



Scope of Works

Scope No.:

Provision of Stock/Collateral Management operations at external warehouse

Table of Contents

1	Background and Present Situation.....	3
2	Legislation, Standards and Codes of Practice.....	3
3	Foskor Specifications	3
4	Foskor Supplied Services	4
5	Scope of Work : Collateral Management	4
6	Scope of Work – Stock Monitoring.....	5
7	Pricing Structures.....	6
8	Other.....	6
9	Approvals.....	7

1 Background and Present Situation

Foskor (Pty) Limited has adopted a sales strategy of focusing on selling its granular fertilizer products within South Africa and the SADC region. As part of the strategy, granular fertilizer products will be placed under the collateral management/consignment stock arrangement at certain selected customers' warehouses in the region.

2 Legislation, Standards and Codes of Practice

Latest revisions or amendments of the listed codes and specification are applicable to this contract:

Number	Title / Description	Revision
	Occupational Health and Safety Act – Act 85 of 1993	
	ISO 9000 – Quality System Series	

All work listed in this scope of work shall be completed in accordance with the specifications and codes as listed above. It is the responsibility of the Tenderer to be in possession of the latest standards and codes as listed above in the execution of this project.

3 Foskor Specifications

Essential criteria:

Number	Title / Description	Revision
	Public Liability Insurance Cover	
	Worksman Compensation	
	Submit SOP's for all envisaged operations	

4 **Foskor Supplied Services**

It is accepted by Foskor and acknowledged by the contractor, that the contractor is entirely familiar with the characteristics of the cargo. A copy of the MSDS can be supplied on request.

5 **Scope of Work: Collateral Management**

In carrying out its duties as Collateral Manager, the contractor shall exercise all reasonable care and skill and shall act faithfully on behalf of **FOSKOR**, in particular the contractor shall:

- Inspect plans of the identified storage facilities, conduct both an external and an internal inspection of the facility and determine whether the facility is suitable for the safe and secure storage of the product.
- Supervise the intake of consignments into storage facilities and the discharge/usage of collateral stocks from the storage facilities.
- During the intake and discharge/use of the products, the contractor shall monitor the weighing of the products by the warehouse owner and shall ensure that the warehouse owner uses an as sized weighing facility which is properly and accurately calibrated at all times.
- Verification by the contractor of the figures of the weighbridge certificates in respect of the product concerned.
- Ensure that the product is stored in the storage facilities in an appropriate manner separate from other commodities in accordance with the local regulations applicable to the storage of the relevant products. The contractor shall assume responsibility for the products and conduct stock controls thereof for the duration of its tenure in the storage facilities.
- Ensure that the storage facilities are properly secure and zero contamination at all times.
- Perform inspections of each storage facility at a frequency necessary to ensure the security and cleanliness of same is appropriate for the storage of the products.
- Ensure that the storage facilities are properly and regularly cleaned in accordance with normal industry practices.

-
- Not grant access to the storage facilities to any persons unless so authorised in writing by **FOSKOR** save for authorised personnel.
 - On a daily basis perform a product stock take at each storage facility or as advised by **FOSKOR**, to reconcile the contents held at the storage facilities and deliver a report comprising a full reconciliation statement to **FOSKOR**, determining the volume and weight by means of specific weight records. The weight determination for the Product stored in bulk will be performed according to industry norms and in accordance with accepted industry specifications.
 - Keep proper and accurate records, whether accounting or otherwise, of all intakes of the Products on behalf of **FOSKOR**.
 - Monitor the despatch and consumption by the warehouse owner of such quantities of the product only as instructed in writing by **FOSKOR**,
 - Keep proper records, whether accounting or otherwise of all despatches of product from the storage facilities, providing details of the date of such despatches,
 - Issue warehouse receipts to the parties upon intake of the product into the storage facilities.
 - The contractor will be required to sign a SLA wherein they accept liability of loss of product in excess of 1% of the total consignment placed under collateral at a storage facility during the tenure of their appointment.

6. Scope of Work – Stock Monitoring

In carrying its duties as Stock Monitoring Manager, the contractor shall exercise all reasonable care and skill and shall act faithfully on behalf of Foskor, in particular the contractor shall:

- Inspect plans of the identified storage facilities, conduct both an external and an internal inspection of the facility and determine whether the facility is suitable for the safe and secure storage of the product
- Verification by the contractor of the figures of the weighbridge certificates at the receiving warehouses in respect of the product concerned to the dispatch reports as supplied by Foskor on a fortnightly basis.

-
- Perform inspections of each storage facility to ensure security and cleanliness of same is appropriate for the storage of the products. Any deviations to be brought to the attention of Foskor immediately.
 - On a fortnightly basis perform stock takes at each storage facility or as advised by Foskor, to reconcile the contents held at the storage facility and issue a report comprising of the full reconciliation statement to Foskor, determining the volume and weight by means of specific weight records. The weight determination for the product stored in bulk will be performed according to industry norms and in accordance with accepted industry standards.

7. **Pricing structure**

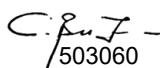
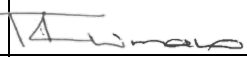


The contractor is invited to provide a fixed monthly contract fee, per warehouse which if applied will remain constant throughout the contract period, irrespective of the quantities moved in and out of the warehouse.

The contractor maybe required to perform duties 24/7 at collateral management facilities during peak planting season or as required, however such overtime to be mutually agreed upon

8. **Other**

- The contractor is to have insurance cover in accordance with industry standards and copies of current valid insurance certificates are to be provided to Foskor
- A re-iteration of the maximum 1% product loss tolerance at warehouses where product is stored under collateral management
- Foskor ships MAP from Richards Bay Port to Cape Town Port annually and the supplier is also required to quote for performing tally services at all intake warehouses and at the quayside during the vessel discharge.

9. Approvals

NAME	TITLE	SIGNATURE	DATE
Mr. Kwazi Buthelezi	Sales Co-Ordinator	 503060	21/02/2024
Ms. Thandeka Khumalo	Sales Manager: Acid	 18378	21/02/2024
Mr. Ravesh Dukey	Group Manager Sales & Marketing		22/02/2024
Mr. Musa Xulu	GM: Logistics, Shipping and Materials Handling	 12071	22/02/2024
Ms. Shantell Mackay	GM: Procurement		