



ANNEXURE A: SCOPE OF WORK

1. PURPOSE

CEF requires the services of a consultancy firm with a proven record of accomplishment in major change projects, to develop and manage the change process within the organisation.

2. BACKGROUND

CEF (SOC) Ltd is the holding company for a number of subsidiaries, which make up the CEF Group of companies. These subsidiaries also operate in the energy sector with commercial, strategic, regulatory, and developmental roles. CEF (SOC) Ltd.'s focus is to provide an oversight, strategic direction and guidance role as a holding company to its subsidiaries in terms of growth, commercial viability, sustainability, synergy optimisation, developmental objectives, governance and overall business performance improvement.

The Mandate of CEF is derived from the CEF Act (No 38 of 1977) and its articles. The mandate is in essence to contribute to the security of energy supply for the country. For more information on the company, you can visit our current website: www.cefgroup.co.za.

CEF Corporate Strategy seeks to reposition its role to that of parenting, investor, and development player without negating its legislative mandate. Therefore, as a strategic and responsive business partner, the Human Capital plays a strategic role to align itself to be a strategic partner with the business to deliver on the mandate. The repositioning strategy requires the organization to emphasize on the function of talent availability and leadership successors for business continuity. For CEF Group to succeed on the strategy implementation, an emphasis on high performing culture should be promoted which aims to attract, develop, recognize, and retain the best talent. This can be achieved through an integrated talent management and succession management process for CEF.



3. ENTITIES THAT MAKE UP THE CEF GROUP ARE AS FOLLOWS:

<i>Subsidiary</i>	<i>Business Focus</i>	<i>Location</i>
The Petroleum Oil and Gas Corporation of South Africa “PetroSA”	Oil and Gas, National Oil Company	Cape Town and Mosselbay
The Strategic Fuel Fund Association “SFF”	Strategic stock and pollution control	Cape Town
Petroleum Agency SA “PASA”	Promotion, Licensing and Regulating the exploration and production of the country’s natural oil and gas resources.	Cape Town
African Exploration Mining and Finance Corporation also known as “AEMFC”	Mining and supply of Coal	Waterfall and Mpumalanga
The South African Gas Development Company “iGas”	Gas and Gas infrastructure	Sandton, Johannesburg and Mozambique
CEF SOC Ltd “CEF”	Holding Company	Sandton, Johannesburg

The objective of the change management support is aimed at integrating change interventions with key stakeholders, which will ensure the organisation is able to voice, visualise and implement solutions for CEF’s current state. Since its sustainability is threatened.

In its quest to fulfil its broad energy mandate, CEF Group operates across the entire value chain of the energy sector. The sector is complex and volatile and is



characterised by long lead times, capital intensity, competition, dwindling resources, commercial and technical risks and the domination of multinationals with incredible financial resources.

As the Holding Company, CEF SOC is required to provide strategic direction and guidance to the operating entities to achieve long term growth and create shareholder value.

As a result of some of the strategic challenges, the CEF Group has been operating at a loss for more than seven (7) years. Its gross profit has consistently been unable to cover the high operating costs, leading to ongoing operating losses. Simultaneously, because of the current Group operating model, CEF as a holding company has had limited impact in terms of directing Group strategic choices and the running of operations. Over time this has led to a number of duplications across the Group as well as ineffective business operations which translate to increased fixed costs and the overall poor business performance further eroding shareholder value. It is thus important that a number of strategic considerations must be explored to address the myriad operational challenges whilst paying special focus in improving the Group operating model.

The current financial situation of some of the CEF Group subsidiaries is dire and requires some form of strategic and operational intervention with a view of assisting them to reduce operational costs without impacting on the livelihoods of the employees. Such intervention relates to removal of inefficiencies and costs duplications whilst improving overall business performance.

4. SCOPE OF WORK AND DELIVERABLES

4.1. Scope and deliverables of work

CEF requires a consultant with its core service offering being managing major organisational change, focussing on Standardization, Centralisation and Decentralisation organisational restructuring and organisational re-alignment. In partnership with CEF, the Consultant will manage the change process within the organisation from inception of the project to end. This project will bring about major change at an individual and organisational level and will impact:

- a) Standardization



- b) Business Processes
- c) Organisational structures
- d) Role content
- e) Terms and conditions of employment
- f) The capability model of the organisation
- g) The organisational culture and ways of working

There is an appreciation that most of these changes will have a significant impact on employees. The success and sustainability of the change lies in having a structured and suitably customised change management programme which will thus take all of these aspects into consideration. In essence, the programme has to ensure awareness, knowledge and understanding of the change with the various segments of stakeholders within the organisation, which include employees, board members, union leadership, suppliers, customers and other various key stakeholders. The change programme has to also carry the process through to full commitment and ownership with comprehension of the individual and collective roles in supporting CEF.

The scope of work will include the following phases based on proven Change management methodology or a hybrid of approaches, which will not be, restricted to a one-size fits all solution.

- Phase 1: Preparing for Change (Planning for Change)

The organisation has had a myriad change programme in the past and may be experiencing change fatigue largely. Change partners in a form of consultants who come on board will have to define a change management strategy, which considers historical aspects. The result of this stage will incorporate readiness assessments, assembling of a change capable team as well as adequate stakeholder mapping and plan.

- Phase 2: Managing Change

This phase should take into consideration how all the plans including transitional plan, risk mitigation plans, issue management strategy, stakeholder and key role player's management plan, communication plan will integrate into delivery of the envisaged



change. This phase must outline all the key deliverables associated with managing change as pointed out in phase one.

- Phase 3: Reinforcing Change

This phase should outline how feedback will be collected and analysed for inclusion into the implementation plan Further addressing of gaps, management of resistance and reception to change continues in this phase with associated celebration of successes and corrective actions where applicable.

Audience	No.of EE`s	Province
Sponsor and Chairperson and CEO`s briefing to equip Steering Committee Executives with the skills and techniques to lead and sponsor successful organizational change.	6	
Equip Project Managers, Function and Team leads with the skills and techniques to manage the impact of change on themselves and coach employees through change to deliver successful	30	
To orientate employees with the competencies required to embrace and adapt to organizational change based on the Employees' Survival Guide to Change and the Model with access to Change Management e-learning modules to embed the learning.	IGAS-3 CEF-109 SFF-187 PETROSA-986 PASA-80 AEMFC-250	Western Cape (PetroSA, PASA and SFF) Gauteng (CEF, IGAS and AEMFC)
For seasoned change management Agents to develop an enhanced perspective of how to drive best practice within the CEF and subsidiaries	12	

4.2 Change Management Outputs

Key outputs are the following:

- Develop a Change Strategy and Case for Change
- Design and conduct leadership alignment workshops for CEF and subsidiaries (all leadership levels) EXCO and MANCO separately to establish a uniform change vision, build leadership alignment around this vision and support buy-in and commitment to leading change



- c) Maintain an overarching story line that gets all stakeholders aligned in the key change messaging and change vision
- d) Engage key stakeholders to be the key communicators and drivers of change
- e) Conduct Change Readiness Assessments
- f) Tailor messaging for audiences, use of readily available platforms
- g) Be transparent, manage expectations and measure the impact of change
- h) Establish a network of change agents with the appropriate skills, tools and information to help drive change across the organisation.
- i) Provide clear, comprehensible and concise business engagement, appropriate for each stakeholder group through the lifecycle of the change
- j) Create and maintain positive engagement momentum and energy for the change, with impacted business stakeholders
- k) Continuously develop new, unique and fresh ways of encouraging the business around the change
- l) Support the change impacting the implementation of the Labour Relations Strategy and all other Human Capital/ Support service processes related to the project
- m) For the CEF, a mature change capability means:
 - Change management is the norm on projects and initiatives.
 - Common change management processes and tools are consistently and constantly applied throughout the organization; and
 - Employees from all levels know and fulfil their roles in leading change.
- n) With excellent change management, employees will be able to:
 - Adopt changes faster, more completely and more proficiently.
 - Stay engaged in the organization during disruptive change.
 - Understand why the change is happening.
 - Have the time and tools to get on board and feel heard and supported.
 - The delivery model must adopt the “learning through experience, through others and through structured training”, which is commonly referred to as the 70.20.10 principle.

4.3 Timing

. The project duration is over a period of three (3) years. The Consultant in collaboration with Central Energy Fund (CEF) Human Capital and the Shared Services



Project team would develop the suggested phases of change activities and outputs listed above.

4.4. Reporting and final deliverable format

It is expected that there will be an agreement on the various formats and regularity of reporting which will include:

- Project Status Reporting.
- Special Target Group Reporting.
- Executive Committee Reporting.
- Board Reporting.

5. PRICING SCHEDULE

Bidders must provide an all-inclusive offer to CEF that incorporates all foreseeable costs to deliver the scope in full.

The pricing must be an activity cost pricing schedule which details in full what deliverables /activities will be delivered under the three (3) phases below.

The costing must also include fixed disbursements estimates over the duration of the contract noting that they will be travelling to the various CEF group of companies in areas as listed in the scope of work.

DESCRIPTION	ESTIMATE DURATION	FIXED PRICE (EXC. VAT)	VAT (@15%)	TOTAL FIXED PRICE (INC. VAT)
PHASE 1- PREPARING FOR CHANGE (PLANNING FOR CHANGE)				
Deliverable 1:				
Deliverable 2:				
Deliverable 3:				
PHASE 2 MANAGING CHANGE				
Deliverable 1:				
Deliverable 2:				
Deliverable 3:				
PHASE 3 REINFORCING CHANGE				
Deliverable 1:				
Deliverable 2:				



Deliverable 3:				
DISBURSEMENTS				
TOTAL OFFER TO CEF (EXC. VAT)				
VAT (@15%)				
TOTAL OFFER TO CEF (INC. VAT)				

NB: this template serves as a guide and bidders must edit the table to include their full costing and provide a fixed activity-based cost /offer to CEF.