

SAPREF Business Management System		Serv	Procedure	Level 2
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General Conditions for procurement of Goods/Services less than R1 million

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SHELL & BP SOUTH AFRICAN PETROLEUM REFINERIES (PTY) LTD ("SAPREF")

REG.NO.1960/000007/07

Shell and BP South African Petroleum Refineries (Pty) Limited ("**SAPREF**") undertakes to purchase the Goods and/ or Services depicted on **SAPREF's** purchase order and/or as defined in the **SAPREF** RFQ and/or the **Service Providers** tender document as finally agreed, from the person, firm or company awarded the purchase order to supply the Goods/performance the Services and shall hereinafter be referred to as "the **Service Provider**". The **Service Provider** undertakes to execute this purchase order on the basis that the general terms and conditions referred to herein shall apply to the exclusion of any other terms and conditions which the **Service Provider** may seek to impose in any matter whatsoever.

1. DELIVERY OF THE GOODS/PERFORMANCE OF THE SERVICES

- 1.1. The **Service Provider** must perform the Services/deliver the Goods to **SAPREF** at the specified location on or before the specified delivery date and in accordance with any special instructions for the performance of the Services / the delivery of the Goods contained in the purchase order.
- 1.2. Failure, by the **Service Provider**, to perform by the due date may result in immediate cancellation of the purchase order or alternatively in the claiming by **SAPREF** of penalties at the rate of 1% of the purchase order value per week or part thereof that the delay persists.

2. RECEIPT OF THE GOODS/SERVICES

- 2.1. **SAPREF** may accept or reject the Goods/Services within 14 days after delivery of the Goods or acceptance of the Services.
- 2.2. If **SAPREF** rejects the Goods / Services, **SAPREF** may:
 - 2.2.1. require the **Service Provider** to replace the Goods/re-perform the Services, at the **Service Provider's** cost, which comply with the requirements of the purchase order/scope of work within a period determined by **SAPREF**; or
 - 2.2.2. cancel the purchase order and, **SAPREF** shall have the option of procuring the Goods and/or Services from another **Service Provider** and the cost difference shall be set off against amounts owing to the **Service Provider**.
- 2.3. In either case and at the **SAPREF's** request, the **Service Provider** must promptly remove any relevant Goods from **SAPREF's** premises/stop the Services and restore the premises at the **Service Provider's** cost.

3. TITLE AND RISK

- 3.1. Title to the Goods/Services transfers to **SAPREF** upon the acceptance of the Goods/ Services by **SAPREF**.
- 3.2. The risk of any loss or damage to the Goods/Services remains with the **Service Provider** until acceptance by **SAPREF**.

4. CONDITIONS OF PAYMENT

- 4.1. The **Service Provider** must provide **SAPREF** with an original tax invoice for the Goods delivered/ Services performed which must include or be supported by the following details:
 - 4.1.1. **SAPREF's** purchase order number;
 - 4.1.2. the mescode or description for the Goods provided with a delivery note copy; or description of the Services provided with a work progress certificate, ~~attached as annexure A,~~ (where milestone payments are applicable a work progress certificate is required for each milestone indicating the milestone reached);
 - 4.1.3. the total price and the amount due in respect of VAT;
 - 4.1.4. the **Service Provider's** VAT registration number.
- 4.2. Subject to compliance with all the provisions of this agreement, payment terms are **60 (sixty) days** from receipt of the **Service Provider's** original tax invoice with a settlement discount of 2.5% in favour of **SAPREF** or payment conditions as otherwise agreed to during tender process.

5. CONTRACT PRICE

- 5.1. Subject to proper compliance by the **Service Provider** with the provisions of this agreement, the contract price payable for the deliverables is set out in the purchase order or contract award letter.
- 5.2. The purchase price is fixed and will not be subject to escalation or adjustment for the full duration of this agreement and is inclusive of VAT and all taxes and includes the cost of any packaging, marking, handling, freight and delivery, insurance and any other applicable costs and charges.
- 5.3. Should any specifications around the deliverables change, the **Service Provider** shall obtain an approved Variation Order prior to accommodating the change. Proceeding with the changes prior to official variation order will be at **Service Providers** own risk.

6. WARRANTIES AND OBLIGATIONS

- 6.1. The **Service Provider** warrants that:
 - 6.1.1. the **Service Provider** has the capacity to timeously deliver the Goods/ perform the Services, time being of the essence;
 - 6.1.2. the Goods/Services will be free from defects in design and will have been manufactured using first class new materials and will comply with the highest standards of workmanship;

- 6.1.3. the Goods/Services will comply with specifications set forth in the purchase order and any deviation from such specifications is a material breach of the agreement;
- 6.1.4. the Goods/Services do not infringe any intellectual property rights of any third parties;
- 6.1.5. where any Goods/Services which the **Service Provider** supplies or uses in performing the Services are dangerous or hazardous in any manner, the **Service Provider** will immediately inform **SAPREF** and provide **SAPREF** with Safety Data Sheets for such Goods or consumables before bringing it onto any of **SAPREF's** premises.
- 6.2. **SAPREF's** rights in terms of this clause 6 are in addition and without prejudice to any other rights it may have in terms of this agreement or by virtue of any common law warranty against latent defects or otherwise.
- 6.3. Notwithstanding acceptance of the Goods/Services by **SAPREF**, the **Service Provider** must remedy, at its cost, any defects in the Goods/Services at any time within the period of 90 days or the **Service Provider's** or manufacturer's standard warranty period (whichever is the longer) following acceptance of the Goods / Services by **SAPREF**.
- 6.4. The **Service Provider** will be responsible for any costs of removing the Goods and delivering repaired or replacement Goods to **SAPREF** together with any associated or incidental costs. If the **Service Provider** does not remedy the defect, **SAPREF** may remedy the defect and the costs incurred by **SAPREF** in remedying the defect will be a debt due from the **Service Provider** to **SAPREF**.

7. CANCELLATION

- 7.1. **SAPREF** reserves the right on written notice to the **Service Provider** to cancel any purchase order made by it with or without fault on the part of the **Service Provider**. If the subject matter of the purchase order has already been delivered by the **Service Provider** in whole or in part, the cost of delivery of the Goods back to the **Service Provider** or partial performance of the Services shall be for the account of **SAPREF**.

8. INDEMNITY

- 8.1. The **Service Provider** indemnifies the **SAPREF** against any liability, loss, damage, cost, compensation or expense arising out of or in any way in connection with:
 - 8.1.1. a default or any unlawful, wilful or negligent act or omission on the part of the **Service Provider**, its officers, employees, agents or sub-**Service Providers**; or
 - 8.1.2. any action, claim, dispute, suit or proceeding brought by any third party in respect of any infringement or alleged infringement of that third party's intellectual property rights in connection with the Goods/the Services.
- 8.2. The **Service Provider's** liability to indemnify **SAPREF** under this clause 8 is reduced to the extent that any wilful, unlawful, or negligent act or omission of **SAPREF** contributed to the liability, loss, damage, cost, compensation or expense.

9. OCCUPATIONAL HEALTH AND SAFETY

- 9.1. The **Service Provider** must procure that the **Service Provider's** personnel who will gain access to **SAPREF's** premises undergo Induction Training and a

compulsory medical examination. The cost of same will be for the **Service Provider's** account.

- 9.2. The **Service Provider** must ensure that the **Service Provider's** personnel at all times whilst on **SAPREF's** site comply with **SAPREF's** safety and security rules in general, and as specifically stated in **Annexure 1** attached hereto, and other relevant regulations. Where specified by **SAPREF** (by notice, sign, regulation, instruction, etc), the **Service Provider's** personnel must wear the required safety clothing and equipment ("PPE"). It is the responsibility of the **Service Provider** to ensure that its personnel are in possession of such required PPE.
- 9.3. Where the delivery of the Goods/the performance of the services are to be executed at **SAPREF's** premises, the **Service Provider** must, on or before the commencement date:
 - 9.3.1. appoint a safety co-ordinator to liaise with **SAPREF** on matters pertaining to safety;
 - 9.3.2. provide **SAPREF's** safety department with copies of all appointments required by the OHS Act and OHS regulations;
 - 9.3.3. provide **SAPREF** with a hardcopy of the **Service Provider's** HSSE plan in respect of the services to be performed together with all supporting documents.
- 9.4. The **Service Provider** must, within 24 hours, report all accidents and incidents of injuries to any person while on **SAPREF's** premises and before the injured party leaves the site at the end of the shift or working day. Incidents that require immediate reporting to the Department of Labour under S24 of the OHS Act, shall also be reported immediately to **SAPREF**, where such incident occurred on **SAPREF's** site.
- 9.5. The provisions of this clause 9 summarises the obligations relating to health and safety that the **Service Provider** is expected to assume, as a mandatory of **SAPREF** and are intended to satisfy the requirements of Section 37(2) of the OHS act in that:
 - 9.5.1. the **Service Provider** hereby agrees, as mandatory, to assume full responsibility for the performance of, observance of and compliance with the duties and responsibilities imposed upon **SAPREF** as an employer in terms of the Act in respect of:
 - 9.5.1.1. the scope of Services to be undertaken by the **Service Provider**;
 - 9.5.1.2. the area within **SAPREF's** premises where the **Service Provider** is to perform the Services;
 - 9.5.1.3. the employees and/or other persons engaged in the execution of the Services.

10 INSURANCE

- 10.1. The **Service Provider** must take out and maintain adequate insurance to cover all insurable risks and at **SAPREF's** request provide **SAPREF** with proof thereof.

11 INDUSTRIAL RELATIONS

- 11.1. The **Service Provider** must ensure that it and its employees observe sound employment and industrial relations policies and prevent industrial action while on **SAPREF's** premises.
- 11.2. The **Service Provider** must comply with all applicable laws, rules and regulations and agrees to indemnify and compensate **SAPREF** in the event of any breach of this clause 11 by the **Service Provider** as well as in respect of damage on and/or to **SAPREF's** premises and/or **SAPREF's** property or any other loss that **SAPREF** may suffer as a result of industrial action by the **Service Provider's** personnel.
- 11.3. **SAPREF** may require the **Service Provider** to remove from **SAPREF's** premises any member of the **Service Provider's** personnel whose conduct and/or performance is not in keeping with the **Service Provider's** obligations in terms of this agreement, or is suspected of a misconduct, or who **SAPREF** considers to be undesirable, or is guilty of any act or omission which is prejudicial to **SAPREF's** interests.

12 NOTICES

- 12.1. Any notice or communication under this agreement will be effective if it is in writing, signed and delivered to **SAPREF** or the **Service Provider**, at the address or facsimile number set out in the purchase order or letter of award.

13 CESSION, ASSIGNMENT AND SUB-CONTRACT

- 13.1. The **Service Provider** shall not cede or sub-contract any of its rights, nor transfer or assign any of its obligations in terms of the purchase order without the written consent of **SAPREF**.

14 GOVERNING LAW AND JURISDICTION

- 14.1. This Agreement will be construed and interpreted in accordance with the laws of the Republic of South Africa and the parties consent to the jurisdiction of the High Court of South Africa.

15 DISPUTE RESOLUTION

- 15.1. If any dispute arises out of or in connection with this Agreement, its termination or cancellation or the subject matter thereof either party may declare that a dispute exists by giving written notice to the other party's representatives.
- 15.2. Within 10 days of receipt of a notice declaring a dispute, the parties' representatives or its nominated representatives must try to meet and resolve the dispute or agree a process for resolving the dispute (including arbitration or mediation).
- 15.3. If, within 10 days of the dispute being declared, the parties' representatives or its nominated representatives do not meet or do not resolve the dispute or do not agree on a process for resolving the dispute, any party may take whatever action it believes is appropriate.
- 15.4. This clause 15 will not in any way preclude a party from seeking urgent interim relief from any court having jurisdiction in terms of clause 14 to protect or enforce its rights.

16 COMPLIANCE

16.1 LAWS AND POLICIES

16.1.1 The **Service Provider** warrants that it is familiar with, and will comply to, all applicable laws, including but not limited to those dealing with the conditions of its labour, the safety relating to the supply of the **work** and the health and safety of all persons on **SAPREF's premises** and hereby indemnifies **SAPREF** against any breach thereof.

16.2 ETHICS COMPLIANCE

16.2.1. The **Service Provider** confirms having received a copy of the **SAPREF's** General Business Principles and **SAPREF's** Code of Conduct.

16.2.2 Each Party represents and warrants, in connection with this **agreement** and the business resulting therefrom, that:

16.2.2.1 it is knowledgeable about and will comply with all laws, regulations, rules and requirements relating to anti-bribery and anti-money laundering;

16.2.2.2 whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws;

16.2.2.3 In the event that the **Service Provider** supplies staff that **work** on behalf of the **Service Provider**, the **Service Provider** also commits that such staff will behave in a manner that is consistent with **SAPREF's** Code of Conduct and the contents of this clause 22.

16.3 PROTECTION OF PERSONAL INFORMATION

16.3.1 For the purposes hereof, "Personal Information" means personal information as defined in the "POPI" Act which means the Protection of Personal Information Act 4 of 2013, as amended from time to time;

16.3.2 Both parties agree that they will comply with requirements of POPI, which they warrant they are fully conversant with, and process all the information and/or personal data in respect of this **agreement** in accordance with POPI and only for the purpose of providing the services set out in the **agreement**.

17 SAPREF AUDIT RIGHTS

17.1 SAPREF will have the right to audit invoiced charges and proper invoicing by the **contractor**, other books and records relating to the **agreement** and the performance of any other of the **contractor** obligations under the **agreement**, where capable of being verified by audit.

17.2 Based on the findings of the audit, the parties will settle any amounts charged incorrectly within 30 (thirty) days of any audit finding and the **contractor** will provide or re-perform any agreement scope where the requirement to do so is identified by any audit within 30 (thirty) days of any audit finding.

17.3 The **contractor** will keep books and records available for audit for the longer of the following periods: (i) five (5) years following termination of the **agreement** or any longer period as required by applicable laws; or (ii) two (2) years after the period expires on any obligation of the **contractor** to perform or re-perform any agreement scope.

SIGNED atthis.....day of.....20

As witnesses

For **SERVICE PROVIDER**

1.....who hereby warrants that (s)he is duly authorised
to sign this agreement on its behalf

2.....Full names
Designation.....

Annexure 1
HSSE CONDITIONS

1. HEALTH, SAFETY, SECURITY AND ENVIRONMENT ("HSSE")

1.1 **HSSE** is of prime importance and the following **HSSE** requirements, including **Service Provider** Health, Safety, Security and Environmental Qualification for **work** at **SAPREF** must be strictly adhered to:

1.1.1. The **Service Provider** must ensure that all employees on the worksite are fully conversant with **SAPREF's HSSE** requirements which must be rigidly adhered to. In this regard the **Service Provider's personnel** shall not be allowed access to the site unless they have attended a safety induction course. It is the **Service Provider's** responsibility to ensure that all its employees who intend working on the **SAPREF** worksite attend this course prior to being required on the worksite. Any cost associated with the safety induction courses as controlled by the Durban South Training Trust ("DSTT") shall be for the **Service Provider's** own account. All arrangements must be made with **SAPREF's** Safety Officer in this regard.

The course will equip the employees on special requirements, precautions and procedures required when working on **SAPREF** sites. For **work** carried out in the H.F. Alkylolation unit, attendance of a separate safety induction course is required.

1.1.2. Any **HSSE** related instruction given by **SAPREF's** authorised safety personnel or the representative shall be immediately adhered to.

1.1.3. **SAPREF** sets and reviews **HSSE** targets on a continuous basis. All **SAPREF** personnel and **Service Providers** working at **SAPREF** sites are expected to **work** towards achieving such targets.

1.1.4. At the beginning of each working **day** a "tool-box" talk is required to be carried out by the **Service Provider's** site supervisors. The "4 what" cards and "the life saving rules" are to be carried and displayed by all **Service Provider's personnel** at the worksite.

1.1.5. The **Service Provider** shall make himself and his employees familiar with **SAPREF's** permit/clearance system and shall provide the necessary administration, supervision and preparation requirements to comply. The **Service Provider** shall ensure that all his personnel authorised to sign clearance certificates have passed **SAPREF's** Clearance Receiver Certificate test.

1.1.6. The **Service Provider** must ensure that all employees at the worksite are fully conversant with and adhere to their **Service Provider's HSSE** plan/policy and to all relevant **SAPREF** requirements in this respect.

1.1.7. The **Service Provider** shall comply with the requirements of **SAPREF's** Rules and Regulation Booklet, Rev2, June 2006 as amended from time to time. In particular Tenders will not be considered unless they contain a Safety Action Plan for the contract.

The Safety Action Plan shall, inter alia, provide proposals addressing the following issues:

- 1.1.7.1. Safety organisation
- 1.1.7.2. Safety training of all staff and operatives
- 1.1.7.3. Safety inspections/audits
- 1.1.7.4. Safety visits
- 1.1.7.5. Accident/Near Miss reporting
- 1.1.7.6. Housekeeping
- 1.1.7.7. Safety communication
- 1.1.7.8. Sub **Service Providers**
- 1.1.7.9. Current HSSE records
- 1.1.7.10. Incident Investigation Techniques

The **HSSE** Plan shall be amended to suit the requirements of individual **works** order, in particular to include specific housekeeping and hazard study proposals.

- 1.1.8. The safe operation of the **Service Providers** business at the refinery and the individual worksites shall also be subject to audit by **SAPREF**. The **Service Provider** shall allow for these requirements and attending regular meetings with the representative to discuss audit results and other related **HSSE** matters including Behavioural Based Safety initiatives and 16(2) quarterly meetings with the **SAPREF** Managing Director.
- 1.1.9. If, in the opinion of the engineer, the **Service Provider** adopts any unsafe working practice the engineer may instruct the **Service Provider** to stop the **works** until the unsafe practice is rectified. Any loss suffered or expense incurred by the **Service Provider** in this respect will not be reimbursed to the **Service Provider**, nor will the **Service Provider** be released from his obligation to complete the **works** in accordance with the agreed PLAN.
- 1.1.10. The **Service Provider** must at all times demonstrate a positive attitude towards working safely, and continuing to improve working methods to facilitate safe working. If, in the opinion of the engineer, the **Service Provider** fails in this respect, **SAPREF** will advise the **Service Provider** in writing that he shall rectify the specified shortcomings within a specified period. **SAPREF** reserves the right to remove individuals and or **Service Providers** from site.
- 1.1.11. A medical certificate is required for each of the **Service Provider's** **personnel** and the employees of any **sub Service Providers** before they are allowed to **work** at the **SAPREF** sites.
 - 1.1.11.1. Medical Certificates of Fitness will be valid for one year only as per the definition of a Medical Certificate of Fitness as per the Construction Regulations 2014.
 - 1.1.11.2. Note that **SAPREF** security clearance is for a maximum of one year and that expiry of **HSSE** inductions and Certificate of Fitness will block renewal after the one year period.

1.1.11.3 Exemptions from the Requirement for Medical Examination are quoted in **Service Provider** medicals procedure HSSE.PR.0057 (section 2.3.8).

1.1.12. No Medium or High Risk job shall commence without **SAPREF's** Task Risk Assessment being completed by the **Service Provider** and attached to the **work**.

1.1.13. Safety awards can be made to all individuals of contracting companies who participate in the **SAPREF** target man-hour scheme. The applicable cost of any awards made will be recoverable (50%) by **SAPREF** from participating **Service Providers**.

1.2. Protective and Safety Clothing and Equipment

1.2.1. The **Service Provider** shall provide **SAPREF** approved Fire Resistant one piece overalls and all other protective clothing including rainwear and other items of equipment for the use of his personnel to ensure safe working and as specified in the respective **work** permits for individual Pacer Orders. The quality of the clothing and equipment shall be in accordance with **SAPREF** standards. Rainwear in sufficient quantities must be available at the worksite at all times.

1.2.2. The specifications for the Fire Resistant overalls must be 200g/m² Nomex or 235g/m² Tecasafe density, antistatic one piece overall that covers the entire body from ankles to neck, including arms.

1.2.3. The **Service Provider's** rates will be deemed to be inclusive of all protective clothing and equipment.

1.2.4. The **Service Provider** shall maintain a register of operatives who have been trained in the use of breathing apparatus and fresh air masks and make such operatives available when the circumstances arise. The training documentation shall be available for **SAPREF's** scrutiny.

1.2.5. All single piece overalls shall be made from Fire Retardant material of the same colour and sport the **Service Provider's Service Provider** logo. All safety helmets shall be the same colour. The use of **SAPREF** overalls and personal (non-specialised) safety equipment is prohibited and can lead to expulsion from the worksite.

1.2.6. Due to hazardous materials present at **SAPREF** site, overalls are to be laundered by a **SAPREF** approved laundry service provider, for the **Service Providers** account. Overalls are not to leave site without the permission of the **SAPREF** representative.

1.3. Security

1.3.1. The **Service Provider** shall make himself and his employees familiar with **SAPREF's** security rules

1.3.2. The **Service Provider** undertakes to provide the necessary administration, supervision and preparation to comply with the Regulations regarding entry of personnel and vehicles to the worksite. Failure to comply with any of the above could result in the instant removal of an individual from the worksite or the debarment of the **Service Provider**.

1.4. Responsible Person

- 1.4.1. The **Service Provider** shall assume full responsibility for any **works** being performed in terms of Occupational Health and Safety Act of 1993 (the "**Act**") and any subsequent revisions.
- 1.4.2. The **Service Provider** will thus be obliged to provide appropriate letters of appointment as required by the Act to the Representative.

1.5. Services and Facilities

- 1.5.1. **SAPREF** will supply the following facilities to the **Service Provider**, which will be for **SAPREF's** account:
 - 1.5.1.1. Octel medical tests (specific for lead containing equipment)
 - 1.5.1.2. Connection to the **SAPREF** internal telephone system. External calls are for the **Service Provider's** account.
 - 1.5.1.3. Connection to the **SAPREF** internal computer system, including relevant hardware, software and e-mail.
- 1.5.2. The **Service Provider** will have access to:
 - 1.5.2.1. General **SAPREF** clinic facilities at a nominal charge as per **SAPREF** current procedures.
- 1.5.3. The **Service Provider** will set up his own facilities for:
 - 1.5.3.1. External telephone lines
 - 1.5.3.2. Computer hardware (excluding that provided for by **SAPREF**), which is completely compatible to **SAPREF** standards at all times
- 1.5.4. The **Service Provider** shall allow for the following (no additional compensation shall be made by **SAPREF** to the **Service Provider**):
 - 1.5.4.1. All induction courses
 - 1.5.4.2. All skills training requirements
 - 1.5.4.3. All safety training
 - 1.5.4.4. All **Service Providers' personnel** medical certificates

1.6. SAPREF Driving Standard - Use of Seatbelts

- 1.6.1. The **SAPREF** driving standard with respect to use of seatbelts are as follows:
 - 1.6.1.1. All occupants of any vehicle shall use seatbelts at all times.
 - 1.6.1.2. All vehicles (owned, leased or rented) must be fitted with effective seat belts for each occupant.
 - 1.6.1.3. As from the 01 January 2014 transportation of passengers shall only be done by vehicles designed and fit for this purpose i.e. buses; kombis fitted with three-point seat belts. Passengers and tools must be clearly separated by means of a solid partition when transported together.

Note: Lap Belts will no longer be allowed. Transporting people at the back of the Trucks and Bakkies /Vans will also not be allowed from the 1st of January 2014.

The above standard applies to all vehicles used on site.

1.7. Construction Regulations, 2014 issued in terms of the Occupational Health and Safety Act 85 of 1993

- 1.7.1. In terms of regulation 5(1) (k) of the Construction Regulations 2014, **SAPREF** hereby appoints the **Service Provider** as the principal **Service Provider** responsible at "**SAPREF Refinery, Prospecton**" to carry out all the construction **work** of "**Scaffolding Services**".
- 1.7.2. The **Service Provider** shall ensure that it meets all the requirements in terms of the OCCUPATIONAL HEALTH AND SAFETY ACT, ACT 85 OF 1993 and in particular the terms of the Construction Regulations. The **Service Provider** must, in terms of 7(1)(v) of the Construction Regulations 2014, appoint any **sub-Service Providers** in writing for the part of the project that the **sub-Service Provider** will be involved in on the construction site and shall ensure that all its appointed **sub Service Providers** comply with the requirements as stipulated in the Construction Regulations 2014.
- 1.7.3. The **Service Provider** shall ensure that all the information and specifications to ensure that the construction **work** is carried out in a safe manner are carried over to all **sub-Service Providers** appointed and reporting to the **Service Provider**.
- 1.7.4. The **Service Provider** shall further ensure that all records, registers and required lists are maintained and that all persons appointed to carry out tasks as stipulated by these regulations are competent and have the necessary resources to complete their tasks effectively in such a manner that health and safety is not in any manner compromised.
- 1.7.5. This appointment is valid from " " to the completion of the stipulated construction **work**.
- 1.7.6. Where applicable, **SAPREF** shall appoint a competent person to act for and on its behalf as **SAPREF's** agent assigned to the **work**. **SAPREF** shall inform **Service Provider** in writing of the name and contact information of the agent
- 1.7.7. Where the services of the **Service Provider** involve those of a designer as defined in the Construction Regulations 2014, the **Service Provider** shall ensure that such designer is a competent person and is aware of and understands the duties imposed on such designer by the Construction Regulations 2014.

1.8. Testing for Alcohol and Drug Abuse Procedure

- 1.8.1. The **Service Provider** must ensure that all employees at the worksite are fully conversant with the **SAPREF** Testing for Alcohol and Drug Abuse Procedure as amended from time to time which describes the testing for alcohol and drugs at **SAPREF** which must be strictly adhered to.
- 1.8.2. The overall responsibility for ensuring adherence and compliance of the **SAPREF** Testing for Alcohol and Drug Abuse Procedure rests with **Service Provider**. Failure to comply with and testing positive for alcohol or drugs will result in the removal of the individual from the worksite.
- 1.8.3. **SAPREF** reserves the right to conduct random alcohol and drug searches and testing of all **Service Providers, Service Provider's** employees or **sub Service Provider's** present on **SAPREF** property or attempting to gain access to **SAPREF** property (including **SAPREF** sites at Reunion Rocks and Island View

and adjacent areas owned by **SAPREF** such as car parks but excluding the **SAPREF** club).

1.9. Permits and Licenses

The **Service Provider** shall ensure that properly authorised documents to permit safe execution of work are obtained from **SAPREF**. These include but are not limited to Clearances Certificate, Safety Certificate and a Task Risk Assessment (TRA). No work will be executed on site without a valid permit for the particular area. Only approved clearance receivers will be allowed to take a clearance.

At **SAPREF** there are set times for issuing permits, currently these are as follows:

- a) 06.30 - 07.15
- b) 10.00 - 11.00

1.91. Core Service Providers Safety Requirements

- 1.91.1. **Service Provider** to submit safety improvement plan to HSSE department for review annually.
- 1.91.2. **Service provider** to ensure that 15% of their employees are BBS trained as observers, the training takes approximately 2 days.
- 1.91.3. **Service Provider** to participate in **SAPREF** Asikhulume nge (=let's talk) BBS which is conducted every Monday mornings for 30 minutes.
- 1.91.4. **Service Provider** to ensure that one Supervisor and one DFL to participate in weekly BBS steering team meeting for 1 hour.
- 1.91.5. Some steering team members are required to attend a two days Sustainability review session once a year with a selected steering team members.
- 1.91.6. **Service Provider** to participate in safety gift programme varies from R 300 to R 600 per employee on site of which company contribute 50% of the price of a gift per employee upon reaching a million safe hours.
- 1.91.7. **Service Provider's** 16(2) to do safety walks every Friday from 10:00 to 11:00 am for visible leadership to engage with the people in the field.
- 1.91.8. Incident flash for all injuries to be prepared within 24 hours to be submitted to the 16(2) of the zones for publishing within 48hours to site.
- 1.91.9. **Service Provider's** safety practitioner to perform daily Permit to Work audits and attend **Tuesdays** Safety practitioners' meetings – **08:00 to 09:00**. During Turnarounds the safety practitioners daily meetings are 1 hour.
- 1.91.10. **Service Provider** to take part in peer to peer intervention programme called Eyethu, and participates in Eyethu steering team and walks. Training takes 4 hours.
- 1.91.11. **Service Provider** to implement an on boarding programme for new people coming to **SAPREF** sites.
- 1.91.12. **Service Provider** to ensure that supervisors are Permit receivers. Training takes approximately one day.

- 1.91.13. Quarterly meetings of 16(1) and 16(2) with MD – HSE executive meeting (1 hour 30 minutes).
- 1.91.14. 16(2) to assist **SAPREF** in any other activities **to promote health, safety and security within SAPREF**. (Meet and greet Safety days, BBS week, Eyethu week, HIV week, wellness week, fatigue management programme, safety stand down etc.)

1.11. Safety certificate and daily clearance system

The **Service Provider** must adhere to the requirements of this system in order to carry out work.

Safety Certificates must be applied for by the **Service Provider** in advance of any work, fully detailing the work to be carried out, **Method Statement**, tools and equipment to be used, the area in which it is to be carried out, a **Safe Working Procedure** and any other issues that might impact on the safe execution of the work. This information is discussed by all the relevant parties, including the **Service Provider**, during a **Task Risk Assessment (TRA)**, which forms an integral part of validating the Safety Certificate, prior to endorsement and approval by the Department Heads. All documentation in the Safety Work Pack should tie up with each other and not have any contradicting information. A **CSE permit** would have to be generated for work inside confined space including culverts, excavations, the fin fan plenum chambers etc. Zones will generate **CSE permits** as requested by the service provider.

Daily Clearance Certificates are raised against the approved Safety Certificates and must be obtained from and signed off by the relevant Operations Department on a daily basis.

Last Minute Risk Assessment (LMRA) must be done for every activity. These are to be displayed at the work front on a yellow folder.

It is the **Service Providers** responsibility to plan and liaise with **SAPREF's** Operations staff to minimise delays resulting from the issue of daily clearances.

All costs in relation to complying with the requirements of this Safety Certificate System are deemed to be included in the tendered rates. TRA will be signed by an appointed person in line with Construction Regulations

1.12. Accident and near miss reporting

All HSSE incidents, including Near Misses must be reported to MSFP/Contract Holder ASAP. **SAPREF's** Incident Reporting System (CIS) must be filled before the end of that shift or close of business.

NB: All injuries, no matter how slight, must be reported at the **SAPREF** clinic immediately on the day of the incident. No injured person will leave site unless the person has been seen by the clinic or shift manager after hours.

1.13. Life Saving Rules and Consequences

- 1.13.1. Work with a valid work permit when required
- 1.13.2. Conduct gas test when required
- 1.13.3. Verify isolation before work begins and use the specified life protecting equipment
- 1.13.4. Obtain authorisation before entering a confined space
- 1.13.5. Obtain authorisation before overriding or disabling safety critical equipment
- 1.13.6. Protect yourself against a fall when working at height
- 1.13.7. Do not walk under suspended load
- 1.13.8. Do not smoke outside designated smoking areas

- 1.13.9. No alcohol or drugs while working or driving
- 1.13.10. While driving, do not use your phone and do not exceed speed limits
- 1.13.11. Wear your seat belt
- 1.13.12. Follow prescribed journey management plan

Failure to comply the above mentioned rules would result in the termination of contract

1.14. Green banding requirements

- 1.14.1. The **Service Provider (Service Provider)** has an acceptable HSSE management system for the scope of the contract.
- 1.14.2. **Service Provider's** site supervision must be determined as suitable for worksite activity
- 1.14.3. **Service Provider** must be capable of executing the work
- 1.14.4. **Service Provider** has a continuous improvement philosophy (i.e. seeking accreditation with recognized auditing institution e.g. NOSA, OSHAS 18001, ISO certification) if not in place yet.
- 1.14.5. The **Service Provider** must have a competence assurance process for its personnel and have proof that they are competent and skilled.
- 1.14.6. The **Service Provider** must show that its training supports the management of the HSSE Risks.

Post award of the contract, the Company will be graded based on safety performance, improvement against targets, and conformance to the **SAPREF** Management Procedure. Although the main focus is on safety, the grading system takes integrated HSSE performance into account. The Zone/Department Leadership could request the Company to be reassessed if non-conformances have been formally identified in the execution of work. The onus remains with the Company to establish the commitment, organizational ability and competencies to effectively and efficiently manage their HSSE performance capabilities. The Company Capability Ranking will be classed Green/Yellow/Red.

1.14.6.1. GREEN

Green graded **Service Providers** are considered to possess the commitment, organizational ability and competencies to manage their HSSE performance effectively and efficiently.

A Green graded **Service Provider** has:

- A TRCFR at least equal to the **SAPREF** TRCFR limit
- A Safety Management System with proof of current accreditation with recognized auditing institution e.g. NOSA, OHSAS 18001, ISO etc.
- A score of $\geq 85\%$ on the Safety Assessment conducted by **SAPREF** selected team or independent company. Alternatively an "A" score on the HSSE File.

1.14.6.2. YELLOW

Yellow graded **Service Providers** are considered to possess the commitment, organizational ability and competencies to manage their HSSE performance.

A Yellow graded **Service Provider** has:

- A TRCFR less than 2.5
- A continuous improvement philosophy, i.e. seeking accreditation with recognized auditing institution.
- A score $\geq 70\%$ and $< 85\%$ on the Safety Assessment conducted by **SAPREF** selected team or independent company. Alternatively a "B" score on the HSSE File

1.14.6.3.

RED

Red graded **Service Providers** are considered to have significant gaps in its management of HSSE.

A Red graded **Service Provider** has:

- A TRCFR more than 2.5
- Cannot demonstrate a continuous improvement philosophy, i.e. seeking accreditation with recognized auditing institution.
- A score of less than 70% on the Safety Assessment conducted by **SAPREF** selected team or independent company. Alternatively a "C" score on the HSSE File.