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1 Background

During early stages of Kusile and Medupi there were lot of IR issues as a result in 2013, Eskom, Principal Contractors and Trade Unions at Kusile and Medupi resolved to enter a new era in employee relations by strengthening their relationship and quality of their engagement through a range of measures.

Eskom, Principal Contractors and Trade Unions embarked on the negotiations of the Partnership Agreement (PA), and related policies with the aim at providing internal labour stability and bolstering Eskom's role in enforcing compliance by the contractors. For these purposes a "new IR dispensation" was created with its own and unique procedures and processes. These procedures and processes are markedly different from what is commonly known in Eskom as Industrial relations and in addition IR, negotiation skills etc.

Over and above the partnership agreement, site stability is also governed by other related policies and procedures that include Industry agreements, Site Specific Agreement (SSA), Leadership Partnership Forum Policies (LPF) etc.

Up and until 2013 the Project Employee Relations Manager (PERM) had to perform the duties as set out in the Commercial Contracts, Employers Policies and Procedures Part 6.4. After the PA and its related policies were implemented the available Eskom resources were inadequate in numbers and experience and therefore a service supplier was appointed to assist the PERM to establish and perform the roles required by the Office of the PERM.

2 Description of works

The scope of work that the Service Provider will be required to perform will be the following:

2.1 Secretariat Functions for LPF and SPF will include but not be limited to:

- Ensure all parties give effect to decisions taken within the LPF and SPF structures and thereby ensure site labour stability.
- Provide a secretariat/administrative/logistical services for the LPF Steering committee, the LPF and any LPF Negotiation Forums or Work Groups that might be established by the LPF structures, the SPF Operation Committee, the SPF and any Work Groups that may be established by the SPF structures.
- Apart from the Secretariat, at least two resources per site will be required to attend the LPF structure meetings. All LPF structure meetings will be held in either in the Midrand or Woodmead areas of the Johannesburg Metro. The LPF structures and the frequencies at which it is normally held are: LPF Steering Committee – 2 per quarter; LPF Forum meetings – 1 per quarter; Negotiation Forum or Workgroups – 4 days per year.

2.2 PCPF and CPF Oversight will include but is not limited to:

- Obtain the minutes of the PCPF and CPF from all contractors;
- Ensure that it complies with the required format;
- Track all actions emanating from the minutes and liaise with the contractors in order to ensure that the actions are closed out; thereby ensuring that all parties give effect to decisions taken within the PCPF and CPF structures and ensure site labour stability;
- Proactively identify agenda items and issues raised during the CPF and PCPF meetings that may pose a risk to site labour stability and ensure that these issues are pro-actively addressed and resolved in order to mitigate any risk to labour stability. Identify trends based on agenda items;
- Report to the responsible employer's functionary any matter that is not properly addressed or that remains unresolved or as has been a "matter arising" on the PCPF or CPF agenda for a period of more than 60 days. It must be drafted in a report on a weekly basis.
- Issue a consolidated report in a format agreed with the responsible employer's functionary on their findings. Such report must be issued on a monthly basis;

- Where required and after consultation with the responsible employer's functionary interact and assist the Employer's Contracts Management Department and or the FIDIC Engineer to issue formal instructions to ensure the resolution of issues that may result in labour instability. This must be done in a manner that will not constitute a compensation event or a variation, unless agreed to by the responsible Employers Contracts Manager.

2.3 Skills Development will include but is not limited to:

- Ensure that all contractors have a relevant and applicable Site Specific Skills Plan (SSSP);
- If requested by the responsible employers functionary to advice and consult Contractors on the content and drafting of a SSSP;
- Evaluate the SSSP and ensure it meets the required standards;
- Oversee and ensure that the Contractors have sufficiently consulted Organised Labour on the SSSP;
- Audit and ensure Contractors compliance with their SSSP. Monitor and evaluate the progress made with skills development initiatives against those stipulated in the applicable SSSP;
- Ensure Contractor compliance with the quarterly reporting requirements for the SSSP;
- Oversee the establishment and compliance of Contractors with the Skills Development Committees (SDC) structures;
- Obtain the minutes of the Principal Contractor SDC and the Contractors SDC;
- Ensure Contractor compliance with the prescribed format for the minutes of the SDC;
- Track all actions emanating from the minutes and liaise with the Contractors in order to ensure that the actions are closed out; thereby ensuring that all parties give effect to decisions taken within the SDC and thereby ensure site labour stability;
- Proactively identify agenda items and issues raised during the SDC meetings that may pose a risk to site labour stability and ensure that these issues are pro-actively addressed and resolved in order to mitigate any risk to labour stability;
- Report to the responsible employer's functionary any issues that are not properly addressed or that remains unresolved for a period of longer than 60 days or as determined in writing by the responsible employer's functionary. Such must be reported weekly and in writing.
- Ensure that the Contractors provide the skills development records in the prescribed format to the Wage Bureau;
- Ensure that the Contractors comply with the requirements to issue employees with valid and relevant skills development certificates;
- Issue a formal report in a format agreed with Employers on findings relating to all contractor skills development responsibilities / activities. Such must be reported monthly;
- Audit all Contractors to ensure compliance.
- Determine and ensure that they keep records of all skills development initiatives, in the relevant and prescribed format. Such audits must meet the criteria for audits set out in this Scope;
- Where required and after consultation with the responsible employer's functionary interact and assist the Employer's Contracts Management Department and or the FIDIC Engineer to issue formal instructions to enforce compliance. This must be done in a manner that will not constitute a compensation event or a variation, unless agreed to by the responsible Employers Contracts Manager.

2.4 Risks to Labour Stability will include but is not limited to:

- Proactively identify risks to labour stability. This will include but is not limited to issues / matters that the Consultant is reasonably expected to have identified during the performance of his duties;
- Develop and implement strategies / actions to mitigate identified risk;
- Engaging contractors and organised labour to resolve or mitigate such risks;
- If and when required directly intervene in issues / matters that may cause a risk to labour stability. This must be done in a manner that will not constitute a compensation event or a variation, unless agreed to by the responsible Employers Contracts Manager or directed by the responsible employers functionary;

- Assess, and quantify risk associated with site labour stability at the following levels:
- Implement and maintain methodology to identify, analyse and mitigate risks. If required by the Employer the Consultant must develop such methodology;
- Conduct a site risk assessments and track progress of the actions to mitigate the risks. The results must be reported in writing on a weekly basis;
- Conduct a works package risk assessments and track the mitigation of such risks on a monthly basis. The results must be reported in writing on a monthly basis;
- Appraise the responsible employer's functionaries within 24 hours once any risk to labour stability has been identified. Risk that has materialised must be reported without delay to the responsible employer's functionaries

2.5 Oversee and Enforce Compliance will include but is not limited to:

- Enforce and monitor Contractor's compliance with: legislative requirements, applicable industry agreements and regulations (MEIBC, BCCEI and SMEIP), the PA, LPF policies, Employer's policy directives, the SSA, site instructions and CMF resolutions;
- Ensure compliance of contractors with established site: recruitment; mobilisation and demobilisation procedures;
- Ensure compliance with Wage Bureau rules, deadlines and requirements
- Attend and guide pre-qualification and kick off meetings to ensure Contractor compliance prior to mobilising to site
- Oversee and ensure that all Principal Contractors audit their Sub-Contractors at least once a quarter. Ensure all audit findings is closed out within a period that will not pose a threat to labour stability;
- Perform audit in order to ensure contractors compliance. Such audits must meet the requirements as established in this Scope;
- In the event that Contractors do not implement corrective actions as agreed or in the event that a Contractor does not comply with any matter for which the Employer has zero tolerance and after consultation with the responsible employer's functionaries, request the responsible Employer's Contracts Manager and or the FIDIC Engineer to issue an Employer's instruction requiring contractors to resolve the audit findings and or address the non-compliance. This must be done in a manner that will not constitute a compensation event or a variation, unless agreed to by the responsible Employers Contracts Manager.
- Issue a weekly report on all non-compliances found which may impact site labour stability; and
- Issue a monthly tracking report that details progress made by Principal Contractors in relation to their audits of their sub-contractors and the closing of audits findings.

2.6 Managing of Site Labour Stability will include but is not limited to:

- Strategic responding to and overseeing the Contractor's operational management of incidents relating to Contractor labour stability and external stakeholder stability matters i.e.: Work stoppages, multi contractor industrial action, site wide industrial action, community protest action;
- Formulate and after consultation with the responsible employer's functionary issue policies and or guideline to ensure site labour stability;
- Assist Contractors, trade unions and employees in resolving labour related conflict and if required intervene in order to maintain site labour stability. If required play an active role in preventing work stoppages, industrial action or strikes on site. This must be done in a manner that will not constitute a compensation event or a variation, unless agreed to by the responsible Employers Contracts Manager or directed by the responsible employer's functionary;
- Respond to internal and external industrial relations issues that may affect the construction works;
- Convening all compulsory meetings/forums as required by the: Employers IR Policies and Procedures set out in the Commercial Contracts between the Employer and the Contractors; Employer emergency preparedness protocols, Employer's disaster recovery management protocols, the PA, SSA and LPF policies. Keep records and draft minutes of meetings. Maintain notes and records in such a manner that it can be used to assess possible claims by Contractors and if necessary be submitted as relevant documentation during any future DAB case;
- Ensure that Contractors submit a comprehensive Industrial Action report as soon as possible, but in any event by no later than 7 days after any work stoppage or industrial action.

2.7 Ensuring Effective Engagement will include but is not limited to:

- General Engagement
- Contractor Engagement
- Engagements with organised labour
- Engagement with Project Execution Team and other functionaries representing the Employer

2.8 Audit Requirements will include but is not limited to:

- IR and Skills Development Audits will be performed in accordance with an audit schedule established for a minimum period of 6 months. The responsible employer's functionaries may require Kusile audit scheduled to be integrated;
- Ad hoc audits must be performed on all areas of non-compliance that has been reported by the Wage Bureau. Such audits must ensure that the audit findings are closed out before the next pay run;
- Ad hoc audits may be requested by the responsible employer's functionaries, on any matter that falls within this Scope.
- Audit procedure must comply with the ISO standards for audits or an audit procedure prescribed by the Employer;
- All audit findings must be issued in writing. It must contain corrective measures, a date on which the audit finding will be closed out. Such must be issued after consultation with the Contractor;
- A detailed log of all audit findings, dates when the findings has been made, corrective measures, dates when findings must be closed out and the status thereof, and or any other requirements as may become apparent during the process must be kept by the Consultant. Such log and any related reports must be made available to the Employer on request or at least once a month;
- Audit reports must detail: date on which audits was conducted; nature of audits findings; nature of required corrective measures; date on which corrective measures has to be implemented; status of implementation of corrective measures; and if applicable any specific actions taken to enforce compliance.
- Scheduled audit reports must be submitted to the responsible employer's functionaries in the required format within 30 days after the completion of the audit has been scheduled. In the event that an audit runs over a period of more than one reporting month, an interim audit report must be published at the end of each reporting month.

2.9 Operation Statistics and Reporting will include but is not limited to:

- Implement mechanism and require contractors and trade unions to provide information and report on all aspects that may impact labour stability. Gather all statistics that may be required to perform trend analysis, or any other statistics that may be required responsible employer's functionaries;
- Issue reports and statistics in the form, format and frequency as determined by the responsible employer's functionaries: This may vary and change in accordance with the Employer's needs and operational requirements

2.10 Weekly and Monthly Report:

- SPF Planning Briefing Note
- SPF Briefing Note
- Manpower compliment
- Trade Unions membership
- Comprehensive Work Stoppage Report
- Internal Stability Reports
- Recruitment / Mobilisation data
- Demobilisation data and 6 months demobilisation forecast
- None-compliances found
- Skills Development data

- PCPF and CPF Tracking Tool
- Stability index / Risk analysis per works package and risk mitigation plans
- Fault Line Diagram & Description and risk mitigation plans
- Principal Contractor Auditing of Sub Contractors auditing tool
- Any other report that may become necessary providing that the information is available; or could be made available;

2.11 Record Keeping will include but is not limited to:

- The Consultant must keep all records, data, and information confidential and backed up on SharePoint or a similar system to be approved by the Employer.
- No information or document may be shared with a third party without the written consent of the responsible employer's functionary;
- The Consultant must upon the request of the Employer or the responsible employers representative hand over any data that may is kept by the Consultant;
- The Consultant must hand over all records that it is required to store within 7 days after the expiry of the contract.

2.12 Meetings will include but is not limited to:

- On site weekly site meetings will be convened by the responsible employer's functionary. It will consist of the Employer's employees and the Consultants resources deployed at a site. It will be compulsory for all Consultant resources unless otherwise directed by the responsible employer's functionaries. Such meetings will be operational in nature and will report on and co-ordinate activities;
- Off-site monthly meetings may be convened by the Office of the General Manager Special Projects and Stability. Not more than three of the consultant's resources at Kusile may be required to attend such meetings. There may be more than one meeting per month, but will in total not require more than three resources from Kusile to attend more than one meeting per month. It will be compulsory for all identified
- Consultant resources unless otherwise directed by the Office of the GM. These meetings will operational in nature and may require monthly reporting, co-ordination of activities; integration of labour stability and external stakeholder stability matters. It will be held in the Tshwane or Johannesburg Metro Areas.
- Meetings of a specialist nature that requires the attendance of Consultant resources may be convened as specified elsewhere in this Scope i.e.: SPF and LPF related meetings; meetings with Employer's Contracts manager; meetings with the FIDIC Engineer.
- Ad hoc meetings to ensure co-ordination and standardisation at Kusile Project may be held upon request of the responsible employer's functionaries. Such meetings will either be held at one of the Project sites or within the Tshwane or Johannesburg Metro area. At least four such meeting per year may be required.
- Regular and hoc meetings of a general nature may be requested by either the Employer's Agent with the Consultants Agent. Such meetings will be chaired by the appointed Employer's Agent. Such meetings will be held at times and locations that suits the Parties. It may include but is not limited to the nature and the progress of the services. Records of these meetings shall be submitted to the Employer's Agent within five days of the meeting by the person convening the meeting.
- It may be possible to convene ad hoc meetings between the Employer's Agents for Kusile Project and the Consultant's Agent(s). This may be to address issues or matters that impact both contracts. Such meetings will be chaired by one of the appointed Employer's Agent. Such meetings will be held at times and locations that suits the Parties. Records of these meetings shall be submitted to the Employer's Agent within five days of the meeting by the person convening the meeting
- All meetings shall be recorded using minutes or a register prepared and circulated by the person who convened the meeting. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the conditions of contract to carry out such actions or instructions
- Each party will cover their own disbursement cost relating to attending any of the meetings set out in this Scope.

2.13 Structural Reporting

- The scope of work that the Consultant will be required to perform falls within the functional area of internal stability at Kusile Project.
- The Consultant will be required to perform its work under the direction and control of the responsible employer's functionaries
- The Project Stability Manager or Project Employee Relations Manager PERM (if the PERM is an employee of the Employer) as appointed by the Employer's Project Director at Kusile Project will be the responsible employers functionary in as far as it concerns daily operation on site;
- Appointed Functionaries from the Office of the General Manager Special Projects and Stability (GM) will be the responsible employers functionary in as far as it relates to the LPF, co-ordination and standardising of practices at Kusile project, all reporting; issuing of instructions to Contractors or any other function of which the Consultant has been informed of in writing.

2.14 HUMAN RESOURCES

- The *Consultant* shall submit company profile, organogram with roles and responsibilities, contact numbers and names for each area of activity in alignment with resources outlined. All Recruitment service personnel shall have official email addresses and they must undergo medical screening, Eskom induction and Safety awareness training. Below are the resources to execute this work and minimum requirements :

Resource	Qualification	Minimum years of experience	Quantity
IR Managers	Industrial Relations/Human Resources/Public Relations/Law/LLB/Labour law	5 years	2
IR Advisors	Industrial Relations/Human Resources/Public Relations/Law/LLB/Labour law	5 years	1

2.15 TIMELINES

The duration of the contract is for 13 months for Kusile and the *Consultant* shall submit a detailed implementation plan that will talk to the duration of the contract within 30 days of award