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## C3.1: EMPLOYER'S SCOPE

### Contents

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## 1 Description of the services

### 1.1 Executive overview

The determination of land values to enable Eskom to acquire land and rights

### 1.2 Interpretation and terminology

The following abbreviations are used in this Scope:

Abbreviation	Meaning given to the abbreviation
ECSA	Engineering Council of South Africa
SACPCMP	South African Council for Project and Construction Management Professionals

## 2 Specification and description of the services

### INTRODUCTION

Eskom requires Land Rights for infrastructure development. These Land Rights are acquired through negotiations with Owners. Negotiations are subjective and it therefore necessary to establish objective principles and procedures to govern the acquisition of Land Rights. Valuations are required to establish the quantum of the servitude acquisition process. These valuations must adhere to all South African legislation and be defensible if required.

The Valuer must take into account all the relevant legislation, government policies, guidelines, applicable industry norms, business principles.

The overall and specific impacts of the infrastructure on the specific land with its unique attributes are taken into account with regard to the valuation of the Land Rights, and also certain other payments as provided for in legislation. The calculation of the consideration due to the Owner differentiates between the determination of Market Value and establishing financial loss.

### Types of Valuations Applied and Deliverables Required:

The Valuer may use the following methods or methodologies of valuation and may determine what the most appropriate method in a given situation will be:

- Strip valuation
- Site-specific valuation
- Economic valuation
- Actual Financial Loss valuation
- Comparative sales valuation

- Before-and-after valuation
- Income-based valuation
- Replacement cost valuation

### 3 The Valuation should include but not be limited to the following:

- Description of land use (strip/ or site) being valued. The following land use categories should be clearly differentiated in the valuation report
- Natural Grazing (veld), Cultivated Grazing (pastures), Cultivated Lands (different types i.e. maize, sunflower, vineyard, orchard), Arable Lands, Game Farms and Game Farm potential, Eco-Tourism and Eco-Tourism potential, Irrigated land, Residential, Commercial, Industrial, Communal Land, Other (to be specified).
- Methodology employed and justification for choosing the method applied
- Data analysis of comparable sales to determine the market related values for each land use identified
- Supporting documents (e.g. Photos, sales of recent similar properties and their values etc)

### 4 Valuation reports (Deliverables)

The terms of references should specify what is expected from valuation reports. Generally, the valuation report should include the following:

- Introduction
- Table of Contents
- The clients brief and purpose of the valuation
- Definition of value used
- Valuation approach
- Method of valuation
- The date(s) of valuation
- The date of inspection of the subject property
- Effective date of valuation
- Title deed information:
- Title deed
- Full description of property in terms of deed
- Registered owner
- Surveyor diagram of property
- Area of property
- Area required for purpose of valuation
- Land Use:

Grazing, Dry cultivated lands, Irrigation lands, Forestry, Orchards, Eco-tourism property, Hunting, Breeding, Vineyards, Urban properties, Industrial properties, Residential, Historic, Mining, Special use, Other

- Date of acquisition by present owner and Purchase price
- Bonds
- Servitudes
- Mineral rights (if applicable)
- Physical description:
  - Zoning
  - Situation
  - Nature of surrounding neighbourhood/area
  - Distances from important points
  - Availability of services and amenities
  - Historical background, applicable
  - Features of property, incl. dimensions, frontage contours, soil types, surface drainage, etc.
  - Climatic conditions and water supply, if applicable
  - Buildings and other improvements
  - Water supply and water rights
- Description of agriculture on the property:
  - Productive capacity and income potential - carrying capacity, soil fertility and irrigation
  - Farm budget (income and expenditure data)
- Establishment of comparables
- Market identification of property - potential and highest and best use
- Market conditions
- Comparable factors
- Comparable properties
- Application of comparables:

Effective valuation together with motivation - include all calculations showing how comparables have been applied. Asking prices, applicability of comparable, acceptance of data, capitalization rates, final adjustments

## **Conclusion and Certificate of Value**

The conclusion consists of the valuer's final judgement as to the value of the subject property. The Certificate of Value (or Valuers Certificate, Valuation Certificate, etc.) is a statement to the effect that the Valuer has reached her or his conclusion on the basis of considering all relevant factors, subject to stated assumptions and limiting conditions, and without prejudice due to any present or contemplated interest in the properties or the outcome of the valuation, Including professional registration details.

## **5 Constraints on how the *Consultant* Provides the Services.**

### **5.1 Management meetings**

Monthly progress reports to Task order Manager

Meetings of a specialist nature may be convened as specified elsewhere in this Scope or if not so specified by persons and at times and locations to suit the Parties, the nature and the progress of the *services*. Records of these meetings shall be submitted to the *Employer's Agent* by the person convening the meeting within five days of the meeting.

All meetings shall be recorded using minutes or a register prepared and circulated by the person who convened the meeting. Such minutes or register shall not be used for the purpose of confirming actions or instructions under the contract as these shall be done separately by the person identified in the *conditions of contract* to carry out such actions or instructions.

### **5.2 *Consultant's* key persons**

Not applicable

### **5.3 Provision of bonds and guarantees**

The form in which a bond or guarantee required by the *conditions of contract* (if any) is to be provided by the *Consultant* is given in Part 1 Agreements and Contract Data, document C1.3, Sureties.

The *Employer* may withhold payment of amounts due to the *Consultant* until the bond or guarantee required in terms of this contract has been received and accepted by the person notified to the *Consultant* by the *Employer's Agent* to receive and accept such bond or guarantee. Such withholding of payment due to the *Consultant* does not affect the *Employer's* right to termination stated in this contract.

### **5.4 Documentation control and retention**

#### **5.4.1 Identification and communication**

All issued Documents and progress reports will be returned to Eskom as per Task order

#### **5.4.2 Retention of documents**

All issued Documents and progress reports will be returned to Eskom as per Task order

### **5.5 Records and forecasting of expenses**

Not applicable

### **5.6 Records and forecasting of the Time Charge**

Not applicable

## 5.7 Invoicing and payment

The following details shall be shown on or attached to each Invoice to show how the amount due has been assessed:

[List them]

The *Consultant* shall address the tax invoice to The Task order compiler and include on it the following information:

- Name and address of the *Consultant* and the *Employer's Agent*;
- The contract number and title;
- *Consultant's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT;
- (add other as required)

[Add procedures for invoice submission and payment (e. g. electronic payment instructions)]

## 5.8 Contract change management

Not applicable

## 5.9 Inclusions in the programme

Not applicable

## 5.10 Quality management

### 5.10.1 System requirements

As indicated under quality requirements

### 5.10.2 Information in the quality plan

As indicated under quality requirements

## 5.11 The Parties use of material provided by the *Consultant*

### 5.11.1 *Employer's* purpose for the material

Not applicable

### 5.11.2 Restrictions on the *Consultant's* use of the material for other work

All issued documents remain confidential

### 5.11.3 Transfer of rights if Option X 9 applies

Only use this heading if Option X9 is included in the conditions of contract. NA

Read the first sentence of Option X9 and then state whether there is any exception to the ownership rights as may have been agreed with the *Consultant* prior to contract award. For example, ownership of some of the material may not be required or is excluded, or the ownership may be the subject of a separate licence agreement. If there are no exceptions, state there is no exception.

If other rights - per the second sentence of X9.1 - are required state these here.

The third sentence of X9.1 requires that the *Consultant* provide to the *Employer* the documents which transfer these rights to the *Employer*. It would be sensible to specify here exactly what documents the *Employer* is expecting the *Consultant* to provide, and may be even in what form they are to be provided.

State any other constraints on the *Consultant* relating to the transfer of rights. For example that the *Consultant* shall not challenge or assist any other party challenging at any time the validity or ownership of any of the intellectual property rights relating to the material created and developed for this contract.

## 5.12 Management of work done by Task Order

Only use this heading if main Option G applies to this contract.

Please read Option G before drafting requirements here as much of the procedure for the use of Task Orders is already provided in Option G. For example clause 55.1 specifies what a Task Order should include.

Information included here could be:

- That Task Orders will be prepared in the format stated in an Annexure attached to the Scope
- What the basis or formula will be for calculation of delay damages for a Task Order (if required).
- How expenses for a Task will be assessed and managed.
- (etc)

## 5.13 Health and safety

The *Consultant* shall at all times comply with the health and safety requirements prescribed by law as they may apply to the *services*.

## 5.14 Procurement

### 5.14.1 BBBEE and preferencing scheme

To be determined prior contract award

### 5.14.2 Other constraints

Not applicable

### 5.14.3 Preferred subconsultants

No sub-consultants

### 5.14.4 Subcontract documentation, and assessment of subcontract tenders



No sub-contractors

#### **5.14.5 Limitations on subcontracting**

No sub-contractors

#### **5.14.6 Attendance on Subconsultants**

Not applicable

#### **5.15 Correction of Defects**

Not applicable

#### **5.16 Working on the *Employer's* property**

##### **5.16.1 *Employer's* entry and security control, permits, and site regulations**

All reporting will be organised at Megawatt Park, virtual, or e-mail, no permits will be issued

##### **5.16.2 People restrictions, hours of work, conduct and records**

Not applicable

#### **5.17 Cooperating with and obtaining acceptance of Others**

Requirements for liaison with and acceptance from statutory authorities or inspection agencies.

#### **5.18 Things provided by the *Employer***

All the necessary Eskom documents and plans etc to complete the task

#### **5.19 Cataloguing requirements by the *Consultant***

Each line item shall be catalogued on the SAP system.

## **6 List of drawings**

### **6.1 Drawings issued by the *Employer***

This is the list of drawings issued by the *Employer* at or before the Contract Date and which apply to this contract.

Drawing number	Revision	Title
Various		All necessary sketches and plans will be provided for all individual task orders