shall be physically measured where necessary. In such instances the Project Manager's Deputy shall decide in advance and advise the Supplier accordingly, of the method of measurement to be adopted in any particular area.
- In yards, depots/areas worklots will normally be measured parallel to the main direction of the track work present, or parallel to the main axis of any other area. Worklots will not be measured individually in different directions but will form part of a pattern of continuous and parallel worklots covering, in the most effective manner possible, the surface of any particular area.
- A worklot for cable routes will normally be areas of 0.75m wide on both sides and parallel to the cable route and 200m long.

5.1.3.2. **However, if any provisional worklot has been sprayed under this Agreement the previous year and the same worklot is again sprayed the next year, payment for the second and consecutive years sprayed would be at the normal rate applicable for that area and the work would be considered as additional work to the Schedule of Requirements.**

5.1.3.3. Formation is the finished earthworks surface upon which the track is laid.

5.1.3.4. Ballast means that part normally consisting of crushed stone, gravel, ash or muck, (the material placed on the formation to support the track superstructure).

5.1.3.5. Declared weeds means category 1 plants and declared invader plants means category 2 and 3 plants proclaimed under the Conservation of Agricultural Resources Act, Act No. 43 of 1983, including amendments (GN Regulation 1048 of 25/05/1984 amended by GN Regulation 280 of 30/03/2001) thereto.

5.1.3.6. Spraying means the even and uniform application of chemical herbicides at the rate specified and applies to liquid, granular or any other formulation.

## 5.2. METHOD OF VEGETATION CONTROL

5.2.1. The Supplier's methods and program shall provide rapid and effective control in all areas. Techniques, programming and chemicals employed shall therefore be directed at this aim. The Supplier shall carry out immediate treatment of growth in all instances where rapid and effective control is not achieved during any period of the Agreement.

5.2.2. Where a chemical approach to vegetation control is adopted, hoeing (skoffel) will not be allowed as method of achieving control. Herbicides which act as a scorching agent (e.g. with Paraquat or similar active ingredient) are incapable of meeting the definition of control and shall not be used. Scorching of canopy growth only shall not constitute control of vegetation as defined. Slashing of dead material to below the height specified in 5.3.3. will be permitted.

5.2.3. Vegetation control in terms of the Agreement will normally be required in respect of the yards. The type of herbicides and the methods of application to be employed are as specified in the applicable returnable documents (clause 8.2) and are subject to the approval of, and monitoring by the Project Manager's Deputy.

- 5.2.4. The Project Manager's Deputy's approval shall first be obtained for use of other herbicides.
- 5.2.5. Application methods shall, however, be entirely in accordance with the manufacturer's specifications and recommendations for safe and effective use of the herbicides or herbicide mixtures concerned.
- 5.2.6. Any deviation from the method of work submitted as per the applicable returnable document (Clause 8.2) by the Supplier shall be subject to the approval of the Project Manager's Deputy.

### 5.3. STANDARDS OF WORKMANSHIP

- 5.3.1. Standard of vegetation control for individual worklots.
- 5.3.2. Vegetation control shall be such that there is no live vegetation growth (including creepers) exceeding 150mm in any dimension, occurring in the worklot, nor more than fifteen (15) live plants of any lesser size.

This excludes overhanging canopy growth of plants: -

- (a) with rootstock established entirely outside the worklot.
- (b) with rootstock established on the boundary of the worklot, provided that:
- control was achieved over the remainder of the worklot.
  - a clear spray line is visible, showing that herbicide was effectively applied over the entire surface of the worklot.
  - the Supplier took the presence of such growth into account and that the choice of herbicides and chemical use was adjusted accordingly.
  - The boundary concerned is not the boundary of an adjoining worklot.

This exception does not apply in the case of creeping grasses (e.g. Cynodon) with nodal rooting within the worklot even though such growth may originate from a plant outside the worklot.

- 5.3.3. In addition, there shall be no dry or dead remains of vegetation within the worklot greater than 150mm in height and of a density such that it constitutes a hazard, hindrance or danger to Transnet Freight Rail operations, trucks or equipment in the area.

The evaluation to what density of dry or dead growth constitutes a hazard, hindrance or obstruction shall be made by the Project Manager's Deputy.

### 5.4. MANUAL REMOVAL OF VEGETATION

No felling or hoeing of vegetation will be allowed during the two months preceding final inspection. Herbicides may not be applied 2 weeks preceding final inspection for a season or a year's program. All lots where such hoeing and felling or herbicides application were done will be rejected.

For this Agreement, the Supplier should timeously acquaint him/herself with the existing conditions of the sites and ensure that his/her tender prices for the **first year only**, includes all work necessary to achieve the required control, e.g. slashing and removal of debris before or just after spraying. The intention to slash and remove should be cleared with the Project Manager's Deputy prior to work starting.

## 5.5. PRICE ADJUSTMENT FOR INFLATION:

- 5.5.1. A contract price adjustment factor to be determined in accordance with the formula 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 -

$$(1 - x) \left( 0.20 \frac{Lt}{Lo} + 0.05 \frac{Pt}{Po} + 0.70 \frac{Mt}{Mo} + 0.05 \frac{Dt}{Do} - 1 \right)$$

where  $x = 0,15$  and

$Lo$ ,  $Po$ ,  $Mo$  and  $Do$  are respectively labour, machinery, material and diesel fuel indices ruling for the calendar month four (4) months prior to closing date of the tender;

$Lo$ ,  $Po$ ,  $Mo$  and  $Do$  are respectively labour, machinery, material and diesel fuel indices ruling for the calendar month four (4) months prior to closing date of the tender;

$Lt$ ,  $Pt$ ,  $Mt$  and  $Dt$  are respectively labour, machinery, material and diesel fuel indices ruling for the calendar month four (4) months prior to the date of measurement.

- 5.5.2. 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.
- 5.5.3.  $Lo$  and  $Lt$  shall be the labour indices for Metropolitan Areas (P0141.1 Table 7.1).  
 $Po$  and  $Pt$  shall be the average of the price indices of Non-Electrical Machinery multiplied by an equalizing factor of 1.00866 and Transport Equipment in the ratio of 1:1 (P0142.1 Table 10 item 2.16 and 2.21 respectively).  
 $Mo$  and  $Mt$  shall be the price indices of Chemical and Chemical herbicides used in table 10 of the PO142.1 item 2.11 Basic Chemicals  
 $Do$  and  $Dt$  shall be the price indices of "Diesel Oil –Coast & Witwatersrand" (P0142.1 Table 16).
- 5.5.4. 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.
- 5.5.5. 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 Agreement price adjustment factor for that month.
- 5.5.6. 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.
- 5.5.7. Any additions to or deductions from the amount payable, brought about by the application of the Agreement 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.

5.5.8. 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 have been made in terms hereof.

5.5.8.1. The Price Adjustment Factor calculated at the completion of the works is used for calculating price adjustment after this date.

**5.6. REMEDIAL WORK**

5.6.1. The Supplier shall carry out remedial work to all worklots where control has not been achieved, prior to the official inspections taking place. Such remedial work shall include the removal of dry or dead growth with any dimensions in excess of 150mm and forming a nuisance or hazard to Transnet Freight Rail operations, from the treated worklots.

5.6.2. The Project Manager's Deputy may, at any time after the first measurement order the Supplier to carry out remedial action, to commence within 2 weeks after being so ordered. Prior to the commencement of this proposed remedial action an envisaged remedial work program must be submitted to the Project Manager's Deputy for his/her approval. Failing to do so the Project Manager's Deputy may arrange for such action to be carried out by others at the cost of the Supplier.

5.6.3. Hoeing (skoffel) will not be allowed on its own as a remedial action.

5.6.4. Fire may not be used as a method of vegetation control or as a method of remedial action.

**5.7. OVERALL CONTROL**

5.7.1. The overall standard of control to be achieved by the Supplier over the Agreement area, defined as "Overall Control" and expressed as a percentage, will be determined by application of the following formula:

$$\text{Overall Control} = \frac{(\text{Worklots treated} - \text{Worklots rejected})}{\text{Worklots treated}} \times 100$$

5.7.2. The standard of "Overall Control" (service level table) to be provided on each district by the Supplier shall be:

YEAR	1	2 and Consecutive years
Minimum % of the total work, which shall comply, with the standard of control for individual work-lots.	80	90

5.7.3. Failure by the Supplier to achieve the standard of "Overall Control" shall constitute a material breach of Agreement by the Supplier, which will entitle the Employer to act in terms of the standard terms and conditions of contract for the provision of services to Transnet (form US7- Services).

## **6. GENERAL SPECIFICATIONS**

### **6.1. GENERAL**

- 6.1.1. E4E (January 2004) – Safety Arrangements and Procedural Compliance with the Occupational Health and Safety Act.
- 6.1.2. Specification E7/1 (Jul 1998): Specification for works on, over, under or adjacent to railway lines and near high voltage

### **6.2. HEALTH AND SAFETY**

- 6.2.1. The Supplier shall at all time comply with safety rules, regulations and legislation, as well as Transnet Freight Rail (TFR) Safety Guidelines for Infrastructure (Latest Edition).
- 6.2.2. The Supplier shall at all times comply with the Basic Conditions of Employment Act as well as all other relevant labour legislation. The Supplier must conduct his own formal risk assessment to identify all risks. The Supplier is to clearly indicate in his tender submission the processes and procedures he intends implementing to mitigate the total of all these risks: e.g.
- Working with herbicides
  - live OHTE
  - Executing work on one line while a normal train service is running on adjacent line/s
  - Sanitation and refuse disposal as a threat to the environment.
- 6.2.3. The Supplier shall be responsible to ensure the use of only technically competent trained staff on all types of work. The Supplier will have to ensure that the Supplier's personnel operating his/her own locomotives, haulage equipment, road rail vehicles or any other track vehicles on Transnet Freight Rail lines undergo a Transnet Freight Rail Operating course and also receive a certificate of track section competency. This cost is to be borne by the Supplier.
- 6.2.4. The Supplier shall ensure that all workers are appropriately equipped and wearing Personal Protective Equipment (PPE) and that Safety Talks are conducted and noted in the Site Diary before the start of every shift.
- 6.2.5. The Supplier shall be responsible to ensure that site staff are always competently trained with regards to Electrical Awareness Training.
- 6.2.6. The Supplier shall be responsible to ensure that workers working on machines (high risk areas), operators, machine fitters, area Project Manager's Deputies and Agreement 'supervisors' site staff are always competently trained with regards to PWC Electrical Educational Training.
- 6.2.7. The Supplier shall also be responsible to ensure that Agreement managers in charge of sites are always competently trained with regards to COM Competency Electrical Training (to follow PWC Training).
- 6.2.8. The Supplier shall ensure that all his employees undergo medical surveillance where required by legislation.
- 6.2.9. Non-compliance with safety requirements will result in an immediate suspension of work without payment.

6.2.10. Where training is required by the Supplier and Transnet Freight Rail (TFR) is committed to provide training, the Supplier shall qualify his tender as to what and how many staff, training will be required for. After award of the Agreement, the Supplier shall then arrange with the appropriate Transnet Freight Rail (TFR) representative, through the Project Manager's Deputy, for this training / testing.

The following training shall be arranged for the following Suppliers staff:

Course	Objective	Duration & trainer	Grade to attend
A) <b>Awareness</b> (Electrical)	To inform all Suppliers staff working near a machine and on the line on electrified sections of the dangerous situations of high voltage OHTE	Two hour on-the-job lecture and training. <b>Accredited Electrical trainer / Depot's Electrical Supervisor</b>	• All workers and staff working on the Agreement
B) COM <b>Competency</b> (Electrical) (To follow A)	Work permits safe working procedures under the direct supervision of a responsible representative.	Lecture room training = 0,25 d On-the-job training = 0,25 d Criterion test = 0,5 days <b>Total = 1 day</b> <b>Accredited Electrical trainer</b>	Supervisor (Responsible person in charge at machine working)

- The electrical awareness training must be arranged for beforehand on-the-job.
- The electrical educational and competency training may be arranged for at either a depot's lecture room's (Transnet Freight Rail (TFR) property), or at a venue of the Suppliers choice (Suppliers cost).

## 7. PRICING INSTRUCTIONS

### 7.1. GENERAL

7.1.1. Measurement and payment shall be in accordance with relevant provisions of clause 8 of each of the SANS 1200 Standardised Specifications for Civil Engineering Construction referred to in the Service Information.

7.1.2. The units of measurement described in these Schedule of Requirements are metric units. Abbreviations used in the Schedule of Requirements are as follows:

%	=	percentage
h	=	hour
ha	=	hectare
kg	=	kilogram
kl	=	kilolitre
km	=	kilometre
l	=	litre
m	=	metre
No.	=	number
Prov sum	=	Provisional sum
Sum	=	Lump sum
W/day	=	Work day



R/only = Rate only  
Worklot = area totalling 300m<sup>2</sup>

7.1.3. For the purpose of these Schedule of Requirements, the following word shall have the meanings assigned to them:

Unit: The unit of measure for each item of work as defined in the COLTO Standard specification.

Quantity: The number of units of works for each item.

Rate: The agreed payment per unit measurement.

Amount: The product of the quantity and the agreed rate for an item.

7.1.4. No allowance is made for waste on items in the Schedule of Requirements.

7.1.5. It will be assumed that the prices included in the Schedule of Requirements are based on Acts, Ordinances, regulations, By-laws, International Standards and National Standards that were published 28 day before the closing date for tenders.

7.1.6. Such prices and rates cover all costs and expenses that may be required for the execution of the works described in accordance with the provisions of the Service Information, and shall cover the cost of all general risks, liabilities and obligations set forth or implied in the Agreement Data, as well as overhead charges and profit.

7.1.7. The quantities set out in the Schedule of Requirements are estimated and may be more or less than stated. The Supplier shall submit with his/her tender a complete and detailed priced Schedule of Requirements (prepared in black ink) for the Works.

7.1.8. Each item shall be priced by the Tenderer. If the Supplier has omitted to price any items in the Schedule of Requirements, the cost of the work included in such items will be held to be spread over and included in the prices given in the other items of work.

7.1.9. Payment for this Agreement shall be based on the Schedule of Requirements and the payment will be made in accordance with the rates tendered in the Schedule of Requirements.

The absence of stated quantities in the Schedule of Requirements is no guarantee that none will be required. Reasonable prices should therefore be inserted for every item as these prices may be considered in adjudication of tenders.

The short descriptions of the items in the Schedule of Requirements are for identification purposes only.

Items classified as "provisional worklots" in the Schedule of Requirements indicate that there is no certainty about the amount of work, which will be required. In this Agreement the provisional items, where applicable, are for the treatment of areas, which are not necessarily treated annually. These areas will be measured per provisional worklot as defined in 5.1.3 and stated in the Schedule of Quantities. The standard of control for individual worklots shall apply.

## 7.2. MEASUREMENT AND PAYMENT

- 7.2.1. Payment will be based on the numbers of worklots treated as instructed by the Supervisor and to which the Supplier successfully applied the vegetation control measures and has achieved the standard of control defined in clause 5.3.
- 7.2.2. No payment will be made for rejected worklots where control achieved does not meet the standards of control specified.
- 7.2.3. Measurement and payment for the work completed will be made in [3] stages.
- 7.2.4. After completion of the initial spraying of the entire Agreement area the Supervisor or his deputy and the Supplier will measure the work performed (number of worklots sprayed). The Supplier will thereafter receive payment at [50%] of the rates tendered for all of the completed work.
- 7.2.5. A second measurement and evaluation will be made concurrent with the first official inspection conducted in accordance with clause 3.4.4. The Supplier will thereafter receive payment at [25%] of the rates tendered for all worklots where control as specified has been achieved or clear signs are evident that control is in the process of being achieved.
- 7.2.6. A third measurement and evaluation will be made concurrent with the second official inspection conducted in accordance with clause 3.4.5. The Supplier will thereafter receive payment at [25%] of the rates tendered for all worklots where control has been achieved.

## 8. LIST OF RETURNABLE DOCUMENTS

The tenderer must include the schedules and documents listed below in the tender document for tender evaluation purposes.

### 8.1. RETURNABLE SCHEDULES

Please complete the schedules and return with the tender document

- Certificate of Attendance at Clarification Meeting
- Schedule of the Tenderer's Experience
- Schedule of Subcontractors
- Schedule of Plant and Equipment
- Record of Addenda to Tender Documents
- Certificate of authority for joint ventures (where applicable)
- Form of Intent to provide Performance Bond
- Compulsory Enterprise Questionnaire
- CV of key personnel.
- Certificate of Authority for joint ventures
- Supplier Declaration form

### 8.2. RETURNABLE DOCUMENTS

- Certificate of Authority for Signatory (Resolution by Board)
- An original valid Tax Clearance Certificate issued by the South African Revenue Services.
- Letter of Good Standing with the Compensation Commissioner
- Safety Plan in accordance with the Construction Regulations, 2003(refer to the E4E (August Transnet 2006)
- Environmental Plan

- Method and detail of process including –
  - List of registered herbicides to be used in the work, supported by full specimen labels.
  - Application rates of herbicides to be applied
  - Product mixtures
  - Detail and function of personnel to carry out operation
  - Work rates of the unit(s) per day List of support resources to carry out operation
- Proposed Amendments and Qualifications
- Proposed Organization and Staffing structure including quantity of personnel to be trained in aspects of safety.
- Certified copies of latest Pest Control Operators registration certificates of the supervisory staff.

“PREVIEW COPY ONLY”

### Section 3

#### STANDARD TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS OR SERVICES TO TRANSNET

**A Supplier shall be obliged to adhere to the Standard Terms and Conditions for the Supply of Goods and Services to Transnet as expressed hereunder. Should the Respondent find any condition(s) unacceptable, it should indicate which condition(s) is/are unacceptable and offer an alternative(s). Please note that any alternative offered will be compared with and measured against acceptance of the provisions of this RFQ or alternatives offered by other Respondents.**

#### 1 SOLE AGREEMENT

Unless otherwise agreed in writing, these terms [**Terms** and each **Term**] and Transnet's purchase order(s) [**Order** or **Orders**] represent the only conditions upon which Transnet SOC Ltd [**Transnet**] procures goods or services specified in the Order [collectively, the **Products**] from the person to whom the Order is addressed [**the Supplier**]. Transnet does not accept any other conditions which the Supplier may specify, unless otherwise agreed to by Transnet in writing. In the event of any inconsistency between these Terms and any Order, these Terms shall take precedence.

#### 2 CONFORMITY WITH ORDER

Products shall conform strictly with the Order. The Supplier shall not vary the quantities specified and/or the specification, if any, stipulated in the Order, without the prior written consent of Transnet. The Supplier warrants that the Products shall be fit for their purpose and of satisfactory quality.

#### 3 DELIVERY AND TITLE

3.1 The delivery dates and addresses are those in the Order. Time shall be of the essence in respect of the Supplier's obligations under the Order.

3.2 The Supplier will not be excused for delay in delivery or performance except due to circumstances outside its control and then only subject to the Supplier having notified Transnet in writing on becoming aware of such circumstances. Transnet may terminate an Order, in whole or in part, without incurring any liability to the Supplier if such a delay becomes, in Transnet's absolute opinion, significant.

3.3 Risk of loss or damage to Products shall pass to Transnet on delivery, and title shall pass to Transnet when payment to the Supplier for the Products has been effected.

3.4 If on delivery, the Products do not conform to the Order, Transnet may reject the Products and the Supplier shall promptly rectify any defects or in Transnet's opinion, supply appropriate replacement Products at the Supplier's expense within the specified delivery times, without any liability due by Transnet. Products shall be subject to such testing and/or inspection as Transnet may consider necessary.

#### 4 PRICE AND PAYMENT

4.1 Prices specified in an Order cannot be increased. Payment for the Products shall be made by Transnet against an original undisputed invoice(s) [a **Tax Invoice**], supporting documentation and month-end statement from the Supplier. Tax Invoices plus supporting documentation shall be posted to the address shown in the Order.

4.2 Payment of the Supplier's Tax Invoice(s) will be made by Transnet in the South African currency and on the terms stated in the Order, the standard payment terms being 30 [thirty] days from date of receipt by Transnet of a month-end statement, unless otherwise agreed to in writing. Transnet shall arrange for payment of such Tax Invoices and any pre-authorized additional expenses incurred, provided that the authorized expenses are supported by acceptable documentary proof of expenditure incurred [where this is available]. Any amounts due in terms of these Terms shall be paid to the Supplier, taking into account any deduction or set-off and bank charges.

## 5 PROPRIETARY RIGHTS LIABILITY

If any allegations should be made or any claim asserted against Transnet that ownership of, or any act or omission by Transnet in relation to Products or any written material provided to Transnet relating to any Products or pursuant to an Order being a violation or infringement of any third party's contractual, industrial, commercial or intellectual property rights including but not limited to any patent, registered design, design right, trade mark, copyright or service mark on any application thereof, the Supplier hereby indemnifies Transnet against and hold it harmless from any and all losses, liabilities, costs, claims, damages and expenses [including any legal fees] arising directly or indirectly from such allegation or claim provided that this indemnity shall not apply where the allegation or claim arises solely as a result of the Supplier following a design or process originated and furnished by Transnet. The Supplier shall either

- a) procure for Transnet the right to continue using the infringing Products; or
- b) modify or replace the Products so that they become non-infringing,

provided that in both cases the Products shall continue to meet Transnet's requirements and any specifications stipulated in the Order. Should neither option be possible, the Supplier may remove, with Transnet's prior written consent, such Products and will pay to Transnet a sum equivalent to the purchase price. If Transnet refuses to give such consent, the Supplier shall have no liability in respect of any continued use of the infringing Products after Supplier's prior written request to remove the same.

## 6 PROPRIETARY INFORMATION

All information which Transnet has divulged or may divulge to the Supplier and any information relating to Transnet's business which may have come into the Supplier's possession whilst carrying out an Order, and the existence of the Order, shall be treated by the Supplier as confidential information and shall not, without Transnet's prior written consent, be disclosed to any third party, or be used or copied for any purposes other than to perform the Order. This clause does not apply to information which is public knowledge or available from other sources other than by breach of this Term. Upon request by Transnet, the Supplier shall return all materials issued pursuant to the Order and, pending this, shall protect Transnet's rights in any such materials. Such confidential information shall at all material times be the property of Transnet.

## 7 DEVELOPMENT WORK IN THE PRODUCTION OF PRODUCTS

If the production or provision of any Products involves research and/or development which is wholly or partly funded by Transnet, then all intellectual property or other rights as a result thereof shall be the property of Transnet on creation.

**8 PUBLICITY**

The Supplier shall not name Transnet or use its trademarks, service marks [whether registered or not] or Products in connection with any publicity without Transnet's prior written consent.

**9 AFTER SALES SERVICE**

The Supplier shall provide replacement parts necessary to ensure the uninterrupted operation of the Products supplied for the duration of the warranty period, from delivery of any particular item of the Products and if requested by Transnet shall make these parts available to a third party maintainer of Transnet's choice at the same price as if the parts had been supplied to Transnet. The Supplier undertakes to provide a maintenance service for Products, should Transnet so request, on terms to be agreed. If the Order so indicates, the Supplier will provide a warranty service for the Products at a level to be agreed with Transnet.

**10 TERMINATION OF ORDER**

Transnet may cancel an Order in whole or in part at any time upon at least 7 [seven] days' written notice to the Supplier, or when there is a change in control of the Supplier or the Supplier commits any serious breach or any repeated or continued material breach of its obligations under these Terms and/or Order or shall have been guilty of conduct tending to bring itself into disrepute, on written notice to the Supplier when such work on the Order shall stop. Transnet shall pay the Supplier a fair and reasonable price for justified work in progress, where such price reflects only those costs not otherwise recoverable by the Supplier, at the time of termination, and the Supplier shall give Transnet full assistance to check the extent of such work in progress. Payment of such price shall be in full and final satisfaction of any claims arising out of such termination and upon such payment the Supplier shall deliver to Transnet all work, including any materials, completed or in progress. The sum payable to the Supplier under this clause will not in any event exceed the total amount that would have been payable to the Supplier had the Order not been terminated. In the event of termination the Supplier must submit all claims within 2 [two] months of termination after which time claims will only be met in what Transnet considers exceptional circumstances. If the Products are not provided in accordance with an Order, the Order shall be deemed terminated and the Supplier shall compensate Transnet for any costs incurred in obtaining substitute Products or any damage caused due to the failure or delay in the delivery.

**11 ACCESS**

The Supplier shall be liable for the acts, omissions and defaults of its personnel or agents who, for the purposes of the Order, shall be treated as if they are the Supplier's employees. The Supplier shall ensure that any such personnel or agents, whilst on Transnet's premises, shall comply with Transnet's health and safety, security and system security rules and procedures as and where required.

**12 WARRANTY**

The Supplier warrants that it is competent to supply the Products in accordance with these Terms to the reasonable satisfaction of Transnet and that all Products delivered under the Order: (a) conform and comply in all relevant legislation, standards, directives and orders related to [inter alia] the supply, manufacture and use of the Products in force at the time of delivery, and to any specifications referred to in the Order; (b) will not cause any deterioration in the functionality of any Transnet equipment; and (c) do not infringe any third party rights of any kind. The Supplier hereby indemnifies Transnet against all losses,

liabilities, costs, claims, damages, expenses and awards of any kinds incurred or made against Transnet in connection with any breach of this warranty.

### **13 INSOLVENCY**

If the Supplier shall have a receiver, manager, administrator, liquidator or like person appointed over all or any part of its assets or if the Supplier compounds with its creditors or passes a resolution for the winding up or administration of the Supplier, Transnet is at liberty to terminate the Order or Orders forthwith, or at its option, to seek performance by any such appointed person.

### **14 ASSIGNMENT**

The Supplier shall not assign its obligations under an Order without Transnet's prior written consent, which consent shall not be unreasonably withheld or delayed.

### **15 NOTICES**

Notices under these Terms shall be delivered by hand to the relevant addresses of the parties in the Order or may be served by facsimile or by email, in which event notice shall be deemed served on acknowledgement of receipt by the recipient.

### **16 LAW**

Orders shall be governed by and interpreted in accordance with South African law and any disputes arising herein shall be subject to South African arbitration under the rules of the Arbitration Foundation of South Africa, which rules are deemed incorporated by reference in this clause. The reference to arbitration shall not prevent Transnet referring the matter to any South African courts, having jurisdiction, to which the Supplier hereby irrevocably submits but without prejudice to Transnet's right to take proceedings against the Supplier in other jurisdictions and/or obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision in other courts or from instituting in any court of competent jurisdiction any proceedings for an interdict or any other injunctive relief. If the Supplier does not have a registered office in the South Africa it will at all times maintain an agent for service of process in South Africa and shall give Transnet the name and address of such agent as such may be amended, in writing, from time to time.

### **17 GENERAL**

Completion or termination of an Order shall be without prejudice to any Term herein which by its nature would be deemed to continue after completion or termination, including but not limited to clauses 5, 6, 7, 8 and 12. Headings are included herein for convenience only. If any Term herein be held illegal or unenforceable, the validity or enforceability of the remaining Terms shall not be affected. No failure or delay by Transnet to enforce any rights under these Terms will operate as a waiver thereof by Transnet. All rights and remedies available to either party under these Terms shall be in addition to, not to the exclusion of, rights otherwise available at law.

### **18 COUNTERPARTS**

These Terms and conditions may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this agreement by signing any such counterpart.

**By signing this RFQ document, the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with all the conditions governing this RFQ, including those contained in any printed form stated to form part hereof and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed to properly take it into account for the purpose of calculating quoted prices or otherwise.**

SIGNED at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

.....  
SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE

NAME: \_\_\_\_\_

DESIGNATION: \_\_\_\_\_

REGISTERED NAME OF COMPANY: \_\_\_\_\_

PHYSICAL ADDRESS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Respondent's contact person: [Please complete]**

Name	:	
Designation	:	
Telephone	:	
Cell Phone	:	
Facsimile	:	
Email	:	
Website	:	

**Transnet urges its clients, suppliers and the general public to report any fraud or corruption on the part of Transnet employees to TIP-OFFS ANONYMOUS : 0800 003 056**

\_\_\_\_\_  
Respondent's Signature

\_\_\_\_\_  
Date & Company Stamp



**Section 4**  
**VENDOR APPLICATION FORM**

*Respondents are to furnish the following documentation and complete the Vendor Application Form below:*

1. **Original** cancelled cheque **OR** letter from the Respondent’s bank verifying banking details [with bank stamp]
2. **Certified** copy of Identity Document(s) of Shareholders/Directors/Members [where applicable]
3. **Certified** copy of Certificate of Incorporation, CM29 / CM9 [name change]
4. **Certified** copy of Share Certificates [CK1/CK2 if CC]
5. A letter on the company’s letterhead confirm physical and postal addresses
6. **Original** valid SARS Tax Clearance Certificate and **certified copy** of VAT Registration Certificate
7. A signed letter from your auditor or accountant confirming most recent annual turnover figures

*Duly authorised to sign for and on behalf of Company / Organisation:*

Name		Designation	
Signature		Date	

\_\_\_\_\_  
Respondent’s Signature

\_\_\_\_\_  
Date & Company Stamp



**Transnet Procedure Manual**  
**Principal Controlled Insurance**  
**Contract Works**  
**Contractors Public Liability**  
**2012 / 2013**



“PREVIEW COPY ONLY”

## Index

<b>INTRODUCTION</b> .....	2
<b>INSURANCE RESPONSIBILITIES</b> .....	4
<b>SUMMARY OF COVER - GENERAL</b> .....	8
<b>SUMMARY OF COVER - CONTRACT WORKS INSURANCE</b> .....	11
<b>SUMMARY OF COVER - CONTRACTORS PUBLIC LIABILITY INSURANCE</b> .....	16
<b>ADMINISTRATIVE PROCEDURES</b> .....	20
<b>CLAIMS PROCEDURE</b> .....	24
<b>WILLIS SOUTH AFRICA - PERSONNEL</b> .....	26
<b>ANNEXURE 1</b> .....	
Transnet Principal Controlled Construction Insurance Programme Contract Award Declaration (Part A) Contract Completion Declaration (Part B) Variation Order / Extension Request (Part C) Project Specific, One Off or Multiple Packages R100m and above (Form A1)	
<b>ANNEXURE 2</b> .....	
Incident Advice Form	
<b>ANNEXURE 3</b> .....	
Monthly Contract Register Control Sheets	

## Introduction

**“PREVIEW COPY ONLY”**

## Introduction

TRANSNET SOC LIMITED insure all Projects / Contracts on a Principal Controlled Insurance Programme basis (including the Assembly and/or Erection of Plant and Machinery) in respect of Contract Works and Contractors Public Liability.

## Philosophy of the programme

- Transnet SOC Limited and its Operating Divisions and Specialist Units wish to control the risk exposures in this regard.
- Transnet SOC Limited, as a large organization, bulk-buys - resulting in preferential rates and cover.
- Simplified administration.
- Eliminates potential problems which usually occur when individual Contractors are responsible to arrange separate insurance.
- Includes the Contractor and/or Subcontractors as an insured party.

## The Transnet SOC Ltd Principal Controlled Insurance Programme comprises:

- Blanket Principal Controlled Contract Works Insurance hereinafter abbreviated as **(BPCI)** - This policy is specifically designed to provide indemnity for small contracts to a maximum estimated contract value of **R 5,0 million VAT exclusive inclusive of Free Issue Material**.
- Principal Controlled Contract Works Insurance hereinafter abbreviated as **(PCI)** - This policy provides indemnity for all contracts within the range of **R 5,0 million to R 100 million VAT exclusive inclusive of Free Issue Material**.
- Principal Controlled Contractors Liability Insurance hereinafter abbreviated as **(PCI LIAB)** - This policy provides indemnity for all contracts up to **R 100 million VAT exclusive inclusive of Free Issue Material**.
- Principal Controlled One Off Insurance hereinafter abbreviated as **(PCI One Off)** - This policy provides indemnity for all contracts with values in excess of **R 100 million VAT exclusive inclusive of Free Issue Material**.
- Project Specific Insurance hereinafter abbreviated as **(PSI Projects)** - This policy will indemnify any project comprising Multiple Packages.

### NOTE

**Insurance cover arrangements for these categories is subject to prior notification and arrangement with Group Risk Finance as specific underwriting information is required for soliciting quotations for cover.**

- It is therefore important that Tender and eventual Contract documents reflect the fact that Transnet as the Principal (i.e. the Employer) arranges certain covers which incorporates cover on behalf of Contractor's and / or Subcontractor's.
- The concept does not relieve the contracting parties of their responsibilities for, amongst others, care of the works and liabilities to third parties.

## Insurance Responsibilities

**“PREVIEW COPY ONLY”**

## Insurance Responsibilities

### 1. Cover arranged by Transnet as the Principal (Employer)

#### 1.1 Insurance Cover Applicable To All Contracts

Principal Controlled Insurance Programme	Estimated Contract Values any one Contract inclusive of Free Issue Material
Blanket PCI Contract Works <b>BPCI</b>	≤ R 5 million VAT exclusive
PCI Contract Works <b>PCI</b>	>R 5 million ≤ R100 million VAT exclusive
PCI Liability <b>PCI LIAB</b>	≤ R100 million VAT exclusive
PCI One Off Contract Works & Liability <b>PCI One Off's</b>	>R 100 million VAT exclusive
Project Specific Insurance Contract Works & Liability <b>PSI Projects</b>	>R 100 million VAT exclusive comprising multiple packages

#### Note

- **BPCI ; PCI ; PCI LIAB and PCI One Off's** are normally arranged for single contracts.
- **PSI Projects** in most instances comprise a multitude number of different packages included in a package plan and is normally managed by Transnet Capital Projects on behalf of the Operating Divisions.

#### 1.1.1 Contract Works Cover

Covering fortuitous physical loss or damage to the works, temporary works and materials for incorporation into the works whilst in inland transit and whilst at the contract site.

Limited to **R100,000,000** any one contract inclusive of Free Issue Material (**Exclusive of VAT**)

#### 1.1.2 Public Liability Cover

Covering legal liability arising out of or connection with the performance of the works on the contract site or sites designated by Transnet for purposes of the performance of the contract.

Limited to **R25,000,000** any one occurrence.

#### 1.1.3 Riot / Strike Cover (Contract Works)

Provided by:  
**SASRIA** (*South African Special Risks Insurance Association*) in respect of risks with RSA.



## 1.2 Additional Insurances (Optional)

### 1.2.1 Marine Transit Cover

Covering imports until delivered and checked on site.

### 1.2.2 Project Delay Cover

Covering consequential financial exposures due to delays following indemnifiable loss or damage to the works.

The above information (including limits of insurance purchased) should be clearly spelt out in Tender and eventual Contract documentation including the deductible (excess) which are applicable and the fact that Contractor's and/or Subcontractor's are responsible for the deductible.

“PREVIEW COPY ONLY”





## 2. Cover to be arranged by Contractor's/Subcontractor's

All Contractor's/Subcontractor's still remain fully responsible to arrange insurance in respect of the following:

- As prescribed by the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 as amended.
- Employers Common Law Liability.
- Own plant, machinery, equipment and tools.
- Motor Vehicle Liability.
- Professional Indemnity (Defective Design).

This should also be clearly spelt out in Tender and eventual Contract documentation.

## 3. Cover to be arranged by Consulting Engineers, Architects & Other Professionals

Professional Indemnity (defects in Design, Plan or Specification).

Please ensure that Professional Service Providers do not contract out of their liability in this regard. (Please refer to Transnet Group Insurance for recommendation and approved limits).

“PREVIEW COPY ONLY”

## Summary of Cover

General

**“PREVIEW COPY ONLY”**



## Summary of Cover

### The Insured Parties

- Transnet SOC Limited and / or its Subsidiary Companies as Principal or Employer.
- All Contractor's undertaking work for or on behalf of the Principal in execution of the Contract.
- All Subcontractor's employed by the Contractor and all other Subcontractor's (whether nominated or otherwise) engaged in the fulfillment of the Contractor.
- To the extent required by any Contract or Agreement suppliers manufacturers vendors or other persons engaged on the contract sites but only to the extent of loss damage or liability originating at the Contract Site (other than while the Property Insured is in transit) arising out of the performance of their Contract Site obligations.

### Insured Contracts

All contracts undertaken by the Insured involving but not limited to Design Construction, Testing, Commission in respect of new works, geotechnical and exploratory works, capital expenditure, upgrade, modification, maintenance and/or overhaul and/or refurbishment, renovation, retrofitting or alteration and/or additions to existing facilities and/or re-profiling of track, vegetation rehabilitation and ballast tamping activities undertaken by the Insured or other Insured Parties acting on their behalf but **excluding**:

- Contracts where the contract value including the value of Free Issue Material exceeds R100,000,000 (Exclusive of VAT).
- Contracts where the duration of the contract exceeds 36 months.
- Contracts where the contractual Defects Liability / Maintenance period exceeds 24 months.
- Contracts involving harbor wet risks being all work entailing or involving work in or upon water whether partially or fully submerged such as but not limited to quay walls, wharfs, seawalls, caissons, breakwaters, jetties, piers, deepening or widening and dredging of ports and other off-shore risks.
- Contracts involving construction or erection of Petrochemical Manufacturing Plant(s) such as Sasol but this exclusion shall not apply to pipelines and other works undertaken by or on behalf of Transnet Pipelines Limited.
- Contracts outside of the Republic of South Africa.  
In territories outside of South Africa it is required in terms of their Insurance Acts that insurance cover be placed with their local markets. It is therefore important that the Broker be advised at feasibility stage (prior to Tender documents being issued) should any contracts, whether as Principal or Contractor, take place in any Territory outside of the Republic of South Africa.

### Contract Site

Any location upon which the Insured Contract(s) is to be executed or carried out as more fully defined in the Insured Contract(s) documents together with so much of the surrounding area as may be designated for the performance of the Insured Contract(s) within the Republic of South Africa.



Principal Controlled Insurance Programme	Estimated Contract Values any one Contract inclusive of Free Issue Material
Blanket PCI Contract Works <b>BPCI</b>	≤ R 5 million VAT exclusive
PCI Contract Works <b>PCI</b>	>R 5 million ≤ R100 million VAT exclusive
SASRIA on Contract Works	≤ R100 million VAT exclusive
PCI Liability <b>PCI LIAB</b>	≤ R100 million VAT exclusive
PCI One Off Contract Works & Liability <b>PCI One Off's</b>	>R 100 million VAT exclusive
Project Specific Insurance Contract Works & Liability <b>PSI Projects</b>	>R 100 million VAT exclusive comprising multiple packages

- To extend the contract period beyond **36 months** will attract an additional premium.  
(See Administrative Procedures herein).

## Declaration Procedure/Premium Payment Procedure

All Contracts up to R100m VAT exclusive including the value of Free Issue Material must be declared to Willis South Africa in terms of the attached declaration form marked as Annexure 1 prior to commencement of the Works and provision must be made against the Contract Number for payment of the premiums at the end of the Insurance Period namely 31<sup>st</sup> March 2013.

## Claims Reporting

- All incidents that could give rise to claim under the Principal Controlled Insurances, **HAVE TO BE** reported to the Willis / Insurer as soon as possible and in any event no later than 30-days after occurrence of the incident which may give rise to a claim under the Contract Works or Liability insurance.  
**Failing this, all benefits in terms of the Policy shall be voidable from date of occurrence.** It is essential that this condition is brought to the attention of Contractors in Tender/Contract Documents.
- All incidents / claims must be registered in terms of **Transnet SOC Unique Claim Numbering System** and captured on **TOMS**

## Policy Structure

There are two policies covering the Transnet Construction, Maintenance and Refurbishment contracts (but excluding contracts as described on page 9) as follows:-

### 1. Blanket PCI & PCI Policy MZAR10060 – (BPCI) & (PCI)

Principal Controlled Contract Works up to R100,000,000 any one contract including the value of Free Issue Material;

### 2. PCI Liability Policy S04089-12 – (PCI LIAB)

Principal Controlled Contractors Public Liability (PCI) in respect of Contracts up to R100,000,000 any one contract including the value of Free Issue Material with a Limit of Indemnity of R25,000,000;  
Projects in excess of R100,000,000 including the value of Free Issue Material must be referred to Transnet Group Insurance for further instructions.

# Summary of Cover

## Contract Works Insurance

**“PREVIEW COPY ONLY”**



## Contract Works Insurance

### Synopsis of Cover

Accidental physical loss of or damage to the works or materials for incorporation in the works:

- During dismantling of property in connection with the Insured Contracts.
- Whilst in transit, including loading and unloading, or whilst temporarily stored at any premises en route to or from The Contract Site within the Republic of South Africa;
- During the preparation of The Contract Site and thereafter until the Property Insured has been officially accepted by the Employer and becomes his responsibility by means of a Notice of Completion Certificate or similar evidence of legal transfer of risk in the whole or permanent works under the Insured Contract to the Employer;
- Where testing and commissioning of Property Insured is conducted by the Employer "completion" for purposes of this insurance to occur only after successful completion of all testing and commissioning of the whole of the permanent works under the Insured Contract;
- Where the permanent property insurance arranged by the Employer indemnify the Insured for completed portions of the Property Insured prior to completion of the whole of the permanent works under the Insured Contract, this insurance in respect of such completed portions of the Property Insured shall cease except as provided below;
- Work uncompleted or outstanding in terms of any certificate of completion, certificate of handover or similar document shall continue to be insured until its completion and the inception of the Contractual Defects Liability or Maintenance Period (as may be described in the Insured Contract) for such uncompleted or outstanding work where after the provision hereafter shall apply in respect of such work;
- During the Contractual Defects Liability or Maintenance Period (as may be described in the Insured Contract) pertaining to any part of the permanent works but only in respect of loss or damage:
  - i) arising from a cause occurring prior to commencement of such period of maintenance or defects liability period
  - ii) arising from any act or omission of the Insured their Servants, Agents, Suppliers or Subcontractors in pursuance of the Insured's obligations.

for which the Insured Contractor is responsible under the Contract.

### Contract Period Limitation

Maximum Contract period	36 months
Maximum Defects Liability / Maintenance Period	24 Months



### Limits of indemnity (VAT exclusive)

Contract Works (Any One Contract) including Free Issue Material	R100,000,000
Surrounding Property	R50,000,000
Surrounding Property – Worked Upon	R50,000,000
Surrounding Property – Watercraft	R50,000,000
Removal to Gain Access	R5,000,000
Documentation	R200,000
Debris Removal	R5,000,000
Claims Preparation Costs	R1,000,000
Maximum testing / commissioning period	60 days
Maximum un-sealed / un-primed base course limitation	5,000 metres
Maximum open trench limitation	5,000 metres

### Deductibles (VAT exclusive)

The deductible (excess) is the amount which the Contractor and/or Sub-Contractor is responsible for and this obligation must be reflected in the Tender and/or Contract Documents and the responsibility for same made clear.

The deductibles apply to each and every occurrence and in respect of all Contracts.

The deductibles are:

Loss or damage due to storm, rain, tempest, wind, flood, theft, malicious damage, subsidence, collapse, earthquake, testing or commissioning	R 25,000
Loss or damage arising from any other cause	R 15,000
Removal of Debris	R 25,000
Loss or damage to Surrounding Property	R 75,000
Loss or damage to Documentation	R 5,000
Road Reserve / Servitude	R250,000

### All Contracts Entailing Trenching and / or Layer Works

Following additional Deductibles apply over and above the aforesaid deductibles: - i.e. in excess of 1,000 metres

Up to a maximum of 3,000metres	20% of loss / minimum R50,000
Up to a maximum of 5,000metres	20% of loss / minimum R100,000

It is essential that this is brought to the attention of Contractor's. Where this restriction is not practical, specific arrangements for cover can be made with underwriters. They will, however, require detailed underwriting information and an additional premium may be charged.



## Property Insured

The actual Contract Works and all material intended for incorporation into the Works (including *Free Issue Material*\* the value of which has to be included in the Contract Value declared) and Temporary Works.

### N.B.

Temporary works does not include mobile plant, constructional aids, equipment, structures or works (not being part of the permanent works) which are not intended to be removed from the Contract Site on completion of the Contract (other than scaffolding shuttering and formwork as well as construction equipment specifically designed and/or constructed for the Insured Contract and which is not intended for immediate re-use on another contract) or have no residual value at completion of the Contract (other than scrap value), solely due to their specialised nature.

\* **Note:** Where Transnet for the purposes of the Contract issues materials 'free of charge' to the Contractor such materials shall be and remain the property of the Transnet. Free Issue Material shall mean any material provided by or on Transnet's behalf which is to be used in the provision of the Service or incorporated into the Contract.

## Main Exceptions

- The amount of the policy deductible.
- Loss or damage of money or the like.
- Aircraft, waterborne vessels or craft.
- Construction plant, tools or equipment.
- Losses by disappearance / shortage discovered by taking of routine inventory.
- Defective material workmanship design plan or specification (but resultant damage covered).
- Cost of re-design, improvement, betterment or alteration.
- Consequential loss.
- Liquidated damages or penalties for delay in connection with guarantee or performance or efficiency.
- Air transit (unless in territorial limits).
- Ocean transit or whilst in storage thereafter (unless immediately inspected by an independent party after offloading from vessel).
- During the Contractual Defects Liability or Maintenance Period (as may be described in the Insured Contract) pertaining to any part of the permanent works but only in respect of loss or damage:
  - i) arising from a cause occurring prior to commencement of such period of maintenance or defects liability period
  - ii) arising from any act or omission of the Insured his Servants or Agents, in the course of the work carried out in pursuance of the Insured's obligations with regard to maintenance under the Contract.
- Wear, tear, gradual deterioration rust, corrosion or oxidation and normal up-keep.
- Electrical or mechanical breakdown or explosion to machinery or plant which has operated under load conditions prior to commencement of the Insured Contract or in respect of new machinery or plant which has occurred after a Testing / Commissioning Period of 60-days.
- Damage to any unsealed / unprimed or base course in excess of limitations as stated in the policy.
- Damage to any open trench in excess of the limitations as stated in the policy.
- War, asbestos and nuclear risks.
- Sinking (whether partial or in whole) of any watercraft arising out of or in consequence of any work undertaken below the load line ( international load line / plimsoll line).





## Cover Limitations

### Unsealed / Unprimed Base Course

- Unsealed / unprimed base course – cover limited to a maximum of 5,000 metres.

### Open Trench

- Open trench – cover limited to a maximum indemnity of 5,000 metres.

It is essential that the above limitations are brought to the attention of Contractor's. Where this restriction is not practical, specific arrangements for cover can be made with Underwriters. They will, however, require detailed underwriting information and an additional premium may be charged.

### Used Plant – Basis of Loss Settlement

Insured property which has operated under service conditions prior to attachment of cover:-

- Up to 5 years – cost of repair / reinstatement / replacement.
- In excess of 5 years - agreed value (calculated on basis of each life year (or part thereof) on present day New Replacement Value reduced proportionally over 20 years subject to residual of 20%).

“PREVIEW COPY ONLY”

## Summary of Cover

### Contractors Public Liability Insurance

**“PREVIEW COPY ONLY”**



## Contractors Public Liability Insurance

### Insured Contracts

All contracts undertaken by the Insured involving but not limited to Design Construction, Testing, Commission in respect of new works, geotechnical and exploratory works, capital expenditure, upgrade, modification, maintenance and/or overhaul and/or refurbishment, renovation, retrofitting or alteration and/or additions to existing facilities and/or re-profiling of track, chemical vegetation control, vegetation rehabilitation and ballast tamping activities undertaken by the Insured or other Insured Parties acting on their behalf but excluding:

- Contracts where the contract value including the value of Free Issue Material exceeds R100,000,000 (Exclusive of VAT).
- Contracts where the duration of the contract exceeds 36 months.
- Contracts where the contractual Defects Liability / Maintenance period exceeds 24 months.
- Contracts involving harbor wet risks being all work entailing or involving work in or upon water whether partially or fully submerged such as but not limited to quay walls, wharfs, seawalls, caissons, breakwaters, jetties, piers, deepening or widening and dredging of ports and other off-shore risks.
- Contracts involving construction or erection of Petrochemical Manufacturing Plant(s) such as Sasol but this exclusion shall not apply to pipelines and other works undertaken by or on behalf of Transnet Pipelines Limited.
- Contracts outside of the Republic of South Africa.  
In territories outside of South Africa it is required in terms of their Insurance Acts that insurance cover be placed with their local markets. It is therefore important that the Broker be advised at feasibility stage (prior to Tender documents being issued) should any contracts, whether as Principal or Contractor, take place in any Territory outside of the Republic of South Africa.
- Limited to a maximum contract period of 36 months followed by a maximum Defects Liability / Maintenance period of 24 months.

### Synopsis of Cover

Legal Liability to pay as compensation for and in consequence of:

- Death of or injury to or illness or disease contracted by any person.
- Loss of / or physical damage to tangible property.

Occurring during the period of insurance and arising out of or in connection with the performance of the Insured Contract(s).



## Limits Of Indemnity

Contractors Public Liability	R25,000,000 any one occurrence / unlimited for the Period of Insurance
Removal of Support	R25,000,000 unlimited for the Period of Insurance
Statutory Legal Defence Costs	R25,000,000 any one occurrence
Arrest / Assault / Defamation	R25,000,000 any one occurrence
Emergency Medical Expenses	R25,000,000 any one occurrence
Prevention of Access	R25,000,000 any one occurrence
Trespass / Nuisance	R25,000,000 any one occurrence
Claims Preparation Costs	R2,500,000 any one occurrence

## Deductibles

The deductible (excess) is the amount which the Contractor and/or Sub-Contractor is responsible for and this obligation must be reflected in the Tender and/or Contract Documents and the responsibility for same made clear.

The deductibles apply to each and every occurrence and in respect of all Contracts.

The deductibles are:

Loss of or damage to public utilities	R25,000
Spread of fire or burning of fire breaks	R250,000
Loss of or damage to any other property	R25,000
Loss of or damage to property arising from removal of support	R50,000
Loss of or damage arising from the burning of fire breaks	R250,000
Loss of or damage arising out of vegetation control including but not limited to the use of pesticides	R250,000



## Main Exceptions

- The amount of the policy deductible.
- Death or injury to own employees.
- Motor vehicle liabilities under legislation or as defined in Multi-lateral Motor Vehicles Accident Fund No. 93 of 1989 as amended.
- Claims in connection with ownership or use of aircraft or watercraft.
- Property belonging to the Insured or in his care custody and control (as defined in the Policy).
- Property forming part of Contract Works.
- Liquidated damages or penalties for delays or in respect of performance or efficiency guarantees.
- The cost of making good faulty workmanship materials design plan or specification in any part of the Property insured.
- Gradual pollution and contamination.
- Sudden unintended and unforeseen seepage, pollution or contamination including the cost of removing, nullifying or cleaning up in respect of both ocean and harbour going watercraft outside of dry dock.
- After completion and handover (inclusive of the contractual Defects / Maintenance period).
- Punitive damages.
- Ownership hiring or leasing of any airport or airstrip.
- War, asbestos and nuclear risks.

## Cover Limitation

Indemnity for removal of support is limited to R25,000,000.

If a higher limit of indemnity is required, the Employers Insurance Broker needs to be advised and underwriting information will need to be provided in advance (i.e prior to Tender stage) and this will entail an additional premium.



## Administrative Procedures

**“PREVIEW COPY ONLY”**



## Administrative Procedures

### Arranging Insurance cover

#### The Operating Divisions and Specialist Units must

##### Prior to the commencement of each Contract:-

- Complete the Declaration Form per Part A as per Annexure 1 herein. Please note that in terms of SASRIA regulations where the Contract Value exceeds R2 million, the physical address of the Contract is mandatory. Where track is being worked upon, the start and end points are required.
- Date and sign the Declaration Form.
- Submit the Declaration Form to the Broker.

Cover will be effective from the date of receipt of the Declaration Form by the Broker who will acknowledge receipt of the same.

An Insurance Certificate and a SASRIA Coupon evidencing cover can be issued on specific request.

##### Prior to the expiry of each Declarations estimated completion date:-

- Confirm to the Broker that the contract will be completed on time.
- On completion submit to the Broker a Declaration of the final contract value per Part B as per Annexure 1 herein.

**NB** If the original completion date is not going to be achieved, the period of insurance on the Declaration document will need to be extended and the Broker needs to be notified **prior to original completion date**.

The Operating Divisions and Specialist Units (**prior to the expiry date of the certificate period**) has to advise the Broker in writing to extend the period of insurance and provide the new estimated completion date.

**NB** If a completion date needs to be extended and the Broker is not advised prior to the original completion date, all SASRIA cover will cease on the originally declared completion date as there is no hold covered arrangement with SASRIA. A new SASRIA Coupon will then only be issued for the extension period from the date when the Insurer is advised in writing by the Broker. Under these circumstances the new SASRIA Coupon will be subject to an additional premium, subject to the minimum premium.

This process needs to be followed by the Operating Divisions and Specialist Units until the time of completion is achieved.

##### Once the Contract has been completed:-

- The Operating Divisions and Specialist Units have to declare the final contract value to the Broker per Part B as per Annexure 1 herein.
- The deposit premium will then be adjusted accordingly.

**Failure by the Operating Divisions and Specialist Units to conform to the above procedure will result in cover being voided.**



## Contracts that require specific arrangements

All contracts that fall outside the scope of this Principal Controlled Insurance Programme have to be advised to Group Risk & Insurance prior to Tender and specific "One Off" cover will need to be negotiated.

These are:

- Contracts where the contract value including the value of Free Issue Material exceeds R100,000,000 (Exclusive of VAT).
- Contracts where the duration of the contract exceeds 36 months.
- Contracts where the contractual Defects Liability / Maintenance period exceeds 24 months.
- Contracts involving harbor wet risks being all work entailing or involving work in or upon water whether partially or fully submerged such as but not limited to quay walls, wharfs, seawalls, caissons, breakwaters, jetties, piers, deepening or widening and dredging of ports and other off-shore risks.
- Contracts involving construction or erection of Petrochemical Manufacturing Plant(s) such as Sasol but this exclusion shall not apply to pipelines and other works undertaken by or on behalf of Transnet Pipelines Limited.
- Contracts outside of the Republic of South Africa.

Contracts where cover limitations will be exceeded or where cover warranties cannot be complied with need to be discussed with the Employers Insurance Broker's personnel prior to contract award date to enable the Broker to make specific arrangements with Underwriters. This will however require detailed Underwriting Information and an additional premium may be charged.

In order to ensure that Contractor's and site staff are aware of procedures a copy of this Procedure Manual must be supplied to the contract administrators and each Contractor on award of contract .





## BPCI PCI AND PCI PL

### BLANKET PRINCIPAL CONTROLLED INSURANCE - CONTRACT DECLARATION AND EXTENSION TEMPLATES

Procurement & Depots, on receipt of this attachment please:

**This schedule only applies to Contracts max value R 100,0 million inclusive of Free Issue Material but exclusive of VAT**

- a) Save electronic versions of New Contract and Contract Extension templates on computers for future month usage
- Create schedules for each month i.e. use "copy function" to create schedules for each month i.e. April 2012 May 2012 June 2012 etc.)
- b) Complete register from the first to last day of month in respect of:
- New contracts declared during the month
  - **Purchase Order Numbers must be inserted below the contract number on the register refer column in yellow**
- Purchase Order numbers:** No Confirmation of Insurance will be issued in the absence of the purchase order number
- Contracts of which the contract periods have to be extended
- c) Monitor contracts declared/ extended on monthly basis i.e. forward register "as attachment" [Andrew.Buys@willis.com](mailto:Andrew.Buys@willis.com); [Lambm@willis.com](mailto:Lambm@willis.com) and [nico.steyn@transnet.net](mailto:nico.steyn@transnet.net)  
[Izak.Conradie@Transnet.net](mailto:Izak.Conradie@Transnet.net)
- d) Follow up all discrepancies with **Willis** in order to rectify problems
- e) Capture premium payment amounts **excluding** VAT on schedule to keep reserves for annual adjustment
- f) Follow up outstanding Confirmation of Insurance from brokers
- g) Submit "Nil Return" Registers in the event of no new contracts declared or where no contract period extensions were required during a specific month i.e. **"APRIL 2012-Nil**



## Claims Procedure

**“PREVIEW COPY ONLY”**



## Claims Procedure

In the event of any incident or occurrence, which is likely, to give rise to a claim under the Insurance arranged by Transnet the following procedures shall be adhered to in addition to any statutory or other requirements contained in the Contract.

All incidents that could give rise to claim under the Principal Controlled Insurances, **HAVE TO BE** reported to the Broker / Insurer as soon as possible and in any event no later than a **30 (thirty) day period** from date of incident.

**IMMEDIATELY** advise **Willis South Africa (Attention Andrew Buys and Mike Lamb)**.

At the same time complete the **Incident Advice Form (Annexure 2 herein)** and submit to **Willis South Africa**.

- Losses involving **theft or malicious damage** must be reported to the police and a police reference number obtained and recorded.
- The Employer, Contractor(s) or Sub-Contractor(s) shall allow free access to Insurers' Loss Adjuster(s) and / or Employer's Insurance Broker for the purpose of investigation and assessing the loss or damage.
- The Employer, Contractor(s) shall **not** deal direct with the Insurers other than by co-operating with their Loss Adjuster(s) and / or the Employers Insurance Broker.
- No **Admission of Liability** shall be made by the Employer, Contractor(s) or Sub-Contractor(s) in the event of damage or loss to third party property or injury or death of third party persons.
- Letters from claimants should be passed to **Willis South Africa** as soon as possible via the Employer if necessary.
- In the event of immediate repairs being necessary in the interest of safety, the Contractors may with the Employer's permission proceed with such repairs.
- The Employer shall immediately advise **Andrew Buys and Mike Lamb** at **Willis South Africa**.
- Other than in the circumstances described above the Contractor shall not proceed with the making good of any loss without the prior authorization of the Employer who shall advise the Insurer's appointed Loss Adjuster(s) and **Andrew Buys and Mike Lamb** of **Willis South Africa**.
- Upon commencement of the making good of any loss, the Contractor shall keep separate records of the costs involved in making good such loss and these records must be authenticated by the Employer for submission to the Insurer's or their Loss Adjuster(s). Such records shall include, inter alia, the entire cost of labour, materials, transport and equipment.
- The basis upon which the Insurers will indemnify loss or damage is the cost of repair or replacement of the loss or damage including, inter alia, transport and overheads.
- On completion of the making good of any loss the records of the costs involved having been authenticated by the Employer shall be sent to the Insurer's via their Loss Adjuster(s) and copied to **Willis South Africa (Mr Andrew Buys and Mike Lamb)** for processing.
- Upon the amount of the loss or damage being agreed upon by the Insurer's Loss Adjuster(s) and the Contractor, an "Agreement of Loss" form will be signed by the Contractor and Employer.
- The amount agreed upon by the Insurers, the Contractor and the Employer shall be paid by the Insurers to the Employer net of the deductible, who will arrange for the payment to be made to the Contractor as appropriate after deduction of the first amount payable.

**All incidents which could give rise to a claim under the insurances arranged by the Principal / Employer must be notified to the Broker without delay, per the procedures set out above**



**South Africa Personnel**

**Willis South Africa**

**“PREVIEW COPY ONLY”**



## Willis South Africa Personnel

Willis South Africa personnel are at all times available for advice, please feel free to contact :-

- Andrew Buys  
Account Advocate  
Tel No. (011) 011 082 8704  
Fax No. (011) 784 1610  
E-Mail [buysa@willis.com](mailto:buysa@willis.com)
- Mike Lamb  
Construction Broker  
Tel No. (011) 011 082 8722  
Fax No. (011) 784 1610  
E-Mail [mike.lamb@willis.com](mailto:mike.lamb@willis.com)

### TRANSNET GROUP RISK MANAGEMENT

Julie Naik  
Tel No (011)308-2718  
E-Mail [Julie.naik@transnet.net](mailto:Julie.naik@transnet.net)

“PREVIEW COPY ONLY”



## **Annexure 1**

### **Transnet Principal Controlled Construction Insurance**

**Programme Contract Award Declaration (Part A),**

**Contract Completion Declaration (Part B)**

**Contract Variation Declaration (Part C)**

**Project Specific One Off or Multiple Packages R 100 m  
and above (Form A1)**

**“PREVIEW COPY ONLY”**



**CONTRACT DECLARATION FOR  
BPCI, PCI, PCI LIABILITY BELOW R100,000,000**

Only complete sections with white background

SEND TO THE BROKER	FROM
Willis South Africa (Pty) Ltd P O Box 55509 Northlands 2116	TRANSNET Postal Address:
Attention: Mike Lamb E-mail: <a href="mailto:lambm@willis.com">lambm@willis.com</a>	Represented by: Email:
Tel No : +27(0) 11 535-5400	Tel No:
Fax No: +27(0) 11 784-1610	Fax No:

**PART A 1: CONTRACT AWARD INFORMATION**

CONTRACT NUMBER		
PURCHASE ORDER		
DECLARATION REGISTER CONTROL NUMBER		
DESCRIPTION OF CONTRACT WORKS:		
CONTRACT VALUE AT AWARD (VAT EXCLUSIVE)		
ESTIMATED VALUE OF FREE ISSUE SUPPLIED TO CONTRACTOR (VAT EXCLUSIVE)		
<b>COVER SELECTION</b>	<b>CONTRACT WORKS &amp; LIABILITY</b>	<b>CONTRACTORS LIABILITY ONLY</b>
INSERT YES /NO UNDER THE SELECTED COVER		
PHYSICAL ADDRESS WHERE CONTRACT IS TAKING PLACE		
CONTRACT AWARD DATE		
CONTRACT COMMENCEMENT DATE		
EXPECTED CONTRACT COMPLETION DATE		
CONSTRUCTION PERIOD(MONTHS)		
MAINTENANCE PERIOD (MONTHS)		



<b>PART A2: OPTIONAL INSURANCE REQUIRED:</b>		INSERT (YES/NO) BELOW
1.	IS REMOVAL OF SUPPORT COVER REQUIRED?	
2.	DOES THIS CONTRACT EVIDENCE AN EXPOSURE WHICH CAN BE COVERED BY PROJECT DELAY INSURANCE?	
3.	WILL TRANSNET/CONTRACTOR/SUB-CONTRACTOR BE IMPORTING MATERIALS/ EQUIPMENT FOR THE CONTRACT THAT REQUIRES MARINE CARGO IMPORT INSURANCE?	
IF REQUIRED, PROVIDE FULL DETAILS TO BROKER		
<b>PART A3: CONTRACTORS LIABILITY COVER ONLY</b>		
DOES THIS CONTRACT ENTAIL WORK IN THE FOLLOWING CATEGORIES WHERE THE EXPOSURE TO OWN DAMAGE (DAMAGE TO WORKS) IS NIL OR NEGLIGIBLE. <b>INSERT YES/ NO AS APPLICABLE BELOW</b>		
1.	CHEMICAL CONTROL OF VEGETATION	
2.	VEGETATION REHABILITATION	
3.	BALLAST TAMPING	
4.	TRACK RE-PROFILING (including Welding/Grinding)	
5.	BURNING OF FIRE BREAKS	
6.	GEOTECHNICAL AND EXPLORATORY WORKS	

CONTRACTORS DETAILS		
<b>PART B: CONTRACT COMPLETION DECLARATION</b>		
COMPLETION OF THIS SECTION IS COMPULSORY AND MUST BE SUBMITTED TO ARRANGE PREMIUM ADJUSTMENT ON COMPLETION OF WORKS.		
CONTRACT COMPLETION DATE		
ENDORSEMENT/CERTIFICATE NUMBER		
EXPIRY OF MAINTENANCE PERIOD		
FINAL CONTRACT VALUE (VAT EXCLUSIVE)		
ACTUAL VALUE OF FREE ISSUE SUPPLIED TO CONTRACTOR (VAT EXCLUSIVE)		
	ORIGINAL DECLARATION	COMPLETION OF WORKS
ORIGINATOR / SIGNATURE		
DATE		





---

---

**PART C – CONTRACT VARIATION / EXTENSION DECLARATION**

---

CONTRACT NUMBER

---

TITLE OF CONTRACT

---

NEW CONTRACT COMPLETION DATE

---

ENDORSEMENT/CERTIFICATE NUMBER

---

EXPIRY OF MAINTENANCE PERIOD

---

NEW CONTRACT VALUE (VAT Exclusive)

---

ACTUAL VALUE OF FREE ISSUE SUPPLIED TO CONTRACTOR (VAT Exclusive)

---

“PREVIEW COPY ONLY”



# Project Specific One Off or Multiple Packages R100,000,000 and above Insurance Notification Form

## CONTACT DETAILS

Name \_\_\_\_\_  
Division/Office \_\_\_\_\_  
Telephone Number \_\_\_\_\_  
Fax Number \_\_\_\_\_  
Email Address \_\_\_\_\_

## PROJECT INFORMATION

Project Title \_\_\_\_\_  
Project Location \_\_\_\_\_  
Principal Contractor \_\_\_\_\_  
Role of Transnet \_\_\_\_\_  
Joint Venture Partners (%) \_\_\_\_\_  
Design & Construct   
Construct Only   
Other?  Please advise details \_\_\_\_\_

## PROJECT DETAILS

Scope of Works \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Project Value (Estimate)      Currency \_\_\_\_\_

Contract Value      R \_\_\_\_\_

Transnet Supplied Materials      R \_\_\_\_\_  
Surrounding Property being      R \_\_\_\_\_ (When Transnet  
worked upon      R \_\_\_\_\_ to Insure)

Total Sum Insured      R \_\_\_\_\_

“PREVIEW COPY ONLY”



**DESIGN RISKS**

For Design & Construct Contracts:

Will Transnet engage an independent designer?  Yes  No

If yes to the above, please advise name of company \_\_\_\_\_

Confirm limit of PI Insurance to be carried by independent designer R \_\_\_\_\_

Does the contract involve any novation of design liability from the Principal?  Yes  No

**OFFSITE STORAGE**

Provide details for offsite storage of materials where this exceeds R1,000,000 at any one location

\_\_\_\_\_  
\_\_\_\_\_

**GENERAL RISK INFORMATION**

Please provide a copy of the following

- (a) Contract drawings
- (b) General conditions of contract (including any amendment thereto) referring to insurance and indemnity obligations, annexure pages, schedules and defect liability obligations
- (c) Works programme (gant charts, etc)
- (d) Scope of Works

Does the project involve removal and disposal of hazardous materials? Eg, asbestos/PCB

Yes  No (If yes, please provide full details)

\_\_\_\_\_  
\_\_\_\_\_

“PREVIEW COPY ONLY”

## Supplementary Questionnaire Earthworks

**TYPE (DEPTH OF TRENCH/EXCAVATION)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DIMENSIONS (EG: LENGTH, HEIGHT, DEPTH, ETC)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**CONSTRUCTION METHOD** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FOUNDATIONS (TYPE AND DEPTH)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SUPPORT STRUCTURES** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**BLASTING** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please provide details of the blasting company and their experience \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**UNDERPINNING** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PREVIEW COPY ONLY



# Supplementary Questionnaire Construction of Wharves & Jetties

## DESCRIPTION OF WORKS

Dimensions \_\_\_\_\_

Type of structure and material of construction \_\_\_\_\_

Type and dimensions of piling/foundations \_\_\_\_\_

Height of deck above water level at low tide and high tide \_\_\_\_\_

Extent of dredging and who is performing the work \_\_\_\_\_

Maximum value and weight of heaviest lift \_\_\_\_\_

## SUB SOIL CONDITION

Geological strata and/or details of bore logs \_\_\_\_\_

## WAVE, FLOODING AND STORM

Please provide historical data \_\_\_\_\_

Height of Deck above highest water level recorded \_\_\_\_\_

Maximum wave height expected \_\_\_\_\_

## LIABILITY

Any underground services? \_\_\_\_\_

To what extent can construction operation affect adjacent structures and water traffic? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# Supplementary Questionnaire Dams

## DAM EMBANKMENT

Height \_\_\_\_\_

Length \_\_\_\_\_

Width of crown and basement \_\_\_\_\_

Inclination of slope upstream and downstream \_\_\_\_\_

## DIVERSION DETAILS

Coffer Dams: Upstream height and downstream height \_\_\_\_\_

Diversion/canal size \_\_\_\_\_

Discharge capabilities \_\_\_\_\_

## FOUNDATIONS

Maximum depth of excavation \_\_\_\_\_

Details of ground support \_\_\_\_\_

## BREAK-UP VALUES

Earthworks \_\_\_\_\_

Concrete works \_\_\_\_\_

Coffer dams upstream and downstream \_\_\_\_\_

Diversion piping \_\_\_\_\_

Access Roads \_\_\_\_\_

Others as available \_\_\_\_\_

## WATER FLOW DATA

Rainfall \_\_\_\_\_

River flow \_\_\_\_\_

## BLASTING REQUIRED?

Yes  No (If yes, please provide details) \_\_\_\_\_

## DOCUMENTS REQUIRED

Site plan including contours, location of haul roads and storage areas

Profile of dam

Location map

“PREVIEW COPY ONLY”

# Supplementary Questionnaire Bridges

**DIMENSIONS**

Length \_\_\_\_\_

Breadth \_\_\_\_\_

**FOUNDATIONS**

Details of piles \_\_\_\_\_

Details of footings breadth \_\_\_\_\_

**SUPERSTRUCTURE**

Number of spans \_\_\_\_\_

Length \_\_\_\_\_

Girders  Precast  In situ

Girder material

Deck  Precast  In situ

Are any dual lift activities anticipated?  Yes  No

**APPROACH WORK REQUIRED?**

Yes  No (If yes, please provide details) \_\_\_\_\_

**IS THE BRIDGE OVER A WATER COURSE?**

Yes  No (If yes, please provide details) \_\_\_\_\_

Details of river flow \_\_\_\_\_

Details of flood exposure \_\_\_\_\_

Method of protecting works during construction \_\_\_\_\_

**BREAK-UP OF VALUES**

Foundations maximum any one precast section R \_\_\_\_\_

Maximum any one concrete pour R \_\_\_\_\_

Falsework/Formwork R \_\_\_\_\_

Earthworks R \_\_\_\_\_

Water protection systems R \_\_\_\_\_

**DOCUMENTS REQUIRED**

Profile of bridge

Cross section of bridge

PREVIEW COPY ONLY





# Supplementary Questionnaire Road Works

**EMBANKMENT**

Total length \_\_\_\_\_  
 Average cut \_\_\_\_\_  
 Maximum cut \_\_\_\_\_  
 Fill type \_\_\_\_\_  
 Maximum length of unsealed embankment (in metres) \_\_\_\_\_

**DRAINAGE**

Total length \_\_\_\_\_  
 Open trench – maximum open \_\_\_\_\_  
 Average open \_\_\_\_\_

**CULVERTS**

Number \_\_\_\_\_  
 Details of major culverts \_\_\_\_\_

**BRIDGES**

Number \_\_\_\_\_  
 Please provide the following details for each bridge:

- ◆ Number of spans \_\_\_\_\_
- ◆ Maximum length \_\_\_\_\_
- ◆ Length and breadth \_\_\_\_\_
- ◆ Foundation details \_\_\_\_\_
- ◆ Construction method \_\_\_\_\_
- ◆ Flow details of any rivers/creeks to be bridged \_\_\_\_\_
- ◆ Are any dual lift activities anticipated?  Yes  No

**BREAK-UP OF VALUES**

Drainage culverts R \_\_\_\_\_ Bridges R \_\_\_\_\_ Earthworks R \_\_\_\_\_  
 Landscaping R \_\_\_\_\_ Paving R \_\_\_\_\_  
 Other (specify) \_\_\_\_\_ R \_\_\_\_\_

**DOCUMENTS REQUIRED**

Topographical map of area \_\_\_\_\_  
 Profile of the cross section of road. Is the area prone to flooding?  Yes  No  
 (If yes, please provide details) \_\_\_\_\_  
 What protection will be implemented to prevent damage occurring due to water?  
 \_\_\_\_\_



# Supplementary Questionnaire Pipelines

## PROJECT DETAILS

Pipeline type (eg, gas, etc) \_\_\_\_\_

Total length \_\_\_\_\_

Pipe diameter/s \_\_\_\_\_

Method of construction/laying \_\_\_\_\_

## PIPE

To be supplied by Principal?  Yes  No

Acceptance point for pipe \_\_\_\_\_

Where is pipe to be stored? \_\_\_\_\_

## TRENCHES

Depth (metres): maximum and average \_\_\_\_\_

Open trench (without pipe): \_\_\_\_\_

◆ Maximum length any one time (number of kilometres) \_\_\_\_\_

◆ Maximum length any one continuous stretch (number of kilometres) \_\_\_\_\_

Open trench with pipe laid: maximum length \_\_\_\_\_

Quotations/cover required for open trench: \_\_\_\_\_

Policy limit 15 kilometres (of which 5 kilometres with pipe)

Other limit required (Please specify) \_\_\_\_\_

## TERRAIN

Soil conditions and terrain contour \_\_\_\_\_

## OTHER STRUCTURES (PUMP STATION, ETC)

Description, including dimensions \_\_\_\_\_

## CROSSINGS

Type (river, road, etc). Method of construction \_\_\_\_\_

## TESTING

Type \_\_\_\_\_

Period \_\_\_\_\_

Hydrostatic pressure test .....% of manufacturer's specification \_\_\_\_\_

Welds – Percentage to be x-rayed \_\_\_\_\_

**BREAK-UP OF VALUES**

Pipe R \_\_\_\_\_  
 Mechanical R \_\_\_\_\_  
 Structures R \_\_\_\_\_  
 Trenching R \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_ R \_\_\_\_\_

**FLOOD EXPOSURE**

Is there any exposure to flooding?

Yes  No (If yes, please provide details of preventative measures undertaken)

\_\_\_\_\_

Is water table expected to be encountered during construction period?

Yes  No (If yes, please provide details of preventative measures undertaken)

\_\_\_\_\_

**Horizontal Drilling (HDD)**

HDD Contract Value R \_\_\_\_\_

Details of drills exceeding 1 kilometre in length \_\_\_\_\_

Details of drills where the pipe diameter is greater than 760mm \_\_\_\_\_

**DOCUMENTS REQUIRED**

Route of pipeline

Contour maps

Rainfall details

"PREVIEW COPY ONLY"

## Annexure 2

### Incident Advice Form

ALL INCIDENTS HAVE TO BE REPORTED WITHIN 30 DAYS OF OCCURRENCE

“PREVIEW COPY ONLY”



**TRANSNET PRINCIPAL CONTROLLED INSURANCE PROGRAMME  
INCIDENT ADVICE FORM**

**TRANSNET UNIQUE CLAIM NUMBER .....**

**Send to**  
Willis South Africa (Pty) Ltd  
**First Floor,**  
**Eversheds Building,**  
**22 Fredman Drive,**  
**Sandton**  
2196

Attention : Andrew Buys  
Tel No. **011) 535 5400**  
Fax No. **(0)11 784 1610**  
E-Mail: **buysa@willis.com**

From .....  
Represented by .....  
Tel No. ....  
Fax No. ....

PRINCIPAL (PER CONTRACT DOCUMENT)

CONTRACT NUMBER

ORIGINAL DECLARATION NO.

TITLE OF CONTRACT

ORIGINAL CONTRACT COMMENCEMENT DATE

DATE OF LOSS OR DAMAGE

DATED REPORTED TO SITE AGENT

REPORTED BY

REPORTED TO BY

DATE

LOCALITY OF INCIDENT

DETAILS OF HOW THE LOSS OR DAMAGE OCCURRED

DETAILS AND NATURE OF LOSS OR DAMAGE TO CONTRACT WORKS / TO THIRD PARTY PROPERTY

DETAILS OF OTHER DEATH OR INJURY TO PARTIES

ESTIMATED COST (SEPARATE RECORDS OF ALL COSTS MUST BE KEPT)

WHO OR WHAT APPEARS TO BE RESPONSIBLE FOR THE CAUSE OF THE LOSS / DAMAGE

PERSON WHOM ASSESSOR SHOULD CONTACT

DESIGNATION:

TELEPHONE (LANDLINE)

CELLPHONE NO.

E-MAIL ADDRESS

**ALL INCIDENTS HAVE TO BE REPORTED AS SOON AS POSSIBLE AND WITHIN 30 DAYS  
OF OCCURRENCE**

SIGNED BY: .....

SIGNATURE: .....

COMPANY: .....

DATE: .....



## Annexure 3

### Monthly Contract Register Control Sheets

**“PREVIEW COPY ONLY”**



**TRANSNET: PRINCIPAL CONTROLLED INSURANCE – MONTHLY CONTRACT REGISTER CONTROL SHEET**

A) NEW CONTRACTS FIRST DECLARATION OF NEW CONTRACT WORKS FOR COVER UNDER PCI POLICY

DIVISION / SUPPORT UNIT:  
 CONTACT PERSON:  
 TELEPHONE / CELL NO'S:

INSURANCE YEAR: 2012/2013  
 MONTH:  
 E-MAIL ADDRESS:

CONTRACT NUMBER	CONTRACT DECLARATION CONTROL NUMBER	DESCRIPTION OF CONTRACT WORKS	DATE DECLARED TO BROKERS	ESTIMATED TOTAL CONTRACT VALUE R	COMMENCEMENT DATE OF WORKS	ESTIMATED COMPLETION DATE
Purchase Order No	1					
Purchase Order No	2					
Purchase Order No	3					
Purchase Order No	4					
Purchase Order No	5					
Purchase Order No	6					
		<b>TOTAL DECLARED FOR MONTH</b>				

PREVIEW COPY ONLY



**PRINCIPAL CONTROLLED INSURANCE**

B) CONTRACT EXTENSIONS

ONLY APPLICABLE TO CONTRACTS PREVIOUSLY DECLARED WHERE EXTENSION OF CONTRACT PERIOD IS REQUIRED

CONTRACT NUMBER	CONTRACT DECLARATION CONTROL NUMBER	DESCRIPTION OF CONTRACT WORKS	DATE DECLARED TO BROKERS	ESTIMATED TOTAL CONTRACT VALUE R	COMMENCEMENT DATE OF WORKS	ESTIMATED COMPLETION DATE
<b>TOTAL DECLARED FOR MONTH</b>						

PREVIEW COPY ONLY