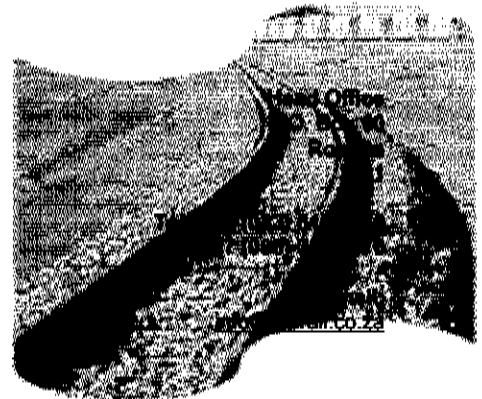


# Loning Hill Properties cc



## **Railway and Civil Engineering Contractors**

Company Registration No 1997/013588/23

17<sup>th</sup> September 2013

Du Toit Attorneys  
P.O. Box 2510  
Docex 22  
Kimberley  
8300

Attention: Monica du Tiot [monica@dutoitattorneys.co.za](mailto:monica@dutoitattorneys.co.za)

### **RE : RAIL SAFETY REGULATOR: EMTHANJENI MUNICIPALITY SAFETY PERMIT APPLICATION AND OTHER RAIL RELATED MATTERS – RAIL SIDING/S**

We thank you for the above enquiry and we offer the following quotation of **R48 050.00** (excluding VAT).

#### **Quoted as follow:**

#### **Quarterly reports for the period 2013 -2014**

- a) We will assist you with all the quarterly reports as required by the Rail Safety Regulator for the period 2012-2013.
- b) Prepare your quarterly reports and submit back to your offices for submission to the RSR.
- c) Assist with reporting and information should any occurrences or incidents occur.

#### **Asset Condition Inspection & Report for the period 2013**

- a) On-site Asset condition inspection for the Safety Permit application
- b) Asset condition report & quote & budgets
- c) Maintenance proposal

#### **Class "B" Safety Permit application**

- a) For the Class "B" Safety Permit we will provide you with two documents for your rail siding/s, one for your records and one to submit to the Rail Safety Regulator.
- b) Updated Rail Risk Assessments as required by the Rail Safety Regulator.
- c) Assisting the Municipality to develop your Safety Management System Report as required by the Rail Safety Regulator.
- d) Class "B" Safety Permits are now valid for 6 years. (As at present)

The above quotation excludes any costs levied by the Rail Safety Regulator. For further information please visit the Rail Safety Regulator website [www.rsr.org.za](http://www.rsr.org.za) or contact them on **011 417 0000**

## GENERAL CONDITIONS

This Temporary Safety Permit is issued in terms of the National Railway Safety Regulator Act, 2002 (Act 16 of 2002) and is subject to the following conditions:

1. The management of railway safety resides with the permit holder and cannot be delegated or transferred.
2. In order for the Railway Safety Regulator to process the application for renewal of this Safety Permit, you as the Operator shall submit your application for renewal 90 (ninety) days before expiry of this Safety Permit.
3. The Safety Management System Report legally required for issuing of a Safety Permit **must** be submitted on or before **15 August 2013**.

These General Conditions are subject to review and may be amplified, modified or deleted at any time.

**This safety permit is valid for the following siding:-**

1. 243353 De Aar



**DEVELOPMENT AND  
SUBMITTING OF SAFETY  
PERMIT APPLICATION**

**EMTHANJENI MUNICIPALITY**

**PROJECT DESCRIPTION  
DEVELOPMENT AND SUBMITTING OF  
CLASS B SAFETY PERMIT 2013**

**REFERENCE NUMBER  
5268.110.001.P001 REV 00**

**DATE  
OCTOBER 2013**

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## 1. Introduction

In accordance with the South African National Standard (SANS) 3000-1 (2009), a Safety Permit issued by the Railway Safety Regulator [Section 22(1) is required by all operators of a railway service. To this affect Emthanjeni Municipality is currently issued with a Temporary Rail Safety Permit which expires on the 15<sup>th</sup> November 2013. A class B Safety Permit must be issued before the expiry date. As per telephonic discussion between yourself and our Mr. Hannes van Niekerk, R&H Rail was requested to submit a proposal for the preparation and submission a class B Safety Permit on behalf of Emthanjeni Municipality to the Rail Safety Regulator.

## 2. R&H Rail (Pty) Ltd

### 2.1 About R&H Rail

R&H Rail (Pty) Ltd (R&H), previously R&H Railway Consultants, is a rail specific consultancy based in South Africa with its Head Office in Johannesburg and support offices in Witbank, Richards Bay and Durban allowing R&H to be at the forefront of rail activities in South Africa.

The company was established as Robertson and Hitchins Consulting Engineers in 1950 and has since migrated through various acquisitions and mergers to R&H Rail. R&H has been servicing the rail industry of Southern Africa for the past 62 years with the main focus on freight transportation for the mining industry and other bulk commodity related concerns. R&H is proud to be part of this heritage and has played a significant role in maintaining and developing the industry with rail expertise through the last decades.

In 2004 R&H became part of the international DAR Group of Companies. With companies like TY-Lin, Penspen and Perkins & Will in their portfolio, the DAR Group ranks No 1 globally for building consultants and No 3 in the transportation division.

R&H consists of three divisions each incorporating a unique service provision within the rail sector;

- **Consultants:** Rail Framework Planning and Infrastructure Design consisting of Alignment and Permanent Way Structure, Train Service/Operations, Signalling, Telecommunications, OHTE, Power Supply and Rolling Stock

R&H Rail is a 62 year old engineering consultancy, specialising in all aspects of railway engineering

- ✦ **Training:** TETA & SAQA accredited training of Train Operating and Rail Maintenance Personnel
- ✦ **Maintenance:** Planning and Management of Rail Re-instatement, condition assessment and Maintenance intervention strategy, implementation and Railway Safety Management

R&H is led by a dynamic management team that is passionate about innovative, sustainable rail logistic solutions

At the helm of R&H is a dynamic management team that is passionate about the development of rail logistic solutions and the provision of sustainable rail specialist services to all Industry players. Worldwide, 2008 to 2011 were experienced as financially challenging times. However, as a result of management's positive approach with regard to technical expertise and emphasis on Client satisfaction, R&H has experienced substantial growth and established itself as a leading entity in the Southern African rail industry during this period.

R&H is committed to the development of rail and the important function it plays in the social development of the continent as a global and industrial contributor. We therefore invest in the maintenance and transformation of skills among all rail disciplines on an equality basis.

## 2.2 Broad-Based Black Economic Empowerment (B-BBEE)

R&H currently is a Level 2 B-BBEE contributor with 156.25% procurement recognition

R&H is a **Level 2 B-BBEE Contributor**. The company's shareholders, directors and management firmly believe in redressing the imbalances of the past, and as such have implemented an action plan to transfer shares and management functions to Previously Disadvantaged Individuals (PDIs), including women. Presently 26% of R&H's shareholding, 25% of its executive directorship, and 33% of its top management lies with PDI's.

R&H is further classified as a 'value added vendor', which elevates its overall **Procurement Recognition Level to 156.25%**.

## 2.3 Company Membership and Affiliations



As a professional engineering company, R&H is a member of Consulting Engineers South Africa (CESA), and is bound to their code of conduct in providing quality engineering services to all Clients.



R&H is a founding member of the RailRoad Association (RRA) of South Africa, a non-profit organisation dedicated to ensuring the rightful place for rail as effective mode of transport in the region.



R&H through its training division is fully accredited by the Transport Education Training Authority (TETA), endorsed by the South African Qualifications Authority (SAQA), and maintains all quality objectives and requirements thereof.

#### 2.4 Quality Standards & Processes



R&H provides quality, specialised rail engineering consulting services to local and international markets. In order to maintain a high level of service and ensure Client satisfaction, an applicable, approved quality management system must form an integral part of the company processes and structures. To this end, R&H has developed and implemented an ISO 9001:2008 quality system throughout all aspects of the business. All employees and levels of management are actively involved in continuous application and development of this system.

### 3. **Scope of the Works**

The scope of work consists of the following:

- ✦ Prepare a Rail Risk Assessment
- ✦ Prepare and submit a Class B Safety Permit application for Emthanjeni Municipality to the Railway Safety Regulator

### 4. **Approach & Methodology**

R&H will perform an on-site Risk Assessment at Emthanjeni Municipality siding and collect all historical information of incidents for the past year to be compared with the quarterly reports of the previous year for the period April to March. Information obtained during the Risk Assessment and historical data with reference to previous occurrences, the immediate causes of the occurrence and findings of the Railway Safety Audits (internally and externally) will provide a trend of existing risks and identify critical rail safety issues to be addressed.

The service will include but not necessarily limited to the following:

- ✦ Identifying safety targets to be achieved
- ✦ Identifying risks to be controlled and reduced
- ✦ Developing an action plan in view of achieving such safety targets
- ✦ Appointing the responsible person
- ✦ Identifying and recording material changes to the Safety Management System
- ✦ Compilation of changes to the Safety Management System Report and rail operations for the year under review
- ✦ Expected changes planned for the immediate future
- ✦ Identifying Human Factor risks to be controlled and reduced
- ✦ Developing an action plan in view of achieving such safety targets
- ✦ Appointing the responsible person
- ✦ Report on annual Rail Cost Figures for the previous financial year
- ✦ Level Crossing information as requested in the guidance document



## 5. Staffing

The following Project Team was selected for their specific project related experience in terms of SANS 3000-1 (2009) knowledge and the railway siding safety requirements.

### 5.1 The Organogram



## 6. The execution plan

### 6.1 The Nominated Manager

The Municipality Nominated Manager for Railway Safety must ensure that the following information/documents are available during the day of the site visit and risk assessment:

- ✦ Personnel involved, e.g. Nominated Manager, Supervisor, Train Driver, Shunter, etc. (if applicable) to do Risk Assessment of the following:
  - ✦ Infrastructure
  - ✦ Rolling stock
  - ✦ Train authorization and movements (Operations)
  - ✦ Loading/off-loading activities
  - ✦ Activities in the rail reserve
  - ✦ Level Crossings
  - ✦ Human Factor Management
  - ✦ Access to the sidings (Infrastructure)
  - ✦ Access to the Rolling stock (Locomotives and wagons)
  - ✦ Operational procedures
  - ✦ Loading/off-loading activities

- ✦ Activities in rail reserve
- ✦ All the Level Crossings in the sidings
- ✦ Human Factor Management process
- ✦ Quarterly reports and incident investigation reports
- ✦ Access to internal and external Rail related audit reports.

## **6.2 Safety Permit application templates**

The class B Safety Permit template has to be completed according to the following documents:

- ✦ Railway Safety Regulator Act, (Act No. 16 of 2002)
- ✦ The Railway Safety Regulator guidance document
- ✦ SANS 3000-1 (2009) (Railway Safety Management)
- ✦ SANS 3000-4 (2011) (Human Factors Management)
- ✦ SANS 10405 (2009) (If Dangerous Goods are handled)
- ✦ SANS 3000-2-2-1 (Level Crossings)

## **6.3 Authority to submit**

Approval After completion of the class B Safety Permit template, it will be submitted to the Nominated Manager for approval by signing the declaration part of the template by a duly authorized person of your organization.

## **6.4 Submission to the Railway Safety Regulator**

The following annexure will also be part of the application document to be submitted to the Railway Safety Regulator after approval:

- ✦ Nominated Manager appointment letter
- ✦ Risk Assessment
- ✦ Report (or similar) in the current period under review, reflecting that a periodic analysis of occurrence data and safety trends has been conducted
- ✦ Extract from the minutes of a meeting (or similar), as evidence, where senior management reviewed the safety data analysis and initiated some form of actions thereon
- ✦ Annual rail cost figures on a company letterhead and signed by CEO or CFO according to the template
- ✦ Evidence that the ASIP has been communicated by all staff

## 7.

**Programme**

It will take 2 weeks after receiving the order to develop and submit the class B Safety Permit application. The application must be completed and submitted by 15 November 2013 to the Railway Safety Regulator.

The work breakdown will be as per the table below:

1.	Collect information and audit existing Safety Permit	8
2.	Site visit and meeting with client	2
3	Identify rail operational risks at the siding Perform risk assessments at the siding	8
4	Obtain historical data of rail related occurrences, immediate causes, findings of occurrence investigation reports and findings of Railway Safety Audits	2
5	Obtain previous years quarterly reports and compare with historical data of occurrences	2
6	Provide a trend of the existing risks and occurrences and identify critical issues to be addressed	2
7.	Identifying of Safety Targets to be achieved	2
8.	Developing of an action plan to achieve such Safety Targets	2
9	Appointing a responsible person for each safety target and due date	1
10	Identify and record material changes to the Safety Management System	1
11	Identify Human Factor risk to be controlled and reduced	2
12	Developing of an action plan to achieve such Human Factor Safety Targets	2
13	Appointing a responsible person for each Human Factor Safety Target and due date	1
14	Obtain a report of the annual Rail Cost Figures for the previous financial year	1
15	Identify Level Crossing risk to be controlled and reduced	2
16	Developing of an action plan to achieve such Level Crossing Safety Targets	1
17	Appointing a responsible person for each Level Crossing Safety Target and due date	1
18	Prepare Safety Permit, gather supportive documents and arrange signature of document	8
19.	Approval by R&H Divisional Executive, Submit Safety Permit documentation to the RSR	2
<b>TOTAL HOURS</b>		<b>50</b>

## 8. Financial proposal

### 8.1 Fees and disbursements

Our fees are as follow:

Our total fee (excluding VAT) for the development and submitting of the class B Safety Permit to the Railway Safety Regulator for Emthanjeni Municipality amounts to R40 252.00.

<b>Professional Fees</b>			
Rail Safety Specialist	R 550.00	48	R 26,400.00
Director	R 1250.00	2	R 2,500.00
<b>Total Professional Fees</b>			<b>R 28,900.00</b>
<b>Disbursements</b>			
Accommodation (2 nights x R 850 / night)			R 1,700.00
Travel			R 9,152.00
Other (print, plot, telephone, etc.)			R 500.00
<b>Total (Disbursement)</b>			<b>R 11,352.00</b>
<b>Total (Exclusive of Value Added Tax)</b>			<b>R 40,252.00</b>

### 8.2 Validity Period

The validity period of this proposal is sixty (60) days from date of submission.

### 8.3 Currency and Payment

The currency of payment will be South African Rands (ZAR).

### 8.4 Payment Conditions

Professional fees will be fixed and claimed monthly as a percentage of the progress at the end of the month until completion of the work. Disbursements and professional sums for external services will be charged at a rate of actual costs plus 10%. Any additional work not forming part of this project scope will be charged at our standard hourly rates for the various categories of staff.

Terms of payment are strictly thirty (30) days from date of invoice. Interest will be charged at 1.5% per month on overdue accounts.

### 8.5 Retention and Penalties

We highlight that neither retention, nor penalties in any form will apply to this assignment unless otherwise agreed.

### 8.6 Other Terms and Conditions

Other terms and conditions which are not specifically mentioned in this proposal are deemed to be excluded but may be agreed and included during contract negotiations.

## 9. Conclusions

We thank you for the opportunity to submit our proposal trust that the proposal meets your requirements.

We feel that R&H Railway Consultants (Pty) Ltd is uniquely placed and skilled and will be able to meet all your needs.

Should you have any queries regarding the above, please do not hesitate to contact the undersigned.



**Thomas Rakale Pr Eng**  
Director: Maintenance & Rail Safety



**Hannes van Niekerk**  
Rail Safety Specialist

## Charmaine Vorster

---

**From:** Hannes van Niekerk <Hannesvn@robhitch.co.za>  
**Sent:** 21 October 2013 07:28 AM  
**Cc:** Charmaine Vorster  
**Subject:** EMTHANJENI MUNICIPALITY: DEVELOPMENT AND SUBMITTING OF CLASS B SAFETY PERMIT APPLICATION  
**Attachments:** 5268.110.001.P001.pdf

Charmaine, Monica

Proposal for the development and submitting of class B Safety Permit application for Emthanjeni Municipality. Please provide me with a purchase order to start with the work if this is acceptable.

**Hannes van Niekerk**  
Rail Safety Management Consultant

**R&H Rail (Pty) Ltd**  
R&H House, 76 Main Street, Bordeaux, 2194  
P.O. Box 858, Randburg, 2125

Cell: +27 82 769 9254  
Tel: +27 11 886 6951  
Fax: +27 11 886 7792  
Email: [hannesvn@robhitch.co.za](mailto:hannesvn@robhitch.co.za)



## QUOTATION

Reference: 131021Q24DEAAR

22 October 2013

### Du Toit Attorneys

7 Roper Street  
PO Box 2510  
Kimberley  
8300

Attention: Ms Charmaine Vorster

Dear Charmaine,

### REQUEST FOR QUOTATION: RSR SAFETY PERMIT APPLICATION, QTR REPORTS AND ASSET INSPECTION & REPORT

Seporo Railway Consultants thank you for the valued opportunity to submit an estimate of hours and costs for the above service for your consideration.

#### 1 SCOPE OF SERVICE

Inspection of the private railway siding, condition assessment and report, Class B Permit Application to the RSR and Quarterly Reports for 2013.

##### 1.1 Inclusions

- I. Discussions with the Siding Operator during the physical inspection on site of the siding to collect information for compilation of a Class B Permit Application, which will include the Annual Class Declaration Form, Risk Assessments, Occurrence Management Reports, Human Factors Management, Annual Rail Cost Figures, Private Siding Agreement and Interface Agreement.
- II. The condition of the assets will be assessed during the site inspection and a written report will include a defects list and if necessary, recommendations for maintenance actions to be performed. The Transnet Freight Rail Standard for Private Sidings will be used as a reference. Typically private sidings are maintained to the B Standard as far as geometry is concerned. We will also comment on the condition of track materials.
- III. Submission of four Quarterly reports for the period 2013/2014 as requested.

- IV. Two day trip to site from Johannesburg, including travel time.
- V. One flight from OR Tambo International Airport to Kimberley Airport and return.
- VI. Car hire from Kimberley Airport and return to same.
- VII. Accommodation in De Aar for one person for one night.

## 1.2 Exclusions

- I. Sketches, diagrams or drawings of any nature.
- II. Plans, programmes and cost schedules which the RSR may require the Operator to submit.
- III. Fees for the submission of the Permit, Annual Rail Costs or any other fees/penalties that may be required by the RSR in this regard.
- IV. Any item not specifically included in the Scope of Service or Item 1.1 and not covered by written agreement and accepted by both parties.

These items may be included as a change to the scope of services and charged at the standard rates should they be required.

## 1.3 Deliverables

- I. Track inspection and evaluation report including defects list and recommendations.
- II. Class B Permit Application submitted in one hardcopy and electronically to the RSR. Only an electronic copy will be emailed to the Siding Operator/Client.
- III. Quarterly Reports (x4 off) submitted to the RSR.

## 1.4 Assumptions

- I. The Siding Operator will make available personnel on the day of the site visit who will be able to provide copies of all documentation required to compile and submit the Permit Application.
- II. Access to the complete siding will be possible on the day of the planned inspection. We would have no objection should the Siding Operator require TFR to be present at the inspection.
- III. Du Toit Attorneys is the Client to which invoices for services rendered will be submitted.

## 2 FEE ESTIMATE

Item No.	Description	Unit	Quantity	Rate	Amount
1	Prepare draft Class B Permit Application	Hr	6	624	3,744.00
2	Site visit: De Aar (x2 days out of office)	Hr	16	624	9,984.00
3	Compile Asset Condition Report	Hr	6	624	3,744.00
4	Compile Class B Permit Application	Hr	24	624	14,976.00
5	Risk Assessments: Operations & Human Factors	Hr	8	624	4,992.00
6	Draft Annual Class Declaration Letter	Hr	2	624	1,248.00
7	Draft Annual Rail Costs Letter	Hr	1	624	624.00
8	Submit Class B Permit Application to RSR	Hr	2	624	1,248.00
9	Submit x4 off Quarterly Reports to RSR	Hr	8	624	4,992.00
			73	R	45,552.00
	Disbursements:				
10	Parking Costs (OR Tambo)	sum			250.00



11	Travel Costs (OR Tambo trip)	km	90	6.00	540.00
12	Travel Costs (deliver docs to RSR)	km	20	6.00	120.00
13	Travel Costs (Car Hire Kimberley)	sum			1,500.00
14	Travel Costs (Flights x1 pax)	sum			3,200.00
15	Accommodation (De Aar x1 pax)	night	1	760	760.00
16	Printing: Hard copy for RSR	sum			250.00
				R	6,620.00
<b>Total Fee Costs</b>				R	<b>52,172.00</b>

## 2.1 Rates

The above rates and prices shall remain fixed until 31 December 2013 after which they shall be adjusted by 8.0% for 2014.

VAT is excluded from all rates and prices.

## 2.2 Payments

Reimbursable work hours are based on 8-hours per day in a 5-day week. Additional hours for changes to the scope of works will be charged at the standard rates. Payment shall be within 30 days of the date of invoice and all late payments shall attract interest at a rate of 1.5% per month, compounded.

## 3 PROGRAMME

- I. A draft Class B Permit Application will be prepared and sent to the Siding Operator 10-days before the site visit. The Operator will be required to collect the information highlighted in the draft before the site visit.
- II. One person from Seporo will take an early flight from Johannesburg to Kimberley on day 1, hire a class B vehicle and drive to the Private Siding in De Aar. The inspection will take place and discussions will be held with the Operator to collect information for the Permit. The morning of day 2 will be available to complete the discussions and the Seporo person will return to Johannesburg in the afternoon via Kimberley.
- III. The Inspection Report will be issued within 10 working days of the site visit.
- IV. The Class B Permit Application will be issued five days after all information from the Siding Operator is made available and all documents to be submitted are signed off.

## 4 VALIDITY

The validity of this quotation is for a period of 30 days from date hereof.

## 5 LIABILITY AND LIMIT OF COMPENSATION

The maximum amount of compensation payable by either party to the other in respect of liability under an agreement flowing from this quotation is limited to an amount equal to twice the amount of fees payable to the consultant under the agreement, excluding reimbursements and expenses.

## 6 DURATION OF LIABILITY

Notwithstanding the terms of the Prescription Act No 68 of 1969 (as amended) or any other applicable statute of limitation, Seporo Railway Consultants (or associated Company) shall not be held liable for any loss or damage resulting from any occurrence beyond a period of

three years from the date of termination or completion of the agreement.

## **7 INDEMNITY BY THE CLIENT**

The Client shall indemnify Seporo Railway Consultants (Pty) Ltd against all claims by third parties which arise out of or in connection with the rendition of the services, save to the extent that such claims do not in the aggregate exceed the limit of compensation, as above stated, or are covered by any insurance's arranged by the parties.

## **8 GENERAL CONDITIONS**

Professional Services will be provided in terms of the "Form of Agreement for Consulting Services- January 2000" published by the South African Association of Consulting Engineers. This estimate of hours and costs, or subsequent revision thereof, shall form part of any contractual agreement entered into between the Client and Seporo Railway Consultants for this scope of works.

We trust that we have interpreted your requirements correctly and assure you of our best service at all times.

Kind regards,

Per email

Gavin Higgs

Seporo Railway Consultants (Pty) Ltd

cc. EA