

SCOPE OF WORK FOR STRATEGIC PARTNERSHIPS CONSULTANTS

1. DESCRIPTION OF GOODS

Appointment of a panel of experts to provide advisory services to City Power as and when required for a three-year period from date of appointment

2. PREAMBLE

City Power acknowledges the vital role energy supply plays in contributing towards South Africa's economic growth aspirations. As such, City Power's service delivery agreement with the shareholder is rooted on four pillars namely: ensuring energy security, ensuring consistent and reliable energy supply, pursuing energy independence for the residents of Johannesburg (by reducing the City's reliance on Eskom and adopting alternative energy sources), and lastly energy access to all.

3. DESCRIPTION OF WORK

City Power is undergoing a large-scale transformation with the current changes in the internal and external environment. In order to effectively respond to the changing environment, appropriate capacity, capabilities, tools of trade and independence are required. To bridge the capacity, capabilities, tools of trade and independence requirement, we seek the support and skills transfer from experts through a panel of service providers (strategic partners).

On 1 November 2021, South Africa held local government elections. Because of these elections, the City of Joburg has a new political leadership that has a Multiparty Government (MPG) agreement. This means that Joburg has a new political direction. The table below is showing the approach taken to develop the political direction.

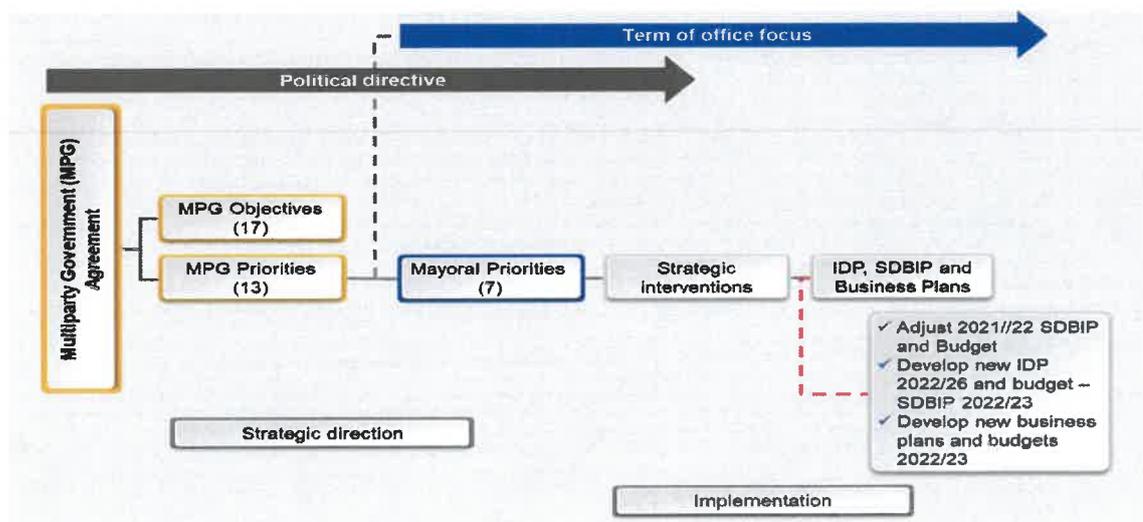


Diagram: The Political strategic approach

The seven mayoral priorities of the city are outlined below:

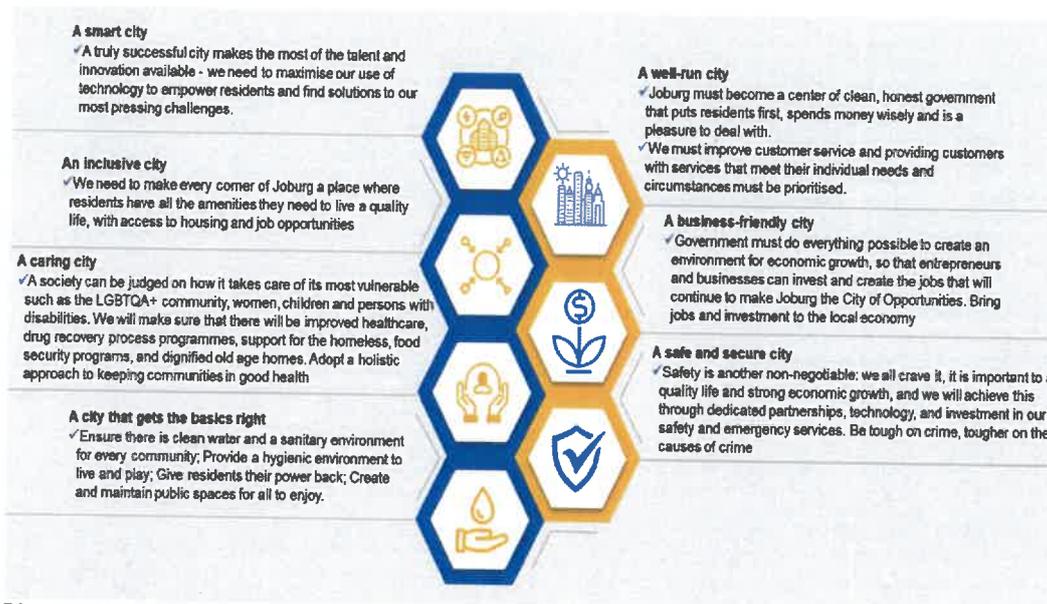


Diagram: Mayoral Priorities

City Power's Response:

Taking into account the City Power value creation model, the table below outlines City Power activities that align the Mayoral Priorities:



Diagram: City Power Response to Mayoral Priorities

City Power Priorities has three main priorities in the short, medium and long term as outline in the table below:

Short Term (1-3 years)	Medium Term (3-5 Years)	Long Term (5 -10years)
Improve Customer Experience (LIGHTS ON)	Deployment Of Energy Mix	Smart Utility and Data Intelligence Enabling Service Delivery And Revenue Protection

Table: City Power Short, Medium and Long Term objectives

City Power seeks strategic partners to enable us to achieve the mayoral and City Power priorities.

4. SCOPE OF WORK

A review of the internal capacity was conducted and revealed that we require external support for the following:

- **Specialized Skills** - City Power is transitioning towards being energy utility utilizing smart technologies. External service providers provide access to specialized skill sets that might not exist in house. By engaging a consulting firm, City Power will get access to a group of professionals that has skills ranging from Lean Six Sigma process design to finance amongst others;
- **Access to information and resources** - Consultants that specialize in niche areas or particular business functions (for example engineering and ICT) are able to cost effectively invest in systems and data that may not be financially viable for City Power to buy on its own;
- **Knowledge of best practice** - Consultants have the rare privilege of working with multiple organizations in the same sector and often serving various clients facing similar problems across different sectors. This broad view gives them access to a wealth of knowledge and experience on best practices across both industries and functions;
- **An Outside Perspective** - City Power has a perspective on strategy execution but seeks to ensure that what City Power has diagnosed is correct and also require an external party who are not close to the challenges dynamics to provide an outside perspective. Given that consultants have vast strategy execution and turnaround strategy implementation experience, they can often bring new and innovative ideas to the table;
- **Need Extra Capacity** - With the organogram, restructuring came new and changed departments. City Power has a high vacancy rate and more managers in acting capacity. It is important to note recruiting new employees to fill these gaps is not advisable, seeing that many of these projects are once-offs. External service providers will serve as temporary injection of, highly skilled employees.

- **External validation** - City Power leaders know their market better than anyone. They often already have an idea on how they see a problem or opportunity but would value the opportunity for an objective point of view. Consultants will have a broad overview, understanding, and external perspective. A second opinion can provide reassurance prior to making a key business decision; and
- **Ability to challenge leadership** - The external consultants will bring an objective position, meaning consultants will bring a fresh perspective. City Power leaders will actively invite challenges to provoke them to consider all aspects of a problem or solution before making a decision. The external consultant in their unique position will challenge leadership without the fear of reprisals that employees might have from questioning management decisions. This will foster an open and honest relationship amongst leaders in strategy execution.

5. SPECIFIC REQUIREMENTS FROM BIDDERS

1.	Business Advisory Services	This panel will enable the end-to-end City Power value chain from a support services perspective. This panel will support I human resources and transformation, finance, project management office, relationship management, strategy planning and monitoring and company secretariat
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Listed below are consulting and/or advisory services panels City Power requires to deliver on its mandate and therefore the specific services that will be provided by the strategic partners:

No.	Project	Services
1.	Strategy	Streamline, mapping, review, editing and consolidation of reports (Quarterly and IAR) Mapping, Reviewing, streamlining of focus areas, consolidating of the business plan <ul style="list-style-type: none"> ✓ 5 year Corporate Strategy Formulation and the roadmap for implementation ✓ Conceptualization and Facilitation of Management and Board Strategy Breakaways ✓ Industry analysis and benchmarking ✓ Development of dashboards, reports and automation of performance monitoring systems and tools (Business

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No.	Project	Services
2.	Risk Assurance and Compliance	<p>Performance reporting and contractor Performance Monitoring)</p> <ul style="list-style-type: none"> ✓ Organization restructuring of the legal as well as the compliance and contracts management units. Assistance is sought in making the new structure effective, in light of the prevalent circumstances, taking into account capacity needs, management of tasks, distribution of work etc. ✓ Delegations of Authority - City Power's DOA document is outdated and requires a revisit / update. Given the current capacity constraints within the Group, assistance is needed to urgently redraft the DOA. ✓ Terms of Reference: EXCO Committees - Assistance is required in drafting these. ✓ The vision for Compliance is to create a more interactive and engaged appreciation for compliance within the organisation. Non-compliance of laws and regulations consistently results in an adverse audit finding. ✓ To counter this, there is a need for a greater understanding at a company level of the need for compliance and in turn the potential risks involved in non-compliance. To this end, assistance is required in implementing the vision of creating a more interactive compliance culture within the organization-driven through the unit. ✓ Internal Control Assurance - support is required in giving effect to the means upon which this unit can serve its purpose more effectively, in light of the mandate of the Group. ✓ Standard Operating Procedures - Assistance is needed
3.	Human Resources and Transformation	<p>City Power requires a fundamental culture transformation that will drive the City Power and the Mayoral priorities. In order to succeed in its strategic mandate, City Power needs to develop the ability to improve the design, development, and implementation of initiatives improve the customer experience and deliver on the organisation mandate. City Power employees are therefore a crucial component of success.</p> <ul style="list-style-type: none"> ✓ Organization structure review ✓ Embed the culture, change management and employee engagement programme

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No.	Project	Services
		<ul style="list-style-type: none"> ✓ Support employee training and development interventions ✓ Reshape the Remuneration Philosophy to enhance the Employer Value Proposition ✓ Optimize productivity management framework ✓ Optimize effective use of human efforts as well as effective use of plant and equipment ✓ Optimize talent management ✓ Optimize transformation beyond compliance ✓ Executive recruitments
4.	Finance	<ul style="list-style-type: none"> ✓ Assets and liability management ✓ Financial risk, modeling and accounting services ✓ Supply Chain Management optimization ✓ Warehouse optimization ✓ Generally Recognized Accounting Practice (GRAP) compliant Annual Financial Statements
5.	Revenue Management	<ul style="list-style-type: none"> ✓ Revenue Assurance and Protection ✓ Customer relations Management ✓ Revenue Management Advisory
		<ul style="list-style-type: none"> ✓ Revenue and Billing Operations advisory ✓ Cost of supply study ✓ Revenue enhancement and new sources ✓ Meter Data Management Services
6.	Enterprise and Supplier development	<ul style="list-style-type: none"> ✓ Monitor the implementation of ESD strategy ✓ Develop and map ESD initiatives and opportunities ✓ Facilitate trainings and support for ESDs

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No.	Project	Services
7.	Integrated Management Systems	<ul style="list-style-type: none"> ✓ Develop and facilitate funding for ESD initiatives ✓ Advice on ESD impact and economic opportunities ✓ ESD optimization ✓ The Integrated ISO Management System(IMS) needs to be reviewed for Re-Certification to assist City Power to instill values of a safe, compliant, stable, transformed and a high performing organization through the stewardship of our organizational architecture, workplace culture, collective capability and employee wellbeing guided by SoP's, Policies and Legislation. ✓ Scope: This is a 3 year project divided into financial year performances. For the 2022/23 financial year, the business intends to be Re-Certified on the 3 current ISO Standards viz. ISO 14001:2015 (Environmental Management); ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Health & Safety Management) Systems and all of these shall meet the requirements of ISO 31 001:2018 (Enterprise Risk Management). • FY 2023/24: <ul style="list-style-type: none"> ✓ The scope entails the following: <ul style="list-style-type: none"> ✓ SANS 16001 – Wellness & Disease Management ✓ Surveillance of the IMS by SABS based on the 3 Systems • FY 2024/25 <ul style="list-style-type: none"> ✓ ISO 50001 – Energy Management System ✓ Surveillance of the IMS by SABS based on the 4 Systems • FY 2025/26 <ul style="list-style-type: none"> ✓ ISO 22301 – Business Continuity Management ✓ Re-Certification of the IMS by SABS based on 5 Systems • Skills and Expertise <ul style="list-style-type: none"> ✓ This is a specialized area and needs the expertise of a service provider with the capabilities and track

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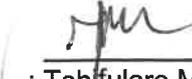
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No.	Project	Services
		<p>record of successfully implementing the Integrated ISO Management System in the Energy sector.</p> <ul style="list-style-type: none">• Critical Success Factors: <p>The following are the critical enablers or outputs expected:</p> <ul style="list-style-type: none">✓ System Gap Analysis and Reports✓ System Manual✓ Training and Awareness✓ Stakeholder Engagement and Participation✓ Document and Policy Review✓ Process Alignment✓ Compliance and Governance✓ Audits and Surveillance Reports✓ System Compatibility✓ Skills Transfer – Integrated System Audit by SHERQ staff✓ Preparation of Audit plan and✓ Audit Closure Report after 3rd party audits by SABS

6. Recommendations

It is recommended that the Chief Executive Officer approves the Scope of Work for Strategic Partners.


Submitted by : Stanley Shabangu
Designation : Group Executive (A) HR & Transformation
Date : 29 September 2022


Approved by : Tshifularo Mashava
Designation : Chief Executive Officer
Date : 29 September 2022
