

**PROJECT** : [.....]  
**ENQUIRY** : Project Management, Control and Procurement Services  
**ENQUIRY NO** : [.....]  
**CLIENT** : [.....]  
**CONSULTANT** : [.....]



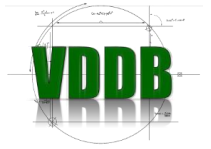
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..... PROJECT  
Enquiry No .....

*Contract for Project Management, Control and Procurement Services*



## **SECTION 1: GENERAL INFORMATION**





## AGREEMENT

**CONTRACT NO:** .....

This agreement between

[.....client .....] of [.....address.....] ("the Client") of the one part

and

[...consultant...] of [...consultant's address.....] ("the Consultant") of the other part.

Whereas the Client desires that certain Services should be performed by the Consultant, namely project management, control and procurement services briefly referred to as:

- A. Project Management
- B. Procurement
- C. Expediting
- D. Planning (programme)
- E. Contract Administration
- F. Cost Management
- G. Information Management
- H. Project Secretarial Services

and has accepted a proposal by the Consultant for the performance of such Services.

THE CLIENT AND THE CONSULTANT AGREE AS FOLLOWS:

1. In this agreement words and expressions shall have the same meanings as are respectively assigned to them in Clause 1.1 of the General Conditions.
2. This is the formal document to be signed on finalising the Contract and through signature, the parties to the Contract agree to the acceptance of this document and all contractual documentation referred to in this form and/or annexed to and forming part of this document to be the only governing document and no other version of the tender documents, or any other to be of any forceful effect.
3. The following documents shall be deemed to form part of and are to be read and construed as part of this Agreement:
  - (a) This Client / Consultant Model Services Agreement, FIDIC Fourth Edition, 2006.
  - (b) The Appendices namely:

Appendix 1 : Scope of Services





- Appendix 2 : Personnel, Equipment, Facilities and Services of Others to be provided by the Client
- Appendix 3 : Remuneration and Payment
- Appendix 4 : Time Schedule for Service

- 3. In consideration of the payments to be made by the Client to the Consultant under this Agreement, the Consultant hereby agrees with the Client to perform the Services in conformity with the provisions of the Agreement.
- 4. The Client hereby agrees to pay the Consultant in consideration of the performance of the Services such amounts as may become payable under the provisions of the Agreement at the times and in the manner prescribed by the Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the day and year stated below, but with the commencement of work being 14 March 2011 regardless of this date of contractual execution.

at \_\_\_\_\_ for and on behalf of the CLIENT on this \_\_\_\_\_ day of \_\_\_\_\_  
20\_\_

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**WITNESS**

\_\_\_\_\_  
**TITLE**

\_\_\_\_\_  
**NAME OF WITNESS**

at \_\_\_\_\_ for and on behalf of the CONSULTANT on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**WITNESS**

\_\_\_\_\_  
**TITLE**

\_\_\_\_\_  
**NAME OF WITNESS**



..... PROJECT  
Enquiry No .....

*Contract for Project Management, Control and Procurement Services*



## **SECTION 2: CONDITIONS OF CONTRACT**



## PART I - GENERAL CONDITIONS OF CONTRACT

The General Conditions of Contract shall be Client/Consultant Model Services Agreement FIDIC Fourth Edition 2006 (not bound into this document, but deemed integrally included).

## PART II - PARTICULAR CONDITIONS

(to be read with the Client/Consultant Model Services Agreement FIDIC Fourth Edition 2006)

<b>Agreement</b>	<b>1.1.1</b>	<b>"Agreement": add the following paragraph to this definition:</b>  "Any Conditions of Contract which the Consultant may have submitted as part of his Tender or submission shall be excluded except to the extent that it has been expressly accepted by the Client".
<b>Project</b>	<b>1.1.2</b>	The project is the [ .... project title and location ...]
<b>Commencement Date</b>	<b>1.1.10</b>	.....
<b>Time for Completion</b>	<b>1.1.11</b>	.....
<b>Communications</b>	<b>1.3</b>	The language of communication is English.
<b>Law</b>	<b>1.4</b>	The contract shall be executed and interpreted in terms of the laws of the [... country ... ]
<b>Language</b>	<b>1.4</b>	The language of the contract is English.

**Notices**

**1.8**

**Client's address:**

Physical: .....

Postal: .....

E-mail: .....

Telephone number: .....

**Consultant's address:**

Physical: .....

Postal: .....

E-mail: .....

Telephone number: .....

**Supply of Client's**

**2.6**

The Client undertakes to neither attempt nor to coax away

**Personnel**

or offer employment to any employee, contractor, or subcontractor of the Consultant for the duration of the Contract, unless by mutual agreement.

**Regulatory Compliance**

**3.8**

**Add the following clause:**

The Consultant will comply with all regulations and legislation, including industrial, mines and quarries acts and the Client's rules and regulations.

**Agreed Compensation for Overdue Payment**

**5.2.2**

Replace the words "compounded daily" with "compounded monthly".

Monthly interest at a rate determined by the Consultant's overdraft rate plus 2% would be payable on the sum overdue calculated compounded at the end of each calendar month during which the amount remained overdue.

**5.2.3**

Change "four days" to "fourteen days".

**Duration of Liability**

**6.2**

**Add the following clause:**

The period for making a claim is 180 days after the date of completion of the works.



**Limit of Compensation**      **6.3.1**      The maximum amount of compensation payable by either party to the other is limited to twice the fees paid to the Consultant. Neither party will be liable for consequential damages.

**Liability**      **6.4.1**      **Add the following:**  
The Consultant shall not be liable (either in contract or delict) to any party as a result of the use of the Consultant's reports, designs, specifications or drawings on any project or for any purpose other than stated in this offer.

The Client undertakes to indemnify the Consultant against all claims which may be made against the Consultant by any party arising from such misuse of documentation prepared by the Consultant.

**Insurance for liability  
And Indemnity**      **7.1**      The Client shall be responsible for arranging and maintaining adequate insurance cover that may be required in respect of the work, including but not limited to public liability insurance.

**Mediation**      **8.2.1**      In the event that mediation becomes necessary, the parties will agree on a mediator, and if they fail to agree within fourteen days, the President of the South African Association of Consulting Engineers would be requested to nominate a mediator.

**Arbitration**      **8.3**      Arbitration will be conducted according to the rules of the Association of South African Arbitrators.

**ADDITIONAL CLAUSES**

**Confidentiality**      **9.1**      The Consultant undertakes to treat all information shared as confidential in terms of the confidentiality agreement of which a copy is appended hereto.

## **SECTION 3: APPENDICES**

## APPENDIX 1: SCOPE OF SERVICES

### SUMMARY

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The Consultant will provide project support and control services to enable the project to be executed in a controlled manner in close co-operation with the Client. It includes establishment of systems and procedures and information management which all forms a comprehensive project support service, including procurement.

The service is described under the following main headings:

- PROJECT MANAGEMENT
- PROCUREMENT
- EXPEDITING
- PLANNING (PROGRAMME)
- CONTRACT ADMINISTRATION
- COST MANAGEMENT
- INFORMATION MANAGEMENT
- PROJECT SECRETARIAL SERVICES

### SERVICES DESCRIPTIONS

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#### PROJECT MANAGEMENT

- Planning, co-ordination and reporting of the services; regular in close liaison with the Client representatives.
- Propose, agree and enforce procedures, work practices and formats to suit the Client's requirements, best practice and work efficiently and in an auditable and credible manner.
- Establish the necessary internal and external relationships
- Identifying information systems and requirements and facilitation of the implementation thereof
- Implementation and management of report and review procedures
- Work breakdown structure (WBS) establishment and maintenance
- Submit monthly project report

#### PROCUREMENT

- Vendor list management
- Procurement Operating Plan management
- Co-ordinate and obtain technical information, specifications and *Employer's Requirements* □  
Maintain commercial terms and conditions with a balance between standardisation and efficiency for particular contracts
- Prepare enquiry documents
- Manage tender invitation lists

- Issue enquiries
- Arrange tender briefing meetings and follow-up with minutes and de-briefing about attendance
- Manage tender submission arrangements, tender openings and reporting □ Analyse tenders
- Manage post-tender negotiations
- Arrange vendor and provider visits
- Prepare final tender analysis report, determine contract amount and recommend award □  
Convene tender board
- Manage award of contract or order, prepare documentation and arrange signatures □ Manage performance guarantees, warranties, proof of insurance and other requirements prerequisite to contract execution.
- Contract close-out management

### **EXPEDITING**

- Track progress and deliveries
- Monitor materials handling at Lephepe and transport contract
- Monitor transport between staging camp and site
- Report on efficiency of warehousing, transport, load planning and related information management
- Assist with management of emergencies in the logistical chain and check costs and influence on contracts and orders
- Co-ordinate with scheduler (programme maintenance) and liaise about actual progress and predicted timings
- Assist with laydown and site materials handling planning

### **PLANNING (PROGRAMME)**

- Monitor and update programme at least monthly and as required
- Report against baseline and maintain S-curve
- Analyse deviations and suggest remedies
- Liaise with the various contractors for input, collate and maintain master programme
- Progress monitoring and monthly, or as required, reporting

### **CONTRACT ADMINISTRATION**

- Receive contracts from procurement
- Track contract progress and events
- Prepare interim payment certificates, including finding information and ensuring that contractors submit interim applications timeously and in accordance with the Client's requirements
- Manage certificate approval, expedite invoices submission, match documentation and hand over to Client for payment
- Advise on claims
- Analyse and negotiate claims

- Prepare monthly cost reports per contract for project cost management
- Monitor requirements of the terms and conditions of contract for each contract and maintain independent interaction with the Client's contract managers and the Client's contractors to prevent disputes and to identify potential problems with contract compliance to enable remedies in advance.
- Establish and maintain a comprehensive contract management system, including change control and document management
- Management and administration of performance bonds and retentions, including expediting and safe keeping of documentation
- Management and administration of contract variation requests and claims
- Prepare final accounts and final documentation for contract close-outs

### **COST MANAGEMENT**

- Setup and prepare project cost ledger
- Identify key information requirements.
- Identify and implement the systems that will provide the information.
- Design procedures that will ensure that the necessary data is collected to feed these systems.
- Ensure that necessary maintenance procedures are introduced to ensure sustainability
- Ensure that the right people to be involved are identified, trained and empowered to carry out the various duties
- Interface with the Client's financial accounting and reconcile project cost ledger and accounting monthly
- Interface with project programme and procurement packages, using the WBS as common structure
- Asset register
- Collate information from contracts and orders into project cost ledger
- Compare budget, revised budget, final end cost prediction, commitment and expenditure to date and prepare regular reports
- Identify deviations, highlights timeously and suggest remedies
- Setup and agree procedures for contingency and other allowance monies application, and re-allocations of monies between cost sections.
- Maintain auditable records

### **INFORMATION MANAGEMENT**

- Provide document repository and document management
- Advise on communications infrastructure planning, procure on behalf of Client and manage the infrastructure implementation
- Advise on IT infrastructure and procure on behalf of Client and manage the IT infrastructure implementation and maintenance
- Provide and maintain collaborative worksite, with data and information that can be transferred onto a traditional file server as a fallback method

## PROJECT SECRETARIAL SERVICES

- Maintain project diary
- Assist with meeting arrangements
- Assist with site visit co-ordination for project management and owner's team
- Physical document preparation
- Document distribution (whether printed or electronic) e.g minutes of meetings
- Provide support with formats for various service aspects
- Prepare monthly Project Management Meeting (PMM) documentation and minutes
- Prepare inputs for [ .. client.. ] board meetings

## METHODOLOGY

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- The service includes attendance to the multitude of disciplines involved in a new mine in a remote location.
- The use of the collaborative worksite which will house all project data and information enables service delivery to be less dependent on physical location.
- The Consultant will visit site fortnightly by a single representative who will be briefed to deal with contract management, information finding and other project management tasks.
- There may occasionally be a requirement for more of the Consultant's personnel to visit site and be accommodated for site measurements.
- The Consultant will implement information systems during the course of the service delivery, which systems can be taken over by the Client seamlessly, but does not bind the Client and alternatively data and information can be handed over for Client use elsewhere.

## EXCLUSIONS

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- Engineering and design is excluded from the service.
- The Consultant will endeavour to facilitate and participate in writing "Employer's Requirements" and providing specifications, but cannot take responsibility for engineering and technical matters.
- Quality management is excluded from the service.
- Technical and engineering supervision is excluded from the service.

## **APPENDIX 2: PERSONNEL, EQUIPMENT, FACILITIES AND SERVICES BY OTHERS TO BE PROVIDED BY CLIENT**

1. Accommodation, meals and subsistence at [... the site location ... ].
2. Medical services on site and emergency evacuation is for the Client's account.

### APPENDIX 3: REMUNERATION AND PAYMENT

**1. REMUNERATION**

1.1 The following rates and prices will apply and are fixed and firm until .....

REF	DESCRIPTION	UNIT	QUAN-TITY	RATE	AMOUNT
1	Resource category 1: .....	Hour			
2	Resource category 2: .....	Hour			
3	Resource category 3: .....	Hour			
4	Resource category 4: .....	Hour			
5	Resource category 5: .....	Hour			
2	Distance travelled	km			
3	Remote site allowance	Day			
4	Direct travelling costs (recoverable on actuals or km rate)	Item			
5	Monthly copies, binding, printing	Month			
<b>6</b>	<b>TOTAL (EXCLUDING VAT)</b>				

1.2 Interim payments will be calculated in accordance with the calculation method of the table above.

**2. INVOICING AND PAYMENT**

2.1 Invoices will be prepared and submitted monthly for by the 22<sup>th</sup> or last working day prior each month.



- 2.2 Any queries on the content and detail of the invoice will be submitted within fourteen (14) days of receipt. If no queries are received during this period, the invoice will be regarded as correct.
- 2.3 The existence of queries will not constitute cause for delay in the processing and payment of the invoice for at least the portion not in dispute.
- 2.4 Payment will be made in [...currency ...] within fourteen (14) days of invoice submission in the designated account by electronic transfer.
- 2.5 The Consultant will submit his invoice as follows:

**Addressed to:**

.....

**Original sent to:**

**ATTENTION:** .....

- 2.6 The Consultant will comply with Client directives from time to time to send a further copy to another address or directed to another person's attention.
- 2.7 Invoices and any other contractual and financial documentation will clearly show the contract number, any amendment numbers and will comply with tax invoice requirements.
- 2.8 Tax invoices will show value-added tax at the current rate.

## **APPENDIX 4: TIME SCHEDULE FOR SERVICES**

1. The work will commence on .....
2. The work will be completed by .....
3. Priorities and interim requirements will be discussed weekly.

## **SECTION 4: ATTACHMENTS**

## **ATTACHMENT 1: NON-DISCLOSURE UNDERTAKING**

(1 page follows)

## NON-DISCLOSURE UNDERTAKING

TO

.....  
**IN RESPECT OF GENERAL CONSULTANT SERVICES TO BE PROVIDED**

VDDDB Projekdienste (Pty) Ltd ("the consultant") do hereby and herewith

1.0 Acknowledge that knowledge and information particular to certain project works or proposed project works will come to our attention in the course of providing services to [.... client .... ]

2.0 Undertake for and on behalf ourselves and our consultants, advisors, partners, members, associates, employees, contractors, sub-contractors, agents and sub-agents (as applicable), whether permanent or temporary, to make every effort to hold in trust and confidence all confidential information received and not to use, pass on, publish, disclose or in any manner make available any such confidential information to anyone outside the acknowledged circle of project involvement.

3.0 Agree that for the purposes hereof "confidential information" shall mean:

3.1 all information disclosed to us or which comes to our knowledge, directly or indirectly as a result of our receiving or having received any invitation to tender for any contract or attending or having attended any discussion relative to the negotiation for the award of and execution of any contract pursuant thereto whether or not the negotiations are successful and whether or not the contract is awarded or executed; but subject at all times that the aforesaid provisions, shall not include information which:

3.1.1 at the time it was disclosed, was already known to us or was public knowledge, or thereafter became public knowledge other than through my/our default, or

3.1.2 became known to us, without restriction as to its use and disclosure, from a third party with valid title thereto, or

3.1.3 was or is developed by or known to us and any of our consultants, advisors, partners, members, associates, employees, contractors, sub-contractors, agents or sub-agents, either before or subsequent to the disclosure of such information to us or such consultants, partners, associates, employees, contractors, sub-contractors, agent or sub-agent having no knowledge of the content of such disclosure.

4.0 Undertake to disclose such confidential information only to those of our consultants, advisors, partners, members, associates, employees, contractors, sub-contractors, agents or sub-agents, whether permanent or temporary, who require knowledge of such information to enable the carrying out of any work directly or indirectly connected with the required service.

5.0 Undertake to refrain from using commercially, technically or otherwise confidential information without the prior written consent of [..... client ... ].

6.0 Undertake not to use any intellectual property rights belonging to [.... the client .... ] without written permission.

THUS DONE AND SIGNED BY ..... AT .....

THIS ..... DAY OF .....

.....  
**SIGNATURE**