

	Procurement Strategy (R10m to R300m)	Document Identifier	240-109836084	Rev	3
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RISK ANALYSIS

Project Number		C.GTU1106		Description of procurement:		Supply and Installation of Paving Including the Construction of Roof Shelters and Stormwater Drainage Systems at Tutuka Power Station at three store yards	
#	Risk	Risk Category	Level (High/Medium/Low)	Owner	Mitigation Management	Consequence	
1	Placing of the contract based on the lowest tendered price	Financial Risk	Medium	Project Manager	<ul style="list-style-type: none"> Involve Quantity Surveyor to look at the tendered Prices to ensure that its market related before placing a contract Financially viability as part of the evaluation to ascertain contractor's liquidity position 	<ul style="list-style-type: none"> Failure of the supplier to deliver, large compensation events arising from the supplier which will eventually affect the project cost 	
2	Scope creep due to unclear objectives/goals	Scope	Medium	System Engineer	<ul style="list-style-type: none"> Detailed signed scope of work to be provided by System engineer. Change management to be applied where scope increase is observed. Use of Engineering and Construction Contract which outline the specification requirements for the procurement at hand 	<ul style="list-style-type: none"> Increase on time and cost which might delay the project completion time 	

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3	Inclement weather conditions may delay the completion and increase project cost	Time/Cost	Medium	Project Manager & Contractor	<ul style="list-style-type: none"> Budget for cost increase has been provided for under risk allowance 	<ul style="list-style-type: none"> Cost increases due to compensation events because of work being stopped Schedule delayed resulting in completion not being met
4	Actual or perceived favouritism in providing information	Procurement	Low	Procurement Practitioner	<ul style="list-style-type: none"> Answer queries in writing and provide copies to all potential tenderers Ensure that all potential tenderers are provided with any addenda Use of Eskom Procurement and Supply chain Management Procedure 32-1034 rev 04 	<ul style="list-style-type: none"> Complaints from tenderers Withdrawal of offers Losing on time for delivery Dispute which may halt the procurement process
5	Request for tender closing date extensions	Procurements	High	Procurement Practitioner	<ul style="list-style-type: none"> Provide enough time for Service provider to submit an informed quote by giving more than minimum required tender closing date 	<ul style="list-style-type: none"> Delayed contract placement Poor submission of tenders
6	Pandemic Outbreaks	Occupational Health & Safety	Low	Employer /Contractor	<ul style="list-style-type: none"> All to abide by the government protocols and guidance once the outbreak is realised Awareness to be raised as soon as its guidance to handle the disease is clear 	<ul style="list-style-type: none"> Disrupt execution of the works Fatality(ides) as a result of break-out
7	Unwillingness of the supplier to accept the contract	Procurement	High	Team	<ul style="list-style-type: none"> Seek legal redress if non-acceptance causes loss Negotiate but retain integrity of the contract 	<ul style="list-style-type: none"> Delays in delivery Need to restart procurement
8	Failing to perform duties	Cost	Low	Project Manager & Contractor	<ul style="list-style-type: none"> Project manager and supervisor to monitor work done by Contractor 	<ul style="list-style-type: none"> Failure to complete project

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9	Non-compliance to Eskom Life Saving Rules and Safety requirements and regulations	Occupational Health & Safety	Low	Employer /Contractor	<ul style="list-style-type: none"> Induction of Contractors and issuing of the Eskom policies and procedures 	<ul style="list-style-type: none"> Disrupt execution of the works Injuries as a result of not following processes.
10	Banned Service provider submitting the bid/returnable	Vendor Management	High	Procurement Official	<ul style="list-style-type: none"> Obtain list of all suppliers who are blocked to do business with Eskom prior evaluation Supplier is not evaluated any further and tender be discarded 	<ul style="list-style-type: none"> Delay in placing contract Lawsuit once the blocked supplier has accepted the tender award letter