

APPENDIX C

EMPLOYMENT AND MANAGEMENT OF EME / QSEs

C1. DEFINITIONS

For the purposes of the Scope of Works, the definitions given in the General Conditions of Contract for Construction Works (2015), the Standard Specifications and the Scope of Works, together with the following additional definitions shall apply:

- a) **“Contract”** shall have the meaning assigned thereto in Clause 1.1.1.7 of the General Conditions of Contract for Construction Works (2015).
- b) **“Contractor”** shall have the meaning assigned thereto in Clause 1.1.1.9 of the General Conditions of Contract for Construction Works (2015).
- c) **“Main Contract”**: shall mean the contract entered into between the Employer, who is the Sundays River Valley Municipality and the Contractor.
- d) **“EME/QSE Committee”**: The EME/QSE Committee shall be selected after award of the Main Contract, and its members shall consist of:
 - The Contractor, or his/her representative
 - The Employers Project Manager
 - The Employers Agent/s, or his/her representative/s
 - The Community Liaison Officer

The Committee will sit on a monthly basis to review, discuss, assist and advise on all matters pertaining to the EME/QSEs. The Committee may be required to meet on other occasions to address specific matters that may require attention.

- e) **“EME/QSE’s Subcontract”** shall mean the contract entered into between the Contractor and any EME/QSE subcontractor.
- f) **“EME/QSE Work Package”** shall mean that portion of the Works which shall be set aside for construction by an EME/QSE.
- g) **“EME”** means an exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. For the purposes of this Contract EMEs must be at least 51% owned by black people.
- h) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. For the purposes of this Contract EMEs must be at least 51% owned by black people.

C2 Resources standards

EME/QSE appointments will be evaluated in terms of the Kouga Local Municipality’s (KLM) Supply Chain Management Policy and terms and conditions of the main contract unless otherwise specified in this specification.

C3 Sub-Contracting (EME/QSE Participation Goal)

C3.1 Scope of mandatory subcontract works

It is an express condition of this Contract that a minimum of 30% of the value of the works must be let out to Exempt Micro Enterprises (EMEs) or Qualifying Small Enterprises (QSEs) which are at least 51% owned by black people (sub-clause 9.(1) (b)) and who are registered on the Kouga Municipality's database to meet the requirements of the "stipulated minimum threshold" (sub-clause 8.1 (b)). Further, this work is to be to EMEs / QSEs registered in the appropriate CE grading (Mainly grade CE1s) for the value of the subcontracted works tendered. The number and grading of EMEs/QSEs will be determined by Kouga Municipality in conjunction with the Employers Agent.

The sub-contracting of work is required for all CIDB-related projects in the following ranges:

- a) R 5M >, but < R 10M requires Bidder to sub-contract 10% of the value of the project
- b) R 10M >, but < R 15M requires Bidder to sub-contract 15% of the value of the project
- c) R 15M >, but < R20 requires Bidder to sub-contract 20% of the value of the project
- d) R 20M >, but < R 25M requires Bidder to sub-contract 25% of the value of the project
- e) R 25M > requires Bidder to sub-contract 30% of the value of the project

The final selection of the EMEs/SME will be done by and "open tender" or negotiation process as none of the proposed EMEs/QSEs have the necessary expertise to complete this process on their own. The Contractor will lead this process as detailed below.

In the subcontract agreement, the Contractor is to clearly state the scope of the work to be subcontracted in each specific package identified by the Contractor. It must also identify the agreed value of works as per a boq showing the P & G and payment intervals as well as time of payment from submission of an approved invoice. The sub-contract agreement must be in the form published by SAFCEC and in line with the terms and conditions of the main contract. A copy of the sub-contract agreement must be submitted to the Employer's Agent prior to finalising the agreement with the sub-contractor. Any unfair sub-contracting practices will not be permitted.

The subcontract agreement must include as a minimum:

- Detailed drawings of each package
- Rates breakdown (plant, labour, materials, Profits)
- Fixed and anticipated deductions inclusive of Retention
- Costs per unit (deduction per measured unit).
- EPWP requirements

The Contractor will only be provided with a list of the selected EMEs/QSEs provided by the Local Municipality. Packages will be negotiated with the EMEs/QSEs and any variance in the tendered rates and EME/QSE rates, both positive and negative will be accommodated under a provisional item included in the Preliminary and General Section of the Bills of Quantities.

Provision for payment for attendance, mentoring and supervision of the EMEs QSEs will also be made in the Preliminary and General Sections for the tenderer to price, for the management of EMEs/QSEs in terms of Appendix G of the Tender Document.

Provision for an item is also made in the Summary of the BOQ for the mark up on the value of works carried out by EMEs/QSEs under this provision. This item will cover all other costs and profits on the value of this work. No other additional costs will be entertained as a result of these requirements. In addition, should EMEs/QSEs carry out any works measured under provisional/prime costs sums where the contractor has had the opportunity to tender a mark-up on these provisional / prime cost sums, the Contractor will not be eligible to claim the mark up on the provisional /prime cost sum. He will however be entitled to the mark up tendered for works carried out by EMEs/QSEs.

a) EME/QSEs (General):

This section provides the specifications that relate to the Contractor's implementation of the policies and initiatives of the Government, community participation, and employment of EME/QSEs. These specifications should be read in conjunction with the various statutes and legislation that relate to small businesses and Broad-Based Black Economic Empowerment.

In this regard all tenders will be considered with specific reference to applicable legislation in force from time to time and which are specifically applicable to organs of state for example the following:-

- (i) The Constitution of the Republic of South Africa, 1996;
- (ii) Public Finance Management Act, 1999 (Act No 1 of 1999);
- (iii) Municipal Finance Management Act, 2003 (Act No 56 of 2003);
- (iv) Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000);
- (v) Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- (vi) Construction Industry Development Board Act, 2000 (Act No 38 of 2000) and Regulations; and
- (vii) National Small Business Amendment Act, 2003 (Act No 26 of 2003);
- (viii) PPPFA Regulations of 2017

EME/QSEs: a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more, including its branches or subsidiaries, if any, and is registered with the South African Revenue Service, and which can be classified as a micro enterprise by satisfying the size variation criteria according to the type of enterprise in the table below;

TABLE C3: EME/QSE SUPPLIERS AND OTHER SERVICE PROVIDERS *				
Size	Total Full-time Equivalent of Paid Employees	Total Annual Turnover	Total Gross Asset Value (fixed property excluded)	CIDB Grading
	less than	less than	less than	
Medium	200	R26 m	R5 m	7
Small	50	R6 m	R1 m	5 & 6
Micro	5	R0.2 m	R0.1 m	1 to 4

* In terms of the National Small Business Amendment Act, 2003 (Act No 26 of 2003)

It is the Employers objective that a minimum of 30 % of the contract value be subcontracted to EME/QSEs in the relevant 1 to 3 CIDB grading. It must be noted that currently the majority of the EMES/QSEs is on a 1CE grading,

It should be noted that only one work package may be subcontracted to one specific Subcontractor where possible.

It shall remain the Contractor's responsibility to ensure that this target percentage is attained, irrespective of the difference in rates between what the main contractor tendered and the award rates and resulting amounts as negotiated by the EME/QSEs for the various works packages.

No additional mark-up or costs will be payable to the Contractor for EME/QSE work packages described above other than the tendered mark-up rate as entered by the Contractor in the BOQ.

C3.2 Overhead Charges, Profit, etc. on EME/QSE sub-contract works

The percentage tendered shall cover all costs including but not limited to administration, overheads, finance costs, transportation, risk and profit on the value of the work awarded as reserved for EME/QSE subcontract packages in order to achieve the required 30% EME/QSE participation goal as stipulated in the Contract Data and not covered by the other items. Management of the EME/QSEs during the contract will be paid under a separate item.

C3.3 Preferred EME/QSEs

As indicated in C3.1 above, the successful tenderer will only be informed after the award of the selected EME/QSEs provided by KLM. Packages will be negotiated with the EME/QSEs in conjunction with the Contractor, Employer's Agent/s and KLM officials.

EME/QSEs must be registered on the KLM database at the time of calling for EME/QSE work packages.

Enterprises shall comply with the following:

- Business shall be registered within the KLM boundaries,
- Must be registered with the CIDB to a relevant class i.e. CE
- Must have a current valid Tax Clearance Certificate.

C3.4 Subcontracting procedures

a) General:

A list of EME/QSEs will be provided to the contractor by the KLM after the award of the contract. Only EME/QSEs registered on the KLM database will be considered.

The Employer, Employers Agent/s together with the Contractor shall evaluate the negotiated prices for the various packages. The evaluation and adjudication panel shall comprise of equal representatives from the Employer, Employers Agent/s, the CLO (as an observer), and the Contractor. The Employer requires the EME/QSE Committee to form the Evaluation Panel.

The Contractor, with assistance from the Employers Agent, will draw up procurement documents for the EME/QSEs to price with the assistance of the Contractor to arrive at an economically viable rate. A closing date by when this process is to be completed will be announced by the committee. The main Contractor, with the EME/QSE will be required to submit each work package and present the work packages to the EME/QSE committee for approval. Rates are to be agreed by the EME/QSE committee.

Any rates balancing exercise will be carried out between the main contractor and recommended EME/QSE will be subject to the approval of the EME/QSE committee. Any variations in the final agreed rates and rates tendered by the Main Contractor will be accommodated in the Provisional Sum provided in the Bills of Quantities for such occurrences.

All subcontractors shall be appointed by the Contractor and the contents and requirements of Clause 4.4 of the Conditions of Contract shall apply in full.

The Contractor shall without delay award and enter into contract with the successful tendering subcontractor based on their accepted tender submission. Deviations from the tender document shall not be accepted by the Employer and the latest and applicable SAFCEC General Conditions of Subcontract Agreement shall be used.

The subcontractors will be issued with a programme showing the anticipated starting dates. They must also be advised of factors that may affect this date. Any events that will affect this date is to be conveyed to them so that they are fully aware of any variances in the proposed programme.

Subcontractors shall comply in full, to all aspects of the Conditions of Contract and the Contractor's attention is drawn to the contents of Clause 4.4 of the Conditions of Contract.

The Contractor shall remain responsible for providing the subcontracted portion of the works as if the work had not been subcontracted.

Claims for extension of time due to delays caused by EME/QSEs as a result of the Contractor's action or inaction will not be entertained. The onus remains with the Contractor to prove that the delays were outside his control. The Main Contractor is to programme in his work, factoring in the use of EME/QSEs expected production rates under his supervision (reference sub-clause 5.6.2.4 of GCC 2015 for Contractor's time risks). Nonperformance of EME/QSEs shall be dealt with in terms of Clause 10 in the SAFCEC sub contractor agreement.

A five percent (5%) Excluding vat of the sub contract value will be deducted as retention on EME/QSEs contracts to be released on the completion certificate for the EME/QSE work package. This is to be explained to the subcontractors at the start of the pricing negotiations.

The Main Contractor shall not permit the EME/QSE sub contractor to further sub-contract any portion of the work package without express written permission of the EME/QSE Committee. This also applies to the Main Contractor carrying out such work as a sub-contractor to the EME/QSE sub-contractor. This will not be permitted.

b) Subcontract agreements with the Subcontractors :

The Contractor will be required to submit a copy of the signed subcontract agreements for all EME/QSE work packages which will include the scope of works and a boq for each subcontractor, as well as agreed rates showing the production targets.

This must be submitted prior to any work being undertaken in the relevant EME/QSE work package.

It must be further noted, that the subcontractor must be registered with the Construction Industry Development Board, in the relevant category, in accordance with the estimated value of the work package, as well as being registered on the KLM Supplier Database. Should the Contractor have any doubts about the EMEs/QSEs acceptability as a subcontractor, he is to refer the matter in writing to the Committee for their comment.

All the Conditions of Tender and Tender Data, as they have applied to the Main Contract, shall apply where relevant, to the various subcontracts.

The Contract Data in the associated subcontract documents shall be based on the latest SAFCEC General Conditions of Subcontract, with minimal project specific variations and amendments that do not constitute a material change (where practically possible).

Notwithstanding, the Specific Provisions and Conditions of the subcontracts must however allow for the following amendments and variations to the Standard General Conditions of Subcontract:

- Clause 5: Subcontract Sureties – The Subcontract shall be drafted to allow the omission and requirement for sureties and performance bonds.
- Clause 6: Insurances – The Subcontract shall be drafted to allow the omission of insurances and to specify that such responsibility remain with the Contractor.
- Clause 10: Penalty for Delay – The Subcontract shall be drafted to specify that the Contractor shall issue and give written notice and warning to the Subcontractor prior to any penalties being deducted. Penalty amounts will be agreed by the EME/QSE Committee in consideration of the penalties for the Main Contract. The amount of penalty to be included in the agreement is also to be determined in consultation with the Committee.
- Clause 12: Valuations and Payments – The Subcontract shall be drafted to allow the Subcontractor to submit bi-weekly statements.
- Clause 12: Valuations and Payments – The Subcontract shall be drafted to specify that the Contractor shall pay the Subcontractor by the 7th working day after submitting the payment certificate for the EME/QSE work package or within two working days of the Contractor receiving his payment for such work, whichever is the sooner. Any costs relating to the advance payment of these amounts must be allowed for under the percentage mark-up for EME/QSE works

The subsequent Conditions of Subcontract Agreement shall be in accordance with the Conditions of Contract for Construction Works (2015). The Subcontract shall also specify:

- (i) the terms and conditions relating to the recruitment, employment and remuneration of workers engaged on the subcontract works; and
- (ii) details of any training to be provided to the temporary workforce.

The Contractor shall at all times remain responsible for providing the subcontracted portion of the Works as if the work had not been subcontracted.

G3.5 Attendance on Subcontractors / Subcontracts

The Contractor shall, in addition to the requirements of Clause 4.4 of the Conditions of Contract guide, assist and mentor all the EME/QSE subcontractors through all stages of the works packages.

The Contractor shall closely manage and supervise all EME/QSEs and shall manage, guide and assist each EME/QSE in all aspects of management, execution and completion of his subcontract.

The above shall include inter alia, but is not limited to, the following:

- (i) Planning and programming of the Works.
- (ii) The sourcing, ordering, acquiring, assist with hiring all the necessary Construction Equipment, Materials, tools and accidentals necessary and required for the successful execution and completion of the Permanent as well as the Temporary Works.
- (iii) Ensuring the efficient use of all plant and materials.
- (iv) Labour relations and employment.
- (v) Monthly measurements, costing and invoicing.
- (vi) General safety, occupational health and safety matters.
- (vii) Functions of civil engineering infrastructure, structures, services and systems.
- (viii) Interpreting and understanding the contract and subcontract.
- (ix) Construction and maintenance methods and procedures.

- (x) Communication.
- (xi) Cash-flow control, submitting invoices and payment certificates.
- (xii) Planning, programming, scheduling, critical path control and acceleration.
- (xiii) Maintenance planning.
- (xiv) Material procurement and control.
- (xv) Risk limitation and management.
- (xvi) Quality assurance and procedures.
- (xvii) Compliances with all applicable laws, regulations, statutory provisions and agreements.
- (xviii) General Conditions of Contract and Contract Data.
- (xix) Contractual claims, if situations arise that entitle a contractor to claims in terms of the Conditions of Contract.
- (xx) Profit and loss.
- (xxi) Replacement and running costs of Construction Equipment.

The extent and level of management, mentorship, supervision, guidance and assistance to be provided by the Contractor shall be in commensuration with the expertise of the relevant subcontractor and should be so directed as to enable the subcontractors to achieve the successful execution and completion of the respective Sub-contracts. To this end it must be noted that the proposed EME/ QMEs are graded as CE1 and as such have little or no experience. The Contractor is therefore expected to provide enough superintendence taking into account that there will be the number of subcontractors as well as his subcontract implementation as programmed. This information will be required to be included in his works programme for approval.

The Contractor shall be required to appoint an EME/QSE Construction Manager whose sole responsibility will be to assist EME/QSEs as and when required in terms of this specification. The EME/QSE Construction Manager's duties are specified in Clause G3.6 below. The EME/QSE Construction Manager must be a full-time employee of the company. The EME/QSE Manager must be full time on site for the duration of the contract and can be permitted to fulfil other functions on site, the onus is on the contractor to appoint such an individual. The EME/QSE Manager does not replace the Contractor's need for experienced foreman to supervise the day-to-day construction activities but rather to assist and prevent any conflicts developing on site.

C3.6 Assistance to the EME Subcontractors

The Contractor shall, in addition to the requirements of Clause 4.4 of the General Conditions of Contract for Construction Works (2015), guide, assist and mentor all eligible potential EME/QSEs in the rate negotiation process and submission of their particular tenders with the negotiated rates in, including advice and guidance on how to establish rates.

The EME/QSE Manager will manage the EME/QSEs and report on progress to the EME/QSE Committee. The assistance rendered by the Construction Manager, shall *inter alia*:

- a) Be given at a level and to the extent which is commensurate with the expertise and resources of the EME/QSEs, that of grade CE1s
- b) Be given in a manner which is neither prescriptive, dictatorial, nor coercive towards the EME/QSEs;
- c) Not be utilized by the Contractor to manipulate the rates and prices submitted, to his advantage, and
- d) Be given in a manner which does not unfairly prejudice or favour any particular EME/QSEs.
- e) Act as a liaison between the subcontractors and other parties and try to diffuse or prevent any potential conflicts.
- f) Assist with contract and company administrative requirements.

The EME/QSE Manager will work with and manage the EME/QSE Subcontractors throughout the Contract. The EME/QSE manager shall be a dedicated resource whose only responsibility is to manage the EME/QSE subcontractors in such a way so as to promote the smooth running of operations and as such shall not be the site agent or any other person employed on the contract for other purposes.

C3.7 Procedure for Engaging EME/QSEs on the Project

The conditions of subcontract shall stipulate that the EMES/QSEs must be registered with the Construction Industry Development Board, in the relevant category, according to the estimated value of the Work Package.

The Contractor, with assistance from the EME/QSE Committee must undertake the following tasks in appointing EME/QSEs:

- Obtain a list of EME/QSEs from the KLM Committee;
- Together with the EME/QSE Committee, adjudicate and award the negotiated tenders;
- Sign a subcontract agreement for each Work Package with the successful EME/QSE subcontractor using the SAFCEC format ;
- Assist, manage and mentor the EME/QSE in meeting the required Contractual and Statuary requirements, inclusive of the H & S plan.
- Assist, manage, mentor and monitor the EME/QSE subcontractors with the acquisition and economical use of all resources, being plant, materials and labour.
- Assist, manager, mentor and monitor the EME/QSE subcontractors with their work output and quality;
- Issue subject to the approval of the Employer a Certification of Completion for each EME/QSE subcontractor work package.

The Contractor shall ensure that EME/QSEs are appointed timeously, so as not to delay the Construction Programme of the Main Contract in any way. The above tasks are more fully described below.

He shall also ensure that the subcontractors understand how many and when they are to be used on site.

C4 Tender Process for Appointing EME's

C4.1 Supply Chain Management Policy

The Contractor shall procure the services of EME'S/QSEs by following a process similar to that of the Municipality's Supply Chain Management Policy, so as to ensure fairness and equity. Tenders, of which the estimated value is below R 200 000, may be procured by obtaining three quotes. However, for work packages whose estimated value exceeds R 200 000, tenders shall be invited from names of EME/QSE that will be provided by the KLM Project Manager. The final choice will be done in conjunction with the EME/QSE committee.

The Contractor shall invite tenders and shall be responsible for the issuing of the subcontract tender documents to prospective tenderers. As the tenderers are mostly Grade CE 1 the Tender process is to be an open process whereby the Main contractor assists the Tenderers in arriving at fair market related rates. The Employers Agent will monitor and approve this process.

The Contractor shall adjudicate the tenders with the assistance of the EME/QSE Committee and shall enter into a subcontract agreement with the successful EME/QSE.

All conditions of, where applicable, as they applied to the Main Contractor on this Contract, shall apply where relevant, to the tenders for EME/QSE subcontracts.

C4.2 Conditions of Tender

The conditions of contract of the subcontract agreement shall be in accordance with the General Conditions of Contract for Construction Works (2015).

The contract will also specify:

- The terms and conditions relating to the recruitment, employment and remuneration of workers engaged on the contract works;
- Details of any training to be provided to the temporary workforce;
- Detail of accepted rates;
- Details of any penalties and the amounts.
- Payment terms which should be 7 working days after issuing of an invoice on labour only contracts and where the Main Contractor is supplying material and plant. No early settlement discount will be permitted to be charged.

G4.3 Assistance to the Tenderers

(a) The Contractor shall be responsible for ensuring that prospective EME/QSE tenderers fully comprehend the following:

- Implications of the liabilities and responsibilities inherent in the subcontract into which the tenderer proposes entering;
- implications of the tendered rates;
- scope and extent of the works included in the subcontract;
- proper procedures for the submission of the tender;
- procedures and basis on which tenders will be adjudicated and the subcontract awarded.

The Contractor is to provide support for the above as the tenderers will be unable to complete the process on their own. This is therefore to be done as an “open” or “negotiated” process.

C4.4 Adjudication

- a) After the Contractor has assisted the tenderers and at the time agreed with the Committee, the Contractor shall receive all duly signed negotiated tenders at a location identified by him, with all sealed tender submissions being placed in a proper tender box for this purpose.
- b) All tenders received shall be evaluated by the Committee, inclusive of (EME/QSE Manager) mandated to act and sign on behalf of the Main Contractor.
- c) After evaluation The EME/QSE Committee shall ~~have the right to~~ interview all tenderers for the purpose of:
- Clarifying any aspect of the tender;
 - Verifying the eligibility of the tenderer;
 - Querying abnormally high or low rates and prices, and
 - Clarifying rates and prices which are not in balance with other tendered rates and prices.
 - Ensuring understanding of scope and conditions.
- d) The correction of obvious errors shall be carried out in accordance with the requirements of the CIDB Conditions of Tender.
- e) Adjudication of the tenders received will be made by the EME/QSE Committee. The Contractor shall be prepared to explain the process of adjudication to all tenderers and motivate his method of award, as may be necessary. All unsuccessful and successful tenderers needs to be notified in writing.

C4.5 Award of Tenders

The Contractor must award the work to the successful EME/QSE tenderer where after a subcontract agreement will be signed between the Contractor and the successful EME/QSE tenderer using the latest available SAFCEC sub-contract agreement format.

C5 Contractor's Obligations to Subcontracted EME's

C5.1 Dispute Avoidance and Resolution Procedures

The Contractor shall at all times:

- (a) Apply the terms and conditions of the subcontract fairly and justly, taking due cognizance of the level of sophistication and experience of the particular EME/QSE concerned.
- (b) Closely manage and supervise all EME/QSEs and wherever possible, give reasonable warning to EME/QSEs when any breach of the terms of the subcontract has occurred or appears likely to occur. The Contractor shall whenever possible, give the EME/QSEs reasonable opportunity remedy any such breach or to avoid such breach and shall render all reasonable assistance to the EME/QSEs in this regard.
- (c) Inform the EME/QSE Committee in writing of any breeches and his intended actions as well providing supporting evidence of such breeches.

When taking any disciplinary actions or imposing any penalties as are provided for in the subcontract, the Contractor shall explain fully to the EME/QSEs that such actions are provided for in the subcontract.

If any dispute should arise between the Contractor and an EME/QSE such dispute shall be resolved in accordance with the provisions of the subcontract.

C6 Quality of Work and Performance of the EME/QSE subcontractor

C6.1 Quality

The Contractor shall be fully liable for the quality of work carried out by the EME/QSEs as if this work is carried out by the Main Contractor. All works are to be carried out in accordance with the standard and project specifications and Construction Drawings provided in the Contract Document and issued by the Employer's Agent.

C6.2 Performance

If the EME/QSE Subcontractor, in the opinion of the Employer's Agent, fails to comply with the criteria as listed below, the Employer's Agent shall issue a written warning to the Main Contractor, stating all the areas of non-compliance. A copy of the letter of warning shall be forwarded to the Committee. The criteria may include, but are not limited to, the following:

- (a) Acceptable standard of works as set out in the specifications in the subcontract.
- (b) Progress in accordance with the time provisions of the approved programme.
- (c) Punctual and full payment of the workforce and suppliers.
- (d) Site safety and H & S compliance
- (e) Accommodation of traffic

The EME Subcontractor shall have 7 days from the date of receipt of the letter of warning by the Contractor to address and rectify the issues raised by the Employer's Agent, with the exception of points (d) and (e), for which the reaction time shall be immediate. Failure to do so will be sufficient grounds for the Contractor to terminate the subcontract, provided that the EME/QSE Committee is satisfied that the Contractor has made every effort to correct the performance by the EME Subcontractor.

C7 Issuing of Completion Certificate

The Contractor shall, within 7 days of the completion of each subcontract completed in accordance with the provisions of this specification, issue free of charge to the EME/QSE, a Certificate of Completion. The format, layout and appearance of certificates issued shall be agreed by the EME/QSE Committee, provided always that they shall be respectable and presentable in accordance with the general standards of normal business practice. All certificates issued shall be co-signed by the Employer's Agent, EME/QSE Manager and Construction Manager.

The Certificate of Completion shall provide the following information:

MAIN CONTRACT DATA:

- (i) Contract title;
- (ii) Contractor's full name and address;
- (iii) Employers Agent name and address;
- (iv) Employer's name.

SUBCONTRACT DATA:

- (i) EME/QSE name and address;
- (ii) Scope or extent of the subcontract works;
- (iii) Value of the subcontract works;
- (iv) Duration of the subcontract;
- (v) Date of completion of the subcontract;
- (vi) Description of the training undergone by the EME/QSE
- (vii) Value of Contract.

C8 Contractor's Liability

No provision or requirement set out in this specification shall be deemed to relieve the Contractor of any liability or obligation under the contract, and in accordance with the provisions of Clause 4.4 of the General

Conditions of Contract for Construction Works (2015), the Contractor shall be fully liable for the acts, defaults and neglects of any EME/QSEs, his agents or employees, as fully as if they were the acts, defaults and neglects of the Contractor, his agents or employees.

C9 Measurement and Payment for EME/QSE Works

Under the work packages determined by the EME/QSE Committee for EME/QSEs, the EME/QSEs shall be responsible for all labour, plant, equipment, tools, materials and any other incidentals that may be required to carry out the works in accordance with the specifications.

In cases where the EME/QSE is unable to provide all of the above then the Main Contractor is to provide plant, equipment, tools, material and other items needed by the EME/QSE in order to implement his work and such contracts will be regarded as labour only sub-contracts. Any such arrangement is to be first approved by the Committee

Alternatively, The Contractor may make arrangement to hire, advance resources to the Subcontractors and deduct from their interim payment certificates subject to the approval of the committee.

The Main Contractor shall provide full supervision and manage the EME/QSE work at all times in order to ensure compliance with the specifications and drawings.

Measurement of EME/QSE works for work packages must be reviewed by the EME/QSE Manager, and approved by the Employer's Agent after approval by the Construction Manager. EME/QSEs will be permitted to invoice bi-monthly. All invoices from EME/QSEs must be submitted together with the Contractor's payment certificates with a summary to show percentage targets reached.

The Main Contractor shall pay EME/QSEs 7 working days after issue of an Invoice by the EME/QSE or within two working days after receiving payment from the Employer (whichever comes first). The Main Contractor will not be permitted to charge EME/QSEs handling costs i.e., bank charges, early payment discounts etc. These costs must be included in the mark-up tendered by the Main Contractor on the value of works carried out by EME/QSEs. Payment of EME/QSEs may not be delayed pending payment of the contractor by the Employer.