

## 1 QUALITY REQUIREMENTS

### 1.1 OVERVIEW

- 1) The fundamental objective of the set of quality requirements stated within this contract is to ensure that the *Contractor* produces goods/products/services that the *Employer* are wholly satisfied with whilst ensuring that work is done right the first time. To achieve this, the *Contractor* shall ensure that three approaches are taken. These are as follows:
  - a) Ensuring that the *Contractors* Quality Management System (QMS) is set up and maintained
  - b) Quality Assurance
  - c) Quality ControlThese are broad areas each with numerous requirements.
- 2) The *Contractor* is fully responsible and wholly accountable for Quality of their work. An example of this is that the *Contractor* has its own Quality Controllers performing formal inspections/intervention according to the Quality Control Plans.
- 3) The *Contractor* shall comply with all requirements specified in the Eskom standard, 240-10565800 "Supplier Quality Management: Specification" [1]. It is of utmost importance that this standard be complied with.

### 1.2 CODES, STANDARDS AND DOCUMENTS TO BE COMPLIED WITH

The Contractor shall comply with the following documents as well as all documents referenced therein:

- [1] 240-105658000 "Supplier Quality Management: Specification" (QM 58)
- [2] ISO9001:2015 "Quality Management Systems – Requirements" (Take note that the level of compliance to this standard are determined by [1] above and section 1.3 below)
- [3] ISO10006:2003 "Quality Management Systems – Guidelines for Quality Management in Projects"
- [4] 240-132155951 "Kusile Project RFI/PA001 Process"
- [5] 240-150475305 "Kusile Defects Management Process Work Instruction"
- [6] 240-132156363 "Kusile NC Process"
- [7] 240-43921898 "Kusile Project Audit Process Flow"
- [8] 240-134232676 "Data book Review and Final Submission Process"
- [9] ISO 10005 – Quality Management – Guidelines for Quality Plan

### 1.3 QUALITY MANAGEMENT SYSTEM REQUIREMENTS

- 1) The Quality Management System shall drive the *Contractor's* business management processes to ensure that all of the *Employers* requirements are fully met on a consistent basis.
- 2) The *Contractor* shall comply with all requirements specified in section 3.1 of the Supplier Quality Management Specification.
- 3) The *Employer* has the right to conduct formal audits on any or all parts of the *Contractor's* Quality Management System as well as any documentation, materials, or equipment associated with the work, at any time and at any project work location.
- 4) The *Employer* also has the right to carry out assessments and audits on the *Contractor's* sub-contractors at planned intervals.

- 5) In the event that the *Employer* is dissatisfied with the *Contractor's* work for any reason, the *Employer* has the right to conduct additional audits of the *Contractor*.
- 6) The *Contractor* shall address all audit findings to the satisfaction of the *Employer* within a time frame acceptable to the *Employer*.

#### **1.4 QUALITY ASSURANCE REQUIREMENTS**

- 1) The *Contractor* shall ensure that Quality Assurance is performed at all levels and phases of work carried out for the *Employer*.
- 2) The *Contractor* shall use processes to ensure that quality is built into their products/services i.e. its business processes are organized such that quality is built into the process of producing goods and rendering services. The *Contractor* shall work according to processes.
- 3) The *Contractor* shall ensure that it can be relied on to deliver quality goods and services without the need for the *Employer* to have to inspect all the time.

#### **1.5 QUALITY CONTROL REQUIREMENTS**

- 1) Quality Control is a product oriented set of activities for ensuring quality in products/services. These activities focus on inspection and identifying defects before these reach the *Employer*.
- 2) The *Contractor* shall ensure that Quality Control is performed at all levels and phases of work carried out for the *Employer*.
- 3) The *Contractor* shall comply with all requirements specified in section 3.4 of the Supplier Quality Management Specification [1].
- 4) The *Contractor* shall make use of the Kusile Project RFI/PA001 Process to request the *Employers* personnel to perform inspections. The *Contractor* shall ensure that all inspections have been "Passed" by their in house quality control representative prior to requesting the *Employers* personnel to perform any inspection.
- 5) In the event of poor quality, re-work or incidents where products inspected by the *Employer* fail to meet requirements, the *Contractor* shall receive a Non-conformance (NCR) if deemed so by the *Employer*. The *Contractor* shall be liable for the *Employers* costs of re-inspection as well as be liable to pay penalties as specified in this contract.

##### **1.5.1 Inspections**

- 1) The *Contractor* shall be responsible for the inspection of all the Works that is performed, and the *Employer* only verifies that the Works is acceptable.
- 2) The *Contractor* provides suitably qualified personnel to conduct on inspections
- 3) The *Contractor* ensures that all Works are inspected and approved before the *Employer* is invited for the inspections.
- 4) Damages as a result of the *Contractor's* failure to comply with the inspection requirements as specified in this section will be borne by the *Contractor* and no compensation event or variation order will arise out of this.
- 5) The *Contractor* shall provide all tools and equipment required by the *Employer's* inspectors/Quality Controllers to perform any verification during the inspection for example measuring equipment etc.

#### **1.6 QUALITY PLAN**

- 1) The *Contractor* shall submit a Quality Plan within 30 days of contract award for acceptance by the *Employer*.
- 2) The *Contractor* shall comply with all requirements specified in sections 3.2, 3.3 and 3.4 of the Supplier Quality Management Specification.
- 3) The *Contractor* shall submit a detailed contract organogram showing the quality personnel to be used in the Contract. The *Contractor* shall provide CVs of the quality management employees who will be responsible for quality on site.

## 1.7 QUALITY DOCUMENTATION REQUIREMENTS

- 1) For all products and services, the *Contractor* shall submit the following quality documents as a minimum:
  - a) Method statement (describing how work will be executed)
  - b) Equipment list
  - c) Weekly and monthly contract quality progress report
  - d) Materials used
  - e) Material certificates
  - f) Data sheets
  - g) Equipment list
  - h) Quality Plan (as earlier described)
  - i) Non-conformance and Defects registers and reports
  
- 2) The *Contractor* shall submit a Quality file with 30 days of contract award. The *Contractor* shall maintain this file throughout the duration of the contract. This file shall contain all Quality documentation and records.

## 1.8 CONTRACT EXECUTION

- 1) Correspondence shall be directed to the *Employer*, and periodic quality review meetings shall be convened by *Employer* with the *Contractor*.
  
- 2) The mandatory quality review meetings are to be convened by the nominated project quality manager or his/her representative for the *Contractor*.
  
- 3) Quality Management employee's responsibilities shall include but are not limited to the following:
  - a) Implementation of the QMS on site
  - b) Administration of QA/QC systems on site
  - c) Verification of approval status of Subcontractor's QCP and procedures
  - d) On-and -offsite inspections
  - e) Co-ordination, inspection and verification of the *Employer's* intervention points
  - f) Review of *Contractor* testing and inspection documents (procedures, test results)
  - g) Weekly and monthly progress reporting on quality performance
  
- 4) The *Contractor* shall comply with section 5 of the Supplier Quality Management Specification.
  
- 5) Monthly quality performance and management reports shall be prepared by the *Contractor* during contract execution. The content of these reports shall be agreed by the *Employer* when submitted to the *Employer* on a monthly basis.

### 1.8.1 Quality Reporting

- 1) The *Contractor* shall submit a monthly quality report, on the last working day of the month. The report includes but not limited to the following:
  - a) QA monthly report summary
  - b) Completed and outstanding Inspections
  - c) Audit findings report

## 1.9 SUPPLIER QUALITY PERFORMANCE MONITORING PHASE

- 1) During the contract execution phase, the *Contractor* shall be monitored by the *Employer* for performance on quality-related aspects. The outcomes of such monitoring will enable the *Employer* to take any appropriate actions pertaining to the *Contractor*.
- 2) The monitoring shall be carried out periodically by the *Employer* or at predetermined intervals during the execution of a contract.
- 3) The monitored key performance areas include the following:
  - a) Quality
  - b) Delivery
  - c) Design
  - d) Cost
  - e) Management system
- 4) Subsequent key performance indicators associated with these areas will include the following:
  - a) Nonconformity monitoring
  - b) Audit and assessment evaluation scoring
  - c) Management system compliance and accreditation
  - d) Achievement of delivery targets as per contractual agreements
  - e) Process improvements
  - f) Corrective and preventive action response and closure

#### **1.10 GENERAL QUALITY REQUIREMENTS**

- 1) The *Contractor* shall comply with all requirements specified in section 6 of the Supplier Quality Management Specification.
- 2) All documents shall be approved by the *Employer*. If the *Employer* is dissatisfied with a document then it is the *Contractors* responsibility to ensure that the *Employers* requirements are met.
- 3) All planning Quality Assurance and Quality Control documents shall be submitted for approval by the *Employer* within 30 days of contract award.
- 4) The *Contractor* shall make use of qualified and experienced Quality Controllers to ensure that products/services are of a high quality prior to inspection by the *Employers* quality representative(s).
- 5) The *Contractor* shall ensure that all defects and NCRs are addressed correctly and timeously.
- 6) Defects and NCRs shall be closed within a time frame or period specified or accepted by the *Employer*.
- 7) When NCRs and Defects notifications are issued, the Contractor shall acknowledge receipt within (5) working days and include the Root cause(s), Correction(s) and Corrective action(s) and proposed implementation dates to the *Employer* as per the contract response period.
- 8) The corrective actions will include the implementation and completion dates. Progress on all NCRs and Defect notifications issued to the *Contractor* must be reported to the *Employer* on weekly basis.
- 9) The Contractor's quality manager keeps a register of all NCRs and Defect notifications issued.
- 10) Deviations from the Contract are treated as a non-conformance.
- 11) Records of NCRs and Defect notifications are kept and form part of the data book records.
- 12) During the contract execution phase, the *Contractor* will be monitored by the *Employer* for performance on quality related aspects. The monitoring will be in the form of audits and assessments. The *Employers* quality department will be involved in every assessment to ensure that all NCRs and Defects raised are closed or the necessary penalties are implemented as stipulated contractually.

- 13) The *Contractor* is accountable for the quality of the output and liable for any failures.
- 14) The interventions points include all witness, hold, verification, surveillances and review points required by the Employer. The Contractor's failure to allow the intervention points will constitute a non-conformance. The *Employer* has the right to approve or reject intervention points and may add or remove these points as desired.
- 15) The *Contractor* shall only be paid subject to meeting and *Employer* approval of all quality requirements and three copies of the data books accepted by the *Employer*.
- 16) The *Contractor* shall provide all information, material and records required to comply with the Eskom Quality Management System and such further information, material and records as may be requested by the *Employer* from time to time.
- 17) The *Contractor* shall ensure that no inspections are missed and all schedules are observed.
- 18) The *Contractor* shall comply with all relevant Eskom governance documents (codes, standards etc.) whether specified in this contract or not.
- 19) The *Contractor* shall make use of an Authorised Certification Authority such as SABS to certify *Contractor* QMS if applicable.
- 20) The *Contractor* shall make use of Recognised International Accreditations such as SANAS which accredits the Authorised Certification Authority if applicable.
- 21) The quality requirements shall be met by the contractor and all sub-contractors.
- 22) The *Contractor* shall ensure that all measuring and test equipment is calibrated at all times and proof thereof must be readily available.

Penalties to be communicated to the contract manager to be included in contract terms (contract data and agreements)

- 1) To ensure reduction of non-conformances, the Employer will implement a penalty to the value of R50 000.00 for every five (5) NCRs issued during the contract period.
- 2) To ensure reduction of defects, the Employer will implement a penalty to the value of R50 000.00 for every five (5) defects issued during the contract period.
- 3) In the event of poor quality, re-work or incidents where products inspected by the Employer fail to meet requirements, the Contractor shall receive a Non-conformance (NCR) if deemed so by the Employer. The Contractor shall be liable for the Employers costs of re-inspection as well as be liable to pay penalties as specified in this contract.
- 4) Damages as a result of the Contractor's failure to comply with the inspection requirements as specified in this section will be borne by the Contractor and no compensation event or variation order will arise out of this.
- 5) The Contractor shall only be paid subject to meeting and Employer approval of all quality requirements and three copies of the data books accepted by the Employer.