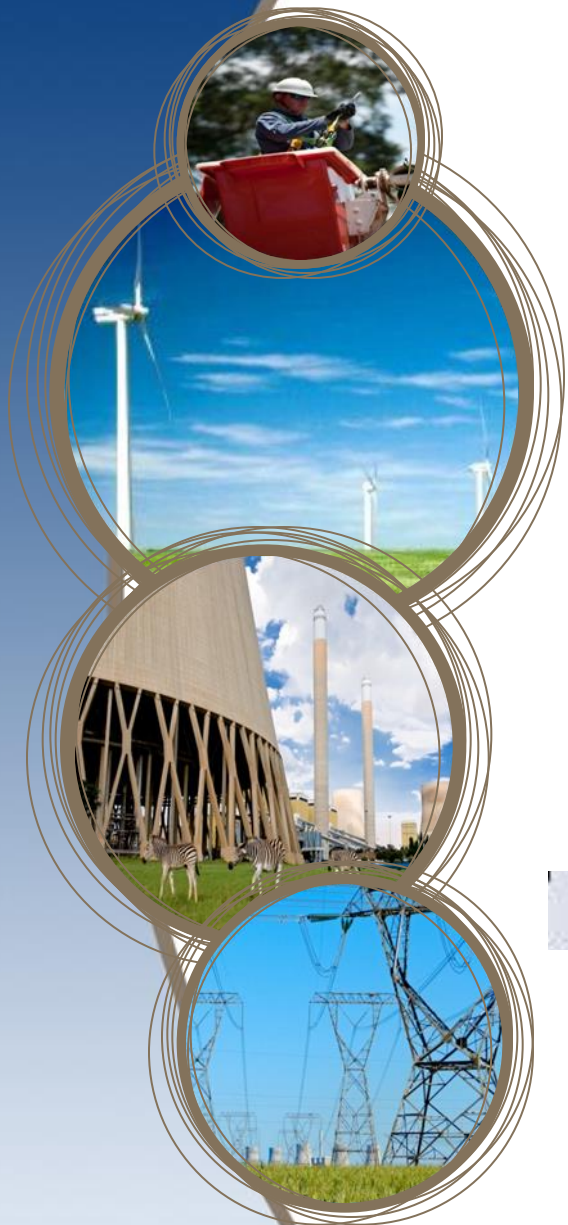


32-726 Contract and Contractor OHS management

Diane Maunatlala



The 32-726 standard is being revised due to the following reasons:

- the contractor management documents will be combined into one document to reduce the number of contractor management documentation for easy access and use.
- The 32-524: Manual for developing SHE specification has passed the review date and will be archived once this standard is approved and published.
- To ensure alignment to the revised 32-1034 Eskom Procurement and Supply Chain Management Procedure which was reviewed and published last year June.

Purpose

The purpose of this standard is to ensure standardised and consistent OHS contractor management from procurement phase, contract execution to contract completion.

Standard Change Request (not required if it's a new standard)



Title Of Existing Standard	Standard Number	Purpose
<ul style="list-style-type: none"> Contract and Contractor OHS management 	<ul style="list-style-type: none"> 32-726 	<ul style="list-style-type: none"> The purpose of this standard is to ensure standardised and consistent OHS contractor management from procurement phase, contract execution to contract completion.

Clause in existing standard	Proposed changes in the standard
<ul style="list-style-type: none"> SHE 	<ul style="list-style-type: none"> OHS – Occupational hygiene and safety
<ul style="list-style-type: none"> SHE functionary 	<ul style="list-style-type: none"> OHS professional
<ul style="list-style-type: none"> Commercial functionary 	<ul style="list-style-type: none"> Procurement practitioner
<ul style="list-style-type: none"> Five phases 	<ul style="list-style-type: none"> Six phases (Project Initiation and briefing, concept and feasibility study and design development)
<ul style="list-style-type: none"> Old document name: SHE requirements for the Eskom commercial process 	<ul style="list-style-type: none"> New document name: Contract and Contractor OHS management

Abbreviations in existing standard	Proposed changes in the standard Abbreviations
None	<ul style="list-style-type: none"> CHSA - Construction health and safety agent
	<ul style="list-style-type: none"> DEL - Department of Employment and Labour
	<ul style="list-style-type: none"> MTC - Multidisciplinary committee
	<ul style="list-style-type: none"> OHS - Occupational hygiene and safety
	<ul style="list-style-type: none"> ORHVS - Operating Regulations for High-Voltage Systems
	<ul style="list-style-type: none"> PSR - Plant Safety Regulations
	<ul style="list-style-type: none"> RFI - Request for information

Standard Change Request (not required if it's a new standard)



Definitions in existing standard	Proposed changes in standard Definitions
None	<ul style="list-style-type: none"> Contract - An agreement with specific terms between two or more persons or entities in which there is a promise to do something in return for a valuable benefit known as consideration/ payment.
	<ul style="list-style-type: none"> Contract management - It is a process of managing contract creation, execution and analysis in order to maximise operational performance and mitigate legal ramifications, reducing financial risk at an organization. The art and science of managing a contractual agreement throughout the contract life cycle.
	<ul style="list-style-type: none"> Contractual requirements for OHS - Contractual requirements consists of legal and other OHS requirements for procuring goods and/or services to be rendered for/on behalf of Eskom. These are OHS documents required from tenderers at the procurement phase (enquiry, evaluation, negotiation meeting and contract award) and only tenderers that have met the mandatory and functionality threshold will be evaluated.
	<ul style="list-style-type: none"> Professional Construction health and safety agent (CHSA) - A person who is registered as such in terms of the Project and Construction Management Profession Act48 of 2000, as amended. Any competent person who acts as a representative for a client in managing health and safety on a construction project for the client and who has satisfied the registration criteria of the SACPCMP to perform the required functions.
	<ul style="list-style-type: none"> Health and Safety plan - A site-specific plan that forms part of the project safety file containing minimum requirements as defined in the OHS Act as well as the Eskom OHS requirements.
	<ul style="list-style-type: none"> OHS requirements - Requirements prescribed in the applicable OHS legislation, SANS codes, municipal by-laws, and Eskom OHS requirements.
Definitions in existing standard	Proposed changes in standard Related /supporting documents
None	12) 240-157810171 Construction services OHS specification template
	15) 240-157810099 Supply and delivery OHS specification template

Standard Change Request (not required if it's a new standard)



Title Of Existing Standard	Standard Number	Purpose
<ul style="list-style-type: none"> Contract and Contractor OHS management 	<ul style="list-style-type: none"> 32-726 	<ul style="list-style-type: none"> The purpose of this standard is to ensure standardised and consistent OHS contractor management from procurement phase, contract execution to contract completion.

Clause in existing standard	Proposed changes in standard
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None	<p>2.5 Roles and responsibilities</p> <p>2.5.1 Designers shall</p> <p>The designer shall ensure that the occupational health and safety (OHS) requirements applicable to the project/scope of work are incorporated into the design. Consider the associated risks identified in the scope of specific OHS specification/requirements and baseline risk assessment. The identification and analysis of hazards and risks must form part of the design process.</p>
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<p>2.5.2 Procurement practitioner</p> <p>2.5.2.1 Ensure that sufficient notification and preparation times are provided for the relevant OHS professional to form part of the multidisciplinary team for the preparation of the relevant and specific OHS requirements for the procurement enquiry.</p> <p>2.5.2.2 Ensure that the appropriate OHS representative provides the OHS requirements and specified documents before the release of the procurement enquiry.</p> <p>2.5.2.3 Ensure that the OHS professional participates in, and provides input into, relevant meetings or forums, processes, and reports that lead to the awarding of a contract (for example, supplier evaluations, squad check meetings, contracting strategies, negotiations, clarification meetings, tender evaluations, evaluation report compilation, contract awarding, and briefing meetings).</p> <p>2.5.2.4 Ensure that the records about supplier OHS non-conformances during contract execution, post contract reviews, supplier suspensions, and contract terminations are received from the contract custodian and where applicable, Procurement shall keep a record of such information to make it easily accessible to the relevant stakeholders for future reference, especially when determining the allocation of future works or services.</p>	<p>2.5.2 Procurement practitioner</p> <p>2.5.2.5 Ensure that applicable OHS requirements for any emergency work are provided to the preferred contractor/supplier at the same time when the enquiry is made to avoid delays. The supplier OHS documentation shall be received from the preferred contractor/supplier and approved urgently to allow work to commence.</p>
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Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
<p>2.5.3 Contract custodian</p>	<p>2.5.3 Contract custodian</p>
<p>2.5.3.1 Ensure that the contract specifies how OHS will be managed and reported on for the duration of the contract/transaction and the supplier/contractor adheres to the relevant contract OHS requirements.</p>	<p>2.5.3.2 Ensure that the OHS professional forms part of the cross-functional team and take part in all relevant meetings.</p>
<p>2.5.3.4 Ensure that the OHS costing prepared is informed by the risks associated with the scope of work and forms part of the bill of quantities or the pricing schedule.</p>	<p>2.5.3.3 Ensure that project-specific OHS requirements are provided by the OHS professional.</p>
<p>2.5.3.7 Ensure that the principal contractor develops a project-specific OHS plan. When a tender has been awarded, it is the contract custodian's responsibility to ensure that the OHS plan of the principal contractor is evaluated and approved before the commencement of work.</p>	<p>2.5.3.5 Ensure that if any designs are to be carried out, the OHS requirements shall be forwarded to the designer for inclusion in the design.</p>
<p>2.5.3.8 Ensure that the OHS file is evaluated for compliance once the contract has been awarded. Once satisfied that the contents of the OHS file meet the requirements, a letter of acceptance shall be issued to the contractor.</p>	<p>2.5.3.6 Ensure that a project OHS specification, together with the project baseline risk assessment (BRA), acknowledgement of Eskom OHS rules form (Annexure B), 32-136 standard, evaluation criteria, and other relevant documents (for example, 32-418, if the scope of work includes working at heights, PSR. or ORHV regulations, etc.) are prepared in conjunction with the OHS professional and provided/published with the procurement enquiry.</p>
<p>2.5.3.10 Ensure that the OHS plan of the principal contractor and any appointed contractor is audited throughout the execution of the project for compliance from a legislative and OHS point of view</p>	<p>2.5.3.9 Ensure that, after signing the contract (national/divisional/panel contracts), the contractor shall immediately meet the OHS professional on site to discuss the site OHS requirements and thereafter the contractor/supplier shall prepare the OHS file within seven working days/or within the timeframe agreed between the contractor/supplier and the site/BU/OU OHS professional.</p>
<p>2.5.3.11 Ensure that the necessary details/issues pertaining to contractor non-conformances on contractual OHS obligations during contract execution, safety interventions, post contract review, and supplier reconsideration are adequately addressed, recorded, and submitted to Procurement Department for recording and to support future reference;</p>	<p>2.5.3.14 Ensure that the OHS specification and BRA are made available to the appointed contractors where additional contractors are appointed.</p>
<p>2.5.3.12 Ensure that, after the initial procurement process has concluded for national or divisional contracts (registration, tender evaluation and contract award phases), there is handover to the site OHS professional at the site where the work/service is to be conducted.</p>	
<p>2.5.3.13 Ensure that for national and divisional contracts, when a supplier mobilises to site, the responsible manager based at the Eskom site must take over the responsibility for ensuring that the supplier works according to the approved OHS plan and provides oversight supervision over the contractor for task / activities / work / service being performed.</p>	
<p>2.5.3.15 Ensure that the 37(2) agreement is signed by the contract custodian and the contractor/supplier when signing the contract</p>	

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
<p>2.5.4 Line managers</p> <p>2.5.4.1 Be responsible for allocating resources to participate in all phases of contractor OHS management and the procurement and supply chain processes for their respective division and sites.</p> <p>2.5.4.2 Ensure that the OHS professionals allocated to participate in the procurement and supply chain processes are competent and aware of their roles and responsibilities in embedding OHS requirements to contract.</p>	<p>2.5.4 Line managers shall:</p> <p>2.5.4.3 Apply discretion when allocating an OHS resource to represent OHS by considering the value and complexity of the scope of work. A subject matter expert may be seconded or sourced to assist with certain projects/transaction/scope of work.</p>
Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
<p>None</p>	<p>2.5.5 OHS professionals shall:</p> <p>2.5.5.1 Ensure that the relevant OHS procedures and documentation used during the procurement processes are always applicable to the project and form part of the procurement enquiry.</p> <p>2.5.5.2 Conduct the research, preparation, and consolidation of the applicable OHS requirements, together with the designer/project engineer and contract custodian (end user) for each market engagement, supplier selection, contracting, contract execution, etc.</p> <p>2.5.5.3 Ensure that OHS requirements are handed over to the allocated procurement and supply chain representative.</p> <p>2.5.5.4 Determine which services are exempted or waived and advise the procurement representative/contract custodian accordingly in writing.</p> <p>2.5.5.5 Ensure that requirements listed in Annexure C1/C2/C3/C4/C5 (evaluation criteria) are always relevant and specific to the scope of work / project that shall be used during the tender evaluation stage.</p>
	<p>2.5.5.6 Audit the OHS plans and all the contents of the OHS file of the principal contractor and any appointed contractor for compliance. Auditing will be conducted by the client as per the Client's OHS requirements and applicable legislation as amended.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
None	<p>2.5.5 OHS professionals shall:</p> <p>2.5.5.7 Ensure the utilization and support of the mechanism for monitoring OHS performance and compliance during contract execution.</p>
	<p>2.5.5.8 Provide detailed information pertaining to supplier non-conformances and safety interventions for the post contract OHS review and provides reports for the contract custodian to submit to Procurement.</p>
	<p>2.5.5.9 Ensure that the OHS plan/OHS systems of the principal contractor and any appointed contractor is audited throughout the execution of the project for compliance from a legislative and OHS point of view</p>
	<p>2.5.5.10 Determine whether the work falls within the definition of “construction work”. If the work falls within “construction work”, he/she must ensure alignment of the OHS requirements such that compliance with the Construction Regulations 2014 is achieved.</p>
Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
None	<p>2.5.6 Construction health and Safety Agent (CHSA)</p> <p>2.5.6.1 Ensure that a BRA is prepared for an intended construction work/project.</p>
	<p>2.5.6.2 Provide the designer with a health and safety specification contemplated in paragraph 5(b) of the CR 2014.</p>
	<p>2.5.6.3 Facilitate that the health and safety specification is included in the tender documents.</p>
	<p>2.5.6.4 Facilitate that the potential principal contractors submitting tenders have made adequate provision for the cost of health and safety.</p>
	<p>2.5.6.5 Facilitate that the principal contractor to be appointed has the necessary competencies and resources to carry out the construction work safely.</p>
	<p>2.5.6.6 Facilitate that the principal contractor is registered and in good standing with the compensation fund or with a licensed compensation insurer as contemplated in the Compensation for Occupational Injuries and Diseases Act 130 of 1993.</p>
	<p>2.5.6.7 Ensure the appointment of every principal contractor is in writing for the project or part thereof on the construction site.</p>
	<p>2.5.6.8 Ensure that copy of the principal contractor’s health and safety plan is available on request by an employee, inspector, or contractor.</p>
	<p>2.5.6.9 Conduct periodic health and safety audits in accordance with Construction Regulations requirements.</p>
	<p>2.5.6.10 Facilitate that the health and safety file contemplated in regulation 7(1) (b) of the CR 2014 is kept and maintained by the</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard 2.5 Roles and responsibilities
<p>2.5.7 National and divisional contract</p> <p>2.5.7.1 The responsible division that initiated the project/contract to be established must provide or allocate an OHS resource for the project/contract/transaction.</p> <p>2.5.7.2 After contract award, the OHS professional responsible for the procurement enquiry shall hand over the relevant OHS documentation applicable to the scope of work/contract to the division/BU/OU OHS professional.</p> <p>2.5.7.3 The division/BU/OU that requested the work to be done and the division/BU/OU that will be overseeing the execution of the work must have a service-level agreement to ensure compliance during the project execution stage.</p> <p>2.5.7.4 Eskom site management is responsible for directly supervising and managing such contracts and ensuring that OHS is complied with. This will require that operational control be managed and enforced at the operational level, and not by an oversight or indirect supervisory function.</p>	<p>2.5.7 National and divisional contract</p> <p>2.5.7.5 After signing the contract, the supplier/contractor must, within five working days, meet the OHS professional on site to discuss the OHS site requirements. The site must allow five to 15 working days for the preparation of the OHS site requirements by the contractor/supplier.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 1: Project Initiation and briefing, concept and feasibility study, design development
None	<p>3.1.1 Initiation and briefing</p> <p>The OHS professional/CHS agent shall form part of all the meetings in this phase to assist in developing a clear construction/project health and safety requirements, ensure that OHS forms part of the agenda in the initiation meetings, identify preliminary construction/project health and safety risk profile and record construction/project health and safety risk communication.</p>
None	<p>3.1.2 Concept and feasibility</p> <p>The OHS professional/CHS agent shall attend the design meetings in accordance with the project planning phases, take part in preliminary cost estimates/budgets for construction project health and safety, prepare the draft construction/project BRA, health and safety specification and share the required surveys, tests, and other investigations and related reports.</p>
None	<p>3.1.3 Design development</p> <p>For any product or service that includes compiling the design of a building, equipment, modification of existing plant, etc., the Eskom contract custodian, with the assistance of the OHS professional and occupational hygiene professional have to provide the designer with an health and safety specification/requirements specific to the project to ensure integration of OHS requirements in the design. The designer shall not commence with the design if the health and safety specification has not been provided.</p> <p>The designer (internal or external), contract custodian, and responsible OHS professional have to conduct a site visit before commencing with the design or before any health and safety specification/OHS requirements can be developed. (This phase may not apply to all projects/transactions). For the responsibilities of the Professional Construction health and safety agent, refer to the Construction regulations 2014 as amended</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 2: Tender phase (procurement strategy, tender enquiry and documents, evaluation, and award)
None	<p>3.1.4 Procurement strategy</p> <p>3.1.4.1 OHS shall form part of the cross-functional team during the procurement of goods and services for, or on behalf of, Eskom.</p> <p>3.1.4.2 OHS professional will influence the initial development of a procurement strategy to the market engagement for supplier selection, contracting, contract handover, and performance monitoring and contract execution based on the scope of work.</p> <p>3.1.4.3 The OHS professionals shall ensure that the compiled scope-specific OHS requirements are listed in the procurement strategy.</p>
<p>3.2.2 Tender enquiry</p> <p>d) The tender enquiry shall be accompanied by scope-specific OHS requirements and the BRA, Annexure B (Acknowledgement of Eskom OHS rules), 32-136 (Contractor Health and Safety Requirements Standard), and the evaluation criteria.</p> <p>e) OHS tender returnable must be clear and explicit to suppliers/contractors.</p> <p>f) Where applicable, the tenderers or potential suppliers/contractors may be expected to conduct a site visit of the area where the work will be executed before tendering, under the supervision of the Eskom contract custodian and the procurement practitioner.</p> <p>g) Further guidance and support with regard to OHS matters will be provided at the clarification meeting. OHS shall be a standard item on the agenda for the clarification meeting.</p>	<p>3.2.2 Tender enquiry</p> <p>a) OHS, legal, and other requirements are to be complied with at all times, and OHS professionals shall form part of the cross-functional team during the procurement of goods, products, and/or services in Eskom.</p> <p>b) The OHS professional shall compile the scope-specific/risk-based OHS requirements and submit to the procurement professional. OHS requirements shall form part of the tender enquiry.</p> <p>c) The OHS requirements shall be aligned with the Contractor OHS management risk category as per Annexure A.</p>
None	<p>3.2.2.1 Other transactions (RFI, emergency procurement, sole source, contract extension or modification, etc.)</p> <p>The OHS requirements shall be provided to the contractor/supplier when requesting quotations to avoid delays. The supplier's OHS documentation shall be received from the preferred contractor/supplier and approved before commencement of work. For tender prequalification (RFI) purpose, the OHS professional shall form part of the multidisciplinary committee (MTC).</p>
None	<p>3.2.2.2 International suppliers/contractors performing work for or on behalf of Eskom</p> <p>All international contractors conducting work for or on behalf of Eskom shall comply with Eskom OHS requirements and the applicable South African legislation. Their OHS documents shall be written in English. The OHS requirements to be communicated to the supplier/contractor shall be risk-based and scope-specific.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 2: Tender phase (procurement strategy, tender enquiry and documents, evaluation, and award)
None	<p>3.2.2.3 OHS documents to be published in the tender enquiry</p> <p>To avoid bombarding suppliers/contractors who wish to respond to the Eskom tender, the following minimum OHS requirements must be submitted to the procurement and supply chain. The applicable Eskom OHS policies and procedures will be given to the successful supplier/contractor.</p> <ul style="list-style-type: none"> a) Scope-specific OHS specification/OHS requirements, including the project BRA b) Annexure B: Acknowledgement of Eskom OHS Rules form (the listed legislature, Eskom policies and procedures shall be amended to align with the scope of work/identified risks) c) 32-136 Contractor Health and Safety Requirements d) OHS tender evaluation criteria e) Applicable Eskom procedures that contain the requirements the supplier/contractor needs to be informed of before responding to the enquiry/transaction in order to make provision for the OHS costs in the bill of quantities, for example, 32-418 for the scope of work that includes working at heights, plant safety regulations (PSR) for or scope of work requiring ORHV regulations training, etc.
None	<p>3.2.2.4 Occupational health and safety specification and plan</p> <p>The health and safety specification shall be issued with the enquiry/transaction to inform the future contractors/suppliers of the health and safety requirements associated with the scope of work/contract/project, and the contractor/supplier shall submit the health and safety plan in response. The health and safety specification templates are made available and shall be updated, amended to cover the OHS requirements related to the scope of the risks of the project/contract. Once the health and safety specification is completed, it must be signed by both the OHS professional and the contract custodian. The health and safety specifications and plans shall be named in the following.</p> <ul style="list-style-type: none"> • For construction work: The health and safety specification and health and safety plan. • For non-construction work: The health and safety requirements for the site/BU/OU (add BU/OU/site name) and audible OHS system/manual that satisfy the issued OHS site, legal and other requirements. • For national contracts: The health and safety requirements for ... (include the name of the project/ scope of work) and audible OHS system/manual that satisfy the issued OHS, legal and other requirements. <p>The Eskom OHS professional must communicate to the potential supplier/contractor that the health and safety plan must be approved internally before submission to Eskom. When the Eskom OHS professional is satisfied with the contents of the health and safety plan; the plan will first be signed by the OHS professional and approved by the contract custodian and initialed on every page</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 2: Tender phase (procurement strategy, tender enquiry and documents, evaluation, and award)
None	<p>OHS application, evaluation, and reports</p> <p>OHS as a contractual requirement, will only evaluate the shortlisted suppliers that have passed mandatory and functionality evaluation threshold.</p> <ol style="list-style-type: none"> a) On completion of the tender evaluation of shortlisted suppliers, OHS will compile an initial tender evaluation report, which will highlight compliance/conformance gaps (outstanding documents/information or insufficient evidence of compliance) by the suppliers and recommend or not recommend supplier based on the level of compliance/conformance. b) The procurement practitioner will engage the suppliers only once, requesting all the outstanding tender documents to be submitted within a period not exceeding seven working days. c) When the procurement practitioner receives the submitted tender documents within the stipulated timelines, OHS will re-evaluate the submitted tender documents and will compile, and resubmit a final tender evaluation report. However, insufficient evidence of compliance/gaps will be addressed with the preferred supplier at the negotiation meeting as part of the contract conditions. The closeout timelines of the compliance/conformance/gaps will be determined by the OHS professional. d) OHS as functionality; the technical, procurement and OHS teams will conduct the initial tender evaluation in line with the OHS functionality threshold of 70% (see Appendix A below) and the successful potential tenderers may undergo further evaluation. Where applicable, OHS will form part of the initial tender evaluation, including both desktop and onsite (supplier/contractor site) evaluations. <ul style="list-style-type: none"> • For open market tender/enquiry, the suppliers that did not submit the requested OHS documents within the specified time will be regarded as non-responsive. In contrast, the suppliers that responded will be re-evaluated. Should the submitted OHS documents not conform to/meet the compliance standard, the gaps will be addressed with the preferred bidder/tenderer during the negotiation meeting. After negotiations, the supplier shall submit the site-specific OHS file for evaluation and must address the gaps prior to commencement of work on site. • For panel contracts, the suppliers that did not submit the requested OHS documents within the specified time will be regarded as non-responsive. In contrast, the suppliers that responded will be re-evaluated. Should the submitted documents not conform to/meet the compliance standard, the gaps will be addressed with the preferred bidders/tenderers during the negotiation meeting. The reviewed OHS returnable will be submitted to Eskom by the preferred tenderers/bidders and the final OHS report will be submitted to the buyer. The site- or scope-specific OHS file requirements will be communicated to the supplier/contractor by the BU/OU when issuing the task order. The BU/OU must allow 5 to 15 working days for preparation of the OHS site requirements by the contractor/supplier in consultation with the OHS professional. e) Note: For OHS as contractual requirements, each supplier will only be evaluated twice during tender evaluation stage before the final report is submitted to the procurement practitioner. To avoid the delays and the effective use of OHS resources, no supplier/contractor's tender OHS documents shall be evaluated more than two times before contract award. However, the OHS file must be evaluated and approved before commencement of work. f) However, should any further tender evaluations be required, the procurement manager will submit a motivation and supporting documentation for the request to the relevant OHS senior manager/OHS manager for approval.

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 2: Tender phase (procurement strategy, tender enquiry and documents, evaluation, and award)
None	<p>3.2.2.8 Contract awarding</p> <p>a) All findings/observations recorded in the OHS tender evaluation report must be addressed with the supplier at the negotiation meeting. If the contract is signed before addressing the gaps, they should form part of the conditions of the contract, including the time frame allowed to close the findings. The contract should clearly state that no work should commence before the approval of the OHS file.</p> <p>b) For contracts where the scope of work is classified as construction work and requires a construction work permit in accordance with the Construction Regulations as amended, a minimum of 30 days must be allocated to allow the application to the Department of Employment and Labour (DEL) for the permit to be processed. Thus, work shall only commence after obtaining the corresponding construction work permit from the DEL.</p> <p>c) For national contracts that have been evaluated centrally, after signing the contract, the supplier/contractor must within five working days meet the OHS professional on site to discuss the OHS site requirements. The divisional/BU/OU OHS professionals shall communicate and provide their corresponding OHS requirements to the supplier/contractor and allow 5 to 15 working days for the preparation of the OHS site requirements by the contractor/supplier.</p> <p>d) The supplier shall, as a result, ensure compliance with each BU's/OU's OHS requirements, regardless of being approved centrally.</p>
None	<p>3.2.2.9 Compensation for Occupational Injuries and Diseases Act</p> <p>The function of the 37(2) Agreement is primarily to indemnify Eskom from any acts or omissions by its contractors/suppliers and its employees in contravention of the OSH Act. This means that contractors/suppliers are deemed to be employers in their own right, their employees are not deemed to be employees of Eskom and acknowledges that is solely responsible for its employees, Sub-contractors, agents and the like, while performing work for or on behalf of Eskom.</p> <p>a) When the supplier is awarded a contract, an OHS Act section 37(2) agreement shall be concluded and signed between the supplier and the contract custodian/end user, together with the contractual documents.</p> <p>b) For every site where the contractor is performing work, a 37(2) agreement shall be signed by the site contract custodian and the contractor.</p> <p>c) Due to the centralised nature of certain procurement activities, such as national contracts, the allocated OHS professionals are responsible for the tender phase. Thereafter shall hand over the reports to the BU/OU OHS professionals. The contract custodian, together with OU/BU OHS professionals, must ensure that OHS requirements are adhered to by the supplier including the signing of the 37(2) agreement on site/BU/OU.</p>
None	<p>13.2.2.10 international suppliers conducting work for or on behalf of Eskom</p> <p>Where applicable, an equivalent document/letter from of the compensation body of their country or employee insurance certificate written in English shall be submitted to Eskom. It shall be in line with the South African legislation.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 4: Site mobilization/Access to the site
<p>3.2.4.1 Prerequisites for the commencement of works or services following contract award</p> <p>a) The procurement practitioner shall ensure that the site OHS professionals are given notice of the contract award to ensure that the supplier/contractor's OHS file is evaluated and approved before commencement of work.</p> <p>b) For a national contract, OHS professionals responsible for the national contract shall within five working days hand over the project to the relevant BU/OU OHS professional.</p>	<p>3.2.4.1 Prerequisites for the commencement of works or services following contract award</p> <p>c) When the OHS professional is satisfied with the contents of the OHS plan, it must be signed and initialed on the bottom right of each page by the client (Eskom OHS professional and the project manager) and the supplier/contractor representative.</p> <p>d) The contractor employees shall also undergo the company's induction, which must be risk- or scope-based before commencement of any activities.</p> <p>e) Eskom shall induct the contractor employees before commencement of any activities.</p>
<p>None</p>	<p>3.3 Site mobilization</p> <p>The allocated OHS professional shall evaluate the health and safety file. If satisfied, the letter of acceptance will be issued to the supplier/contractor. Should the supplier not meet minimum OHS requirements at this stage, the OHS professional will give the supplier another chance to address the shortcomings within a period not exceeding seven working days or as agreed by the cross-functional team in consultation with the OHS professional.</p>
<p>None</p>	<p>3.4 Health and safety non-negotiable rules</p> <p>3.3.1 The health and safety file/document is to be evaluated before site mobilisation or task order allocation to assess the compliance/conformance status of the supplier. No work shall commence before the health and safety file/document has been accepted by the allocated OHS professional.</p> <p>3.3.2 OHS requirements, after contract award, shall be enforceable on the successful supplier in accordance with the OHS specification/health and safety file/documentation requirements.</p> <p>3.3.3 OHS documents or actions that are required after contract award, that is, during the execution of the contract, must be included as contractual obligations. The time frame for submission will be negotiated as determined by the cross-functional team appointed by Procurement and Supply Chain Management. The decision will be risk-based, based on the value, duration, complexity, environmental aspects, and impacts and the criticality of the scope of working conditions of any applicable environmental approvals.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard Phase 5: Contract/Service execution and continual monitoring
<p>3.4.4.1 Continual OHS performance monitoring</p> <p>a) Eskom shall conduct risk-based inspections, audits, and blitz inspections to monitor OHS compliance and adherence to the OHS plan by the contractor.</p> <p>d) The contract custodian shall ensure that monitoring mechanisms (such as audits and reviews) are instituted, with the support of OHS professionals, to ensure compliance with OHS legislative and other requirements.</p>	<p>3.4.4.1 Continual OHS performance monitoring</p> <p>b) The contractor performing construction work shall be audited in accordance with the applicable legal and other requirements as amended.</p> <p>c) For contractors performing non-construction work, the frequency of the audit/inspection shall be determined by the risk associated with the scope of work based on legal and other requirements as amended.</p>
Clause in existing standard	Proposed changes in the standard
None	<p>3.5 Supplier relationship management</p> <p>a) OHS professionals to participate and support the SD&L initiatives.</p> <p>b) Supplier registration reviews for OHS are conducted as centralized function by Risk and Sustainability.</p> <p>c) For due diligence, OHS will conduct a desktop evaluation and/or site supplier site capability and capacity assessment to verify the processes for the products and services contracted and due diligence OHS report to be generated and submitted to Procurement and Supply Chain /the initiator.</p>
Clause in existing standard	Proposed changes in the standard
None	<p>3.6 Material handling and storage equipment</p> <p>a) Material handling and storage (preservation) manuals/procedures shall be provided to Eskom by the suppliers/contractors during delivery or receipt inspection of the goods/products/services.</p> <p>b) The above requirements shall be stated in the enquiry/transaction documents. This is the responsibility of the contract custodian/end user.</p> <p>c) OHS professionals will advise the cross-functional team to ensure the above is included in the enquiry/transaction documents.</p>

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard
<p>3.1.4.5 Supplier status reconsideration</p> <p>The supplier having built up a history of poor performance with Eskom in relation to matters or aspects of compliance with safety, health and/or environmental regulations, policies and/or procedures will initiate the deregistration investigation. In the event of any one of the following incidents occurring, an investigation may be initiated:</p> <p>a) When a supplier has one or more work-related fatalities within a financial year or the period of the project for contracts of less than one year</p> <p>b) When a supplier experiences three or more lost-time incidents in the same financial year</p> <p>c) When a supplier has three major SHE non-conformances raised in the same financial year.</p> <p>d) When a supplier has had two or more contraventions of environmental legislation, including non-compliance with a condition contained in an environmental approval</p> <p>e) When the contractor has been issued with a compliance notice issued by a government department, for example, the Department of Labour, Department of Environmental Affairs, Department of Water and Sanitation, etc.</p> <p>f) When violation of any of the Eskom Life-saving Rules occurs</p> <p>g) When fraudulent SHE-related documents are submitted by a supplier</p> <p>NOTE: No Eskom employee or representative is allowed to merely terminate or suspend a contract at any given point in time unless formal approved processes have been observed.</p> <p>The contractor</p>	<p>3.7 Supplier review committee</p> <p>The supplier review committee has been established to take such remedial measures, as bestowed upon it by the Executive Tender Committee (ETC) and to the extent allowed by law, against any tenderer or supplier found to have abused the supply chain management system or to have been found guilty of misconduct, which measures include, but are not limited to, reconsidering the registration status of such bidder or supplier based on the general or additional grounds for consideration.</p> <p>The Eskom contracts between Eskom and contractors/suppliers must include a clause that enables Eskom to terminate the contract in the event when the supplier has built up a history of poor performance in relation to matters or aspects of compliance with safety and health regulations, policies, and/or procedures. The contract termination process can run concurrently with the initiation process of referring the supplier/contractor to the review committee while terminating the contract.</p> <p>However, all the necessary steps need to be taken to assist the supplier/contractor to address their shortcomings/gaps. The Eskom representatives must consider implementing the rehabilitation process assisting the supplier/contractor to improve their performance and rectify the non-conformances, incidents, fatalities, etc. The review process should follow to assess the effectiveness of the initiatives/action plan/recommendations.</p> <p>Note: referring the contractor/supplier to the review committee should be the last resort. All avenues to help the contractor/supplier should be exhausted.</p> <p>The following process shall be followed when referring to the supplier/contractor to the review committee:</p> <ul style="list-style-type: none"> • The supplier investigation report by BU/OU will be required. • The Non-conformance reports issued. • Written feedback from the supplier. • The minutes of the meetings held with the supplier. • Sanction: state the period of suspension/blacklisting. • Contract: will the supplier complete the outstanding work, or is there another option/plan B? • Project information: start and end date.

Standard Change Request (not required if it's a new standard)



Clause in existing standard	Proposed changes in the standard									
None	<p>Appendix A</p> <p>The table below provides guidance in implementing functionality criteria for OHS scoring / threshold per functional area to proceed to the next step The total percentage allocated to OHS will be set at 100% and the minimum threshold is 70% Potential tenders who do not meet the minimum threshold(s) will not be evaluated further.</p> <p>Table 1: Evaluation Criteria on Functionality</p> <table border="1" data-bbox="401 582 1883 1035"> <thead> <tr> <th data-bbox="401 582 794 768">Functionality Criteria</th> <th data-bbox="794 582 1315 768">Tenderers will be expected to score at least the minimum threshold per functional area to proceed to the next step</th> <th data-bbox="1315 582 1883 768">Total percentage allocated per functional area</th> </tr> </thead> <tbody> <tr> <td data-bbox="401 768 794 892">Safety & Health</td> <td data-bbox="794 768 1315 892">70%</td> <td data-bbox="1315 768 1883 892">100%</td> </tr> <tr> <td data-bbox="401 892 794 1035">Minimum Threshold</td> <td data-bbox="794 892 1315 1035"></td> <td data-bbox="1315 892 1883 1035">70%</td> </tr> </tbody> </table>	Functionality Criteria	Tenderers will be expected to score at least the minimum threshold per functional area to proceed to the next step	Total percentage allocated per functional area	Safety & Health	70%	100%	Minimum Threshold		70%
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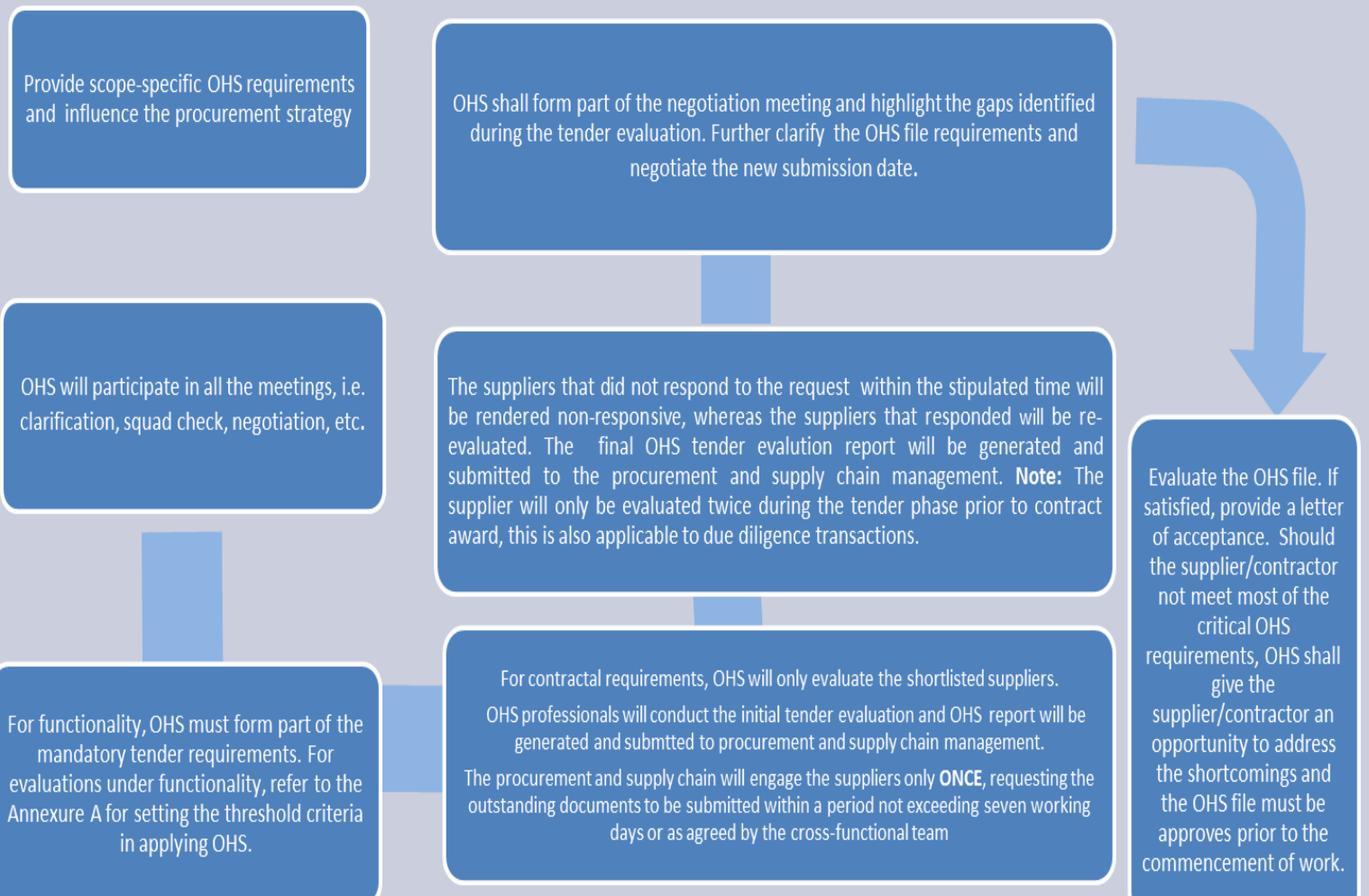
Standard Change Request (not required if it's a new standard)

Clause in existing standard	Proposed changes in the standard
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None

Appendix B

The process flow below shall be followed in implementing OHS in the procurement and supply chain processes.



Provide scope-specific OHS requirements and influence the procurement strategy

OHS shall form part of the negotiation meeting and highlight the gaps identified during the tender evaluation. Further clarify the OHS file requirements and negotiate the new submission date.

OHS will participate in all the meetings, i.e. clarification, squad check, negotiation, etc.

The suppliers that did not respond to the request within the stipulated time will be rendered non-responsive, whereas the suppliers that responded will be re-evaluated. The final OHS tender evaluation report will be generated and submitted to the procurement and supply chain management. **Note:** The supplier will only be evaluated twice during the tender phase prior to contract award, this is also applicable to due diligence transactions.

For functionality, OHS must form part of the mandatory tender requirements. For evaluations under functionality, refer to the Annexure A for setting the threshold criteria in applying OHS.

For contractual requirements, OHS will only evaluate the shortlisted suppliers. OHS professionals will conduct the initial tender evaluation and OHS report will be generated and submitted to procurement and supply chain management. The procurement and supply chain will engage the suppliers only **ONCE**, requesting the outstanding documents to be submitted within a period not exceeding seven working days or as agreed by the cross-functional team

Evaluate the OHS file. If satisfied, provide a letter of acceptance. Should the supplier/contractor not meet most of the critical OHS requirements, OHS shall give the supplier/contractor an opportunity to address the shortcomings and the OHS file must be approved prior to the commencement of work.

Thank you

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