

	<b>Contract Scope of Works</b>	<b>Risk and Sustainability</b>
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### CONTROLLED DISCLOSURE

## 1. Introduction

Eskom Holdings SOC Limited (Board Sustainability Committee) and the Executive Committee have approved management system auditing and certification. In conducting these management system audits and certification for the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification, Eskom will demonstrate its conformity and compliance with the requirements of standards and other statutory or regulatory requirements for the total electricity value chain. The divisions/business units have internal and external management system audits conducted on an annual basis. Failure to perform this task may result in the suspension or lapsing of the certification.

Eskom Risk and Sustainability did conclude initial contracts with a service provider, and the contract has a term of a (1) year. Eskom still needs to source a panel of service provider/s through an open market participation process for the next five (5) years.

**NB:** Business units/divisions in Eskom to be sourced for this project may be increased/decreased later, at which point service providers may be re-assessed to determine their capability to provide the required services to the new portfolio.

## 2. Supporting clauses

### 2.1 Scope

Eskom is embarking on the appointment of a panel of service providers for the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification. The scope covers sourcing an independent panel for certification of management systems for quality, safety, health, hygiene and the environment (SHEQ & OHS) for business operations across all groups, divisions, subsidiaries and projects. The prospective service provider/s may offer proposals for any of the areas of scope, or all the scope as defined below.

#### 2.1.1 Purpose

This is a document to describe the services/products that need to be provided as part of maintaining the management systems. The divisions/operating units/business units have internal and external management system audits conducted on an annual basis failure to perform this task may result in the suspension or lapsing of certification. This requirement will be fulfilled through the placement of a new contract.

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### **2.1.2 Applicability**

This document applies throughout Eskom Holdings Limited SOC divisions and its subsidiaries.

### **2.1.3 Effective date**

The date of authorisation of this scope of work for the provision of services for the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification is as and when required for a period of five years.

## **2.2 Normative/informative reference**

Parties using this document must apply the most recent edition of the documents listed in the following paragraphs.

### **2.2.1 Normative**

- [1] ISO 9001 Quality Management Systems Requirements
- [2] ISO 14001 Environmental Management System Requirements
- [3] ISO 45001 Occupational Health and Safety Management System Requirements
- [4] ISO 19011 Guideline for Auditing a Management System
- [5] ISO 9000 Quality Management Systems – Fundamentals and Vocabulary
- [6] 32-1034 Eskom's Procurement and Supply Chain Management Procedure

### **2.2.2 Informative**

- [1] Business Management System Standard
- [2] 32-727 Safety, Health, Environment, and Quality (SHEQ) Policy
- [3] 10006 Quality Management Systems – Guidelines for Quality Management in Projects
- [4] 32-1033 Eskom's Procurement and Supply Chain Management Policy
- [5] Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)
- [6] 240-105658000 Supplier Quality Management Specification
- [7] 32-173 Conflict of Interest Policy

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## 2.3 Definitions

**NB** Eskom uses its specific definitions, which may not necessarily conform to definitions adopted elsewhere nationally or internationally.

Term	Definition
IAF	The International Accreditation Forum (IAF) is a worldwide association of accreditation bodies and other bodies interested in conformity assessment in the fields of management systems, products, processes, services, personnel, validation and verification and other similar programmes of conformity assessment.
ISO 9001	ISO 9001 is an international standard that specifies requirements for a quality management system (QMS).
ISO 14001	ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system.
ISO 19011	Guidelines for auditing management systems.
ISO 45001	ISO 45001 is an international standard for occupational health and safety requirements.
Outsourcing	An arrangement where an external organisation performs part of an organisation's function or process (ISO 9001:2015).
Product/service	Product or service only applies to products and services intended for, or required by, a customer.
Supplier performance reviews	<p>These reviews serve to assess how the supplier is performing against the agreed key performance indicators (KPIs) and service level agreements (SLAs). The reviews are a key component of supplier performance management, which seeks to measure and monitor the performance of suppliers to reduce costs; mitigate risks and drive continuous improvement.</p> <p>If a business outsources a considerable amount of work, it is essential to review the performance of suppliers regularly.</p>
SANAS	The South African National Accreditation System (SANAS) is the only national body responsible for carrying out accreditations with respect to conformity assessment, as mandated through the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act 19 of 2006.

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## 2.4 Abbreviations

Abbreviation	Explanation
BU	Business unit
CFT	Cross-functional team
DOI	Declaration of interests
EMS	Environmental management system
IAF	International Accreditation Forum ( <i>IAF</i> )
ISO	International Organisation for Standardisation
NEC	New Engineering Contract (NEC) is a series of contracts designed to manage any project from start to finish
NDA	Non-disclosure agreement
NGO	Non-profit organisation
OEM	Original equipment manufacturer
OHS	Occupational health and safety
P&SCM	Procurement and supply chain management
PR	Purchase requisition
PSC	Professional services contract
QMS	Quality management system
SAATCA	South African Auditor and Training Certification Authority
SANAS	South African National Accreditation System
SHEQ	Safety Health Environmental Quality
SME	Subject matter expert
SOC	State-owned enterprise
SOW	Scope of work
SQM	Supplier quality management
TO	Task order

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## **2.5 Roles and responsibilities of the individual(s) managing the contract**

All parties interfacing with Eskom are required to comply with the principles contained in this scope of work document. All other departments mentioned in the document will be responsible for the activities relating to the implementation of the document relevant to them as outlined below.

### **2.5.1 Risk and Sustainability Division**

**2.5.1.1** Provide a functional lead by shaping and safeguarding to guide divisions/BUs/OU's/cluster, etc. for the management system auditing and certification services.

**2.5.1.2** Lead and advise on the requirements in consultation with relevant technical teams in the processes of managing task order requests, execution, and payment for adherence by suppliers during contract management in compliance with the relevant procurement and supply chain.

**2.5.1.3** Provide guidance to the divisions/BUs/OU's/clusters on engagement requirements with the relevant service provider/s for the services.

**2.5.1.4** Lead and advise Eskom and supplier engagements and assessment to determine supplier performance monitoring after the contract has been awarded.

### **2.5.2 Divisions/business units/operating unit/cluster**

**2.5.2.1** The division or business unit must identify the scheme/s or type of audit required annually, depending on the structure/number of sites/number of employees.

**2.5.2.2** Indicate/select the supplier of choice to maintain the auditing and certification cycle. Also ensure appropriate processes are followed for certificate transfer as and when required.

**2.5.2.3** Indicate all resources and stakeholders to coordinate the audits per scheme to complete task order requests, monitor supplier performance and monitor evaluation (ensure objectivity and independence from contracts).

**2.5.2.4** Provide a budget with relevant cost centres for the auditing/certification per scheme required.

**2.5.2.5** Confirm audits executed by the service provider per division and approve the pro forma invoices received.

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### **2.5.3 Procurement and Supply Chain Management (P&SCM) Department**

**2.5.3.1** The Procurement and Supply Chain representative must ensure compliance with the contractual requirements applicable to this scope of work or the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification as and when required for a period of five years.

**2.5.3.2** The Procurement and Supply Chain representative must liaise with the supplier after the contract has been awarded to co-ordinate quotations for task orders signoff.

### **2.5.4 Contract Management**

**2.5.4.1** Contract Management must ensure oversight regarding the compliance status with the contract requirements applicable to this scope of work or the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification as and when required for a period of five years.

### **2.5.5 Service provider/s**

**2.5.5.1** To be accredited to provide services for ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification in terms of this contract.

**2.5.5.2** To provide processes for certification transfer as and when required.

**2.5.5.3** To provide a quotation for service provision of management system auditing and certification.

**2.5.5.4** On the basis of the ISO 19011 Standard requirements guideline for auditing a management system, to establish all relevant processes, including processes for the co-ordination and scheduling of all audits within the audit programme.

**2.5.5.5** To review and support all divisional/BU/OU with auditing and certification requests.

## **2.6 Related/supporting documents**

- [1] 240-139753234 Task Order Request Form
- [2] 240-68288404 Investment Approval Confirmation letter/Budget Letter
- [3] Quote from certification provider
- [4] An approved task order
- [5] Supplier Assessment Form

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### **3. Employer's scope and services**

#### **3.1 Detailed work description**

This document is a scope of work for the provision of services for the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification as and when required for a period of five (5) years. A panel of service providers will be sourced using a professional services contract for Eskom to demonstrate its conformity and compliance with the requirements of standards and other statutory or regulatory requirements for the total electricity value chain.

#### **3.2 Technical content (Note: Detailed scope, services and deliverables will be part of the NEC3 PSC contract)**

**3.2.1** Specification for services is based on the ISO 19011 Standard requirements guideline for auditing a management system and certification to ascertain conformity/compliance with standards, procedures, work instruction and other relevant documents and records. These will include the following but are not limited to them, as follows:

**3.2.1.1** Audit scheduling and planning with all appropriate supportive documentation.

**3.2.1.2** Conducting on-site/online audit/certification activities (as applicable) with documented audit reports for documentation reviews, certification or compliance audit, follow-up audit and surveillance audit and, where appropriate, with supporting documentation regarding the issuing of a non-conformities report, compiling accurate audit report within the specified contracted timelines.

**3.2.1.3** Providing records of minutes of the opening and closing meetings led by the auditing and certification body.

**3.2.1.4** Providing CVs including professional registrations of the audit team members.

**3.2.1.5** Issuing the correct certificate of conformity/registration.

**3.2.1.6** Conducting audit follow-ups, if applicable.

**3.2.1.7** Providing improvement, best practices, and recommendation.

**3.2.1.8** Issuing an ISO certification flag (as per standard certification procedures).

**3.2.1.9** Others may be determined and communicated by the employer from time to time.

#### **3.2.2 Technical evaluation criteria**

**3.2.2.1** Technical evaluation criteria will be provided with this scope of work that will be provided by the Eskom Risk and Sustainability Division.

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### 3.2.3 Skills requirement

The competence requirements include an extensive experience management system auditing and certification, as follows:

- **Knowledge and training:** Understanding of the ISO 19011 Standard requirements guideline for auditing a management system, ISO 9001, 14001, 45001 and other international standards, including regulations and codes.
- **Experience:** Consulting, advisory, auditing, certification.
- **Technical skills:** Service providers must have employees or access to employees with quality, technical, engineering, and manufacturing skills in the power/electricity industry. Service providers must provide a documented procedure for determining the competence criteria for all personnel who will be involved in the provision of services as per the above-mentioned scope. Include curriculum vitae for two key personnel services.
- **Additional skills:** Facilitation, presentation, decision-making, relationship building, report writing and documentation writing skills. (The service providers may be re-assessed to determine their capability to provide the required services.)

**Table 1: Competence requirements**

Resource level	Knowledge	Experience	Skill	Attitude
Lead auditor	A B degree/BTech degree knowledge of: Management system standards, other relevant standards, and reference/guidance document. Also, applicable statutory and regulatory requirements and other requirements relevant to the business activities of the auditee.	Five years and more experience in auditing, also relating to electricity generation/transmission/distribution industry	Communication Computer literacy Report writing Driving Leading teams Assigning work to the audit team	Time management Adherence to auditing principles Safety Ethical behaviour

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Resource level	Knowledge	Experience	Skill	Attitude
Auditor	A B degree/BTech degree and a knowledge of - Management system standards, other relevant standards, and reference/guidance document. - Applicable statutory and regulatory requirements and other requirements relevant to the business activities of the auditee.	Three to five years' experience in electricity generation/transmission/distribution industry	Communication Computer literacy Report writing Driving Working in team	Time management Adherence to auditing principles Safety Ethical behaviour

### 3.3 The service provider organisation

#### 3.3.1 Key considerations for successful service providers

##### 3.3.1.1 Key personnel and administration

**3.3.1.1.1** To identify key personnel (direct contact) as well as an alternate for business continuity.

**3.3.1.1.2** To be able to make decisions, coordinate resources and conduct presentations, including status feedback on the activities of the contract.

**3.3.1.1.3** The key personnel must have the following attributes: communication, computer literacy, accurate report writing, driving, leading teams, and assigning work to the audit team.

##### 3.3.1.2 Track record

Service providers will be required to demonstrate their capability and capacity by showing a track record of the auditing and providing certification for the ISO 9001/14001/45001 management system standards for a minimum of three years or more.

##### 3.3.1.3 Management system accreditation and ISO-certified (9001/14001/45001)

Service providers must be ISO 9001/14001/45001-certified and accredited by an authorised accreditation body (preferably in the electricity industry). In the event the service provider is not accredited specifically for the electricity industry as per scheme, the service provider must be prepared to pursue such accreditation.

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#### **3.3.1.4 Service providers must demonstrate quality and technical experience in the various aspects of the electricity sector**

The following serve as a guide:

- Coal power stations (new and operations, maintenance and outages)
- Nuclear stations
- Gas (underground coal gasification, open cycle and combined gas turbines)
- Renewables (for example, wind farms, solar, biomass)
- Hydro and pump storage
- Transmission networks
- Distribution networks
- Tunnels and pipelines
- Integrated demand-side management (IDM)
- Equipment/components, manufacturing and refurbishment
- Shipping, storage, preservation and transport of components/equipment

#### **3.3.1.5 Contracts management**

**3.3.1.5.1** The service provider's contracts management, especially in the invoicing process, must be conducted on time and must pay attention to detail.

#### **3.3.1.6 Reporting and electronic database**

**3.3.1.6.1** Reporting requirements relating to accuracy, language editing, verification of information.

**3.3.1.6.2** The service provider must have an electronic database.

#### **3.3.1.7 Geographical areas**

The service provider is requested to indicate their areas of strength and footprint in South Africa (since Eskom sites are situated across the country).

### **3.4 Tools and equipment requirements**

**3.4.1** Refer to contract requirements.

### **3.5 Transportation requirements**

**3.5.1** Refer to contract subsistence and travel requirements.

## **4. Acceptance**

This document has been seen and accepted by:

**CONTROLLED DISCLOSURE**

Name	Designation
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## 5. Revisions

Date	Rev.	Compiler	Remarks
September 2023	1	P Dondashe	Scope of work for establishing a five- year contract for the ISO 9001, ISO 14001 and ISO 45001 Management System Auditing and Certification

## 6. Development team

The following people were involved in the development of this document:

- Pamela Dondashe
- Sipho Sambo
- Kgosi Modiole

## 7. Acknowledgements

N/A

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