

SCHEDULE B
Scope of Service

GENERAL

1. The subject of this Contract is the Provision of Pharmaceuticals, Laboratory Reagents, Medical Consumables, and Minor Instruments to Al-Khafji Joint Operations Hospital in Al-Khafji and the required staff for the operations of Bulk Store, Sub-Stores and Pharmacies as defined in this Contract.
2. The Contractor shall provide all labour, supervision and professional services, and materials, equipment, tools and the like for the supply of Pharmaceuticals, Laboratory Reagents, Medical Consumables, Minor Instruments, required Personnel and requisite services in accordance with the rules, regulations and policies of the Ministry of Health and appropriate regulatory agencies of the Kingdom of Saudi Arabia in order to ensure the smooth operations of Bulk Store, Sub-Stores and Pharmacies of KJO Hospital in high standards as specified in this Contract.
3. The Contractor, during the course of carrying out the responsibilities, shall be directed to achieve the following goals:
 - 3.1. Operating the Bulk Store, Sub-Stores and Pharmacies with full responsibilities for the flow and supply of materials and to supply the manpower to ensure smooth operation of the Bulk Store, Sub-Stores and Pharmacies as defined in this Contract.
 - 3.2. Provisioning of Pharmaceuticals, Laboratory reagents, Medical Consumables, Minor Instruments.
 - 3.3. Provision of material, supplies, consumables, minor instruments, spare parts, stationaries, and supplies required for the operation, management, and periodical and non-periodical repair and maintenance of all his equipment in the Bulk Store, Sub-Stores and Pharmacies. Company will not be liable for any arrangements or cost in this regard.
 - 3.4. Utilization and update of the Hospital Management Information System in relation to the KJO Bulk Store, Sub-Stores and Pharmacies.
 - 3.5. Operating the **Intra Vascular Mixing Room** for **Admixture of Medications**.
 - 3.6. Implementing the **Unit Dosing System**.

4. The Contractor and the Company shall mutually agree on the actual procedures for the procurement, delivery, storage and distribution of the Materials to end-users, and any and all other matters involving the performance of the Service, not otherwise covered by the provisions of this Contract.

DETAILED SCOPE OF SERVICE

Definition:

a) MATERIALS

Where used in this Contract, the word "Material" shall mean "Pharmaceuticals, Laboratory Reagents, Medical Consumables, and Minor Instruments"

b) PHARMACY:

Is the place for preparing, preserving, compounding and dispensing medical drugs and Medical Consumables to the patient and Nursing station.

c) BULK STORE:

Major warehouse responsible for proper storage and supply of Pharmaceuticals and Laboratory Reagents to the pharmacy and hospital departments.

d) SUB STORE:

Is the place in main pharmacy and OPD Annex pharmacy for proper storage of pharmaceutical and medical consumable items.

e) CONTRACTOR'S STORAGE FACILITY/IES:

Warehouse outside the KJO premises responsible for proper storage and supply of Consumables and Minor Instruments to the pharmacy and hospital departments.

- 1) All Materials to be supplied under this Contract shall comply with the relevant International Standards, for Quality, Safety and Efficacy. The **Pharmaceuticals** to be supplied under this Contract shall comply with the specifications of the Latest International Pharmacopoeias namely the British Pharmacopoeia and the United States Pharmacopoeia.

- 2) The **Materials** shall be registered in the Ministry of Health of the Kingdom of Saudi Arabia (**MOH - KSA**), and the Pharmaceuticals shall be listed in the Saudi Food and Drug Authority (**SFDA**).
- 3) The Contractor must import all materials through the Kingdom of Saudi Arabia. For this purpose, the Contractor shall possess all current requisite licenses and permits to import into and supply such materials in the Kingdom of Saudi Arabia. The Contractor shall, at own cost, be responsible for purchases of the Materials from inside and outside the Kingdom of Saudi Arabia, customs clearance, customs duties, taxes, freight, transportation charges, etc., as well as transportation and delivery of the same to the Company's stores in Al-Khafji.
- 4) The Contractor shall secure licenses for Narcotics and Controlled drugs from MOH of the Kingdom of Saudi Arabia wherever applicable prior to the importation of such Materials from their manufacturers through their authorized agents.
- 5) Procurement of any Material not listed in SCHEDULE C:
 - a) In the event the Contractor is required to procure any Material not listed in SCHEDULE C, the MOH – KSA quoted prices shall be applied, and for the items which are not covered under MOH – KSA Price list, the Contractor shall submit a proposal with a minimum of three quotations from multiple suppliers based in KSA and/or Kuwait, except for sole suppliers for the cost of such additional Materials for Company's approval. The Company shall reimburse the Contractor the actual verifiable cost including customs duties, taxes, freight and insurance charges plus 10 per cent of the actual verifiable cost for Contractor's other costs and profit. This price for the additional items procured shall be fixed throughout the Service Period.
 - b) If the Company makes any arrangement/agreement with any supplier for the provision of supply of equipment with reagent deal, the Contractor shall procure the reagents from the same supplier throughout the Service Period. For the existing reagent deal arrangements/agreements, the list of which are referred in Annexure to Attachment 2 to Schedule C under reagent deal (B), the Contractor shall adopt the price provided by the Company.
- 6) The Contractor shall strictly comply with MOH - KSA directives regarding importation and inspection of human blood products, and shall enclose the necessary certificates of clearance tests.
- 7) The Contractor will be allowed to utilize/operate the Bulk Store, Sub-Stores, and Pharmacies of KJO Hospital throughout the Service Period including

- the built in refrigerators, shelves, furniture, equipment for material storage and dispensing.
- 8) Since the Bulk store is used only for the storage and supply of Pharmaceuticals and Laboratory Reagents, the Contractor shall, at its own cost and responsibility, maintain facility/ies outside the KJO premises for the storage and supply of Medical Consumables and Minor Instruments to the hospital departments.
 - 9) The Contractor shall, at its own cost and responsibility, maintain the Bulk Store, Sub-Stores and Pharmacies, including appliances, equipment, shelves, furniture, built in refrigerators and any other assets in good working condition and the same shall be handed over to the Company in the same condition he received them except for normal wear and tear.
 - 10) The Contractor shall perform the periodic and non-periodic repair and maintenance of his own equipment, while the Company shall perform the periodic and non-periodic repair and maintenance for the building of the Bulk Store, Sub-Stores, and Pharmacies and the Company-provided equipment, except for any repair or maintenance requirements arising due to misuse by the Contractor or his staff.
 - 11) If it is deemed necessary for the Contractor to add any appliances, equipment, furniture, or to do any modifications in the site, the Contractor shall seek prior written approval from the Company. The Company will not be liable for any arrangements or cost in this regard.
 - 12) It is the Contractor's responsibility to provide the security and cleaning services to the Bulk Store, Sub-Stores and Pharmacies and any other additional facilities provided by the Contractor. The Company will not be liable for any arrangements or cost in this regard.
 - 13) Company representative/s or external auditor/s must have an access to the Bulk Store, Sub-Stores, and the Pharmacies and any other additional facilities at any time to inspect the site and to get random samples of the materials or swab to be verified and inspected by the Company.
 - 14) It is the Contractor's responsibility to deliver the material to KJO Hospital Pharmacies, Wards and patients by his staff and using the proper trolleys which will be provided by the Company.
 - 15) The Contractor shall maintain proper storage conditions in the Bulk Store, Sub-Stores, Pharmacies and any additional storage or dispensing facilities as per MOH – KSA standards.

- 16) Material packages shall have the necessary information including but not limited to scientific name, trade name, manufacturer details, batch number, date of manufacture, expiry date, mode of storage, and leaflet in English and Arabic describing guidelines for use and side effects and precautions, etc.

Furthermore, the Contractor is required to use the Barcode system of KJO Hospital for labelling and scanning the Materials.

The Contractor has to ensure that all Materials will be labelled by Company barcode at the delivery time to the Pharmacy, Wards or Patients of KJO Hospital without any exception.

The Contractor must generate a quarterly report and submit it to the Company including all the materials that will expire within the next three months. The Company will not be liable to reimburse the Contractor for any cost related to the expired items.

- 17) When issued to KJO Hospital Pharmacies, Wards or Patients, the Material shall have at least two thirds (2/3) of shelf life.
- 18) In the event that there are MOH - KSA's scientific report of adverse reactions, unacceptable side effects, or technical problems related to any Material, or in the event that the Company Hospital Departments noticed unusual changes in the Material, the Company reserves the right to cancel such Materials from the list, return the rest of the quantity, and reclaim its cost from the Contractor and to request the Contractor to deliver substitute items within seven (7) days.
- 19) All Materials shall be delivered to the Company's designated Warehouses in Al Khafji according to the following specifications:
- a. All Materials shall be supplied in the temperature specified on the package, or else the Material shall not be accepted.
 - b. Vaccines and serums whose validity does not exceed two years shall be imported in the temperature specified on the package and as per MOH - KSA regulations.
 - c. Both Material's container and package shall bear the manufacturer details, scientific name, concentration, batch number, date of manufacture, expiry date, quantity, unit of measure and method of storage.
- 20) The Contractor will be responsible for dispensing the Materials directly to KJO Hospital patients in accordance with the prescription issued by the

doctors 24 hours/day, seven (7) days/week including weekends and holidays.

Furthermore, the Contractor shall issue the materials to KJO Hospital wards upon receiving the request from wards on regular distribution schedules, any other urgent requests from wards whenever needed and on call basis for emergency needs.

Moreover, the Contractor shall, at his own risk, cost and responsibility, collect and dispose all Material waste including pharmaceutical waste in accordance with the relevant Industry norms (MOH or KJO requirements or any other acceptable international standard). The Contractor shall comply with all applicable health and safety measures for collecting and disposing the Material waste at its own risk and cost.

21) **Company's Stock of Materials Existing at the Commencement of the Service**

During the Mobilization Period, the Company and the Contractor shall jointly prepare an inventory of the Company's existing stock of materials, which shall be handed over to the custody of the Contractor. The Contractor shall dispense these Company's materials ahead of his own stock, on a first-in, first-out basis, until the Company's stocks are consumed. **The Contractor shall not be entitled to invoice the Company for any such existing materials or any cost related to the maintenance, custody or distribution of such Materials.**

22) **Minimum Stock Levels**

The Contractor shall, throughout the Service Period, maintain stock levels as stated below, in the Bulk Store, Sub-Stores and Pharmacies of KJO Hospital and in his additional stores which will be operated by the Contractor and monitored by KJO Hospital representatives, until ninety (90) days prior to the expiry date of the Service Period.

During the above ninety (90) days period, the Contractor is not required to accumulate his stock Materials to the minimum stock levels requirement unless the Company's instructs otherwise in writing, provided, that the Contractor shall in no event be relieved of its obligation to continuously supply the required Materials to the Company throughout the Service Period.

In the event that the Contractor is requested to procure any Material not listed in SCHEDULE C, the Contractor shall submit his proposal for such additional Materials as required for Company's approval within 30 Days of

the request, and on approval of the same, the requested material shall be supplied/available within 30 Days of the said approval, and the stocks shall be maintained throughout the remaining Service Period. The Contractor shall be in breach of the Contract, should he fail to comply with this clause and same will be construed as failure to maintain the sufficient stock level, as defined below.

The minimum stock level requirements are as follows:

For locally sourced items, the Contractor shall maintain stock levels sufficient for sixty (60) days consumption based on tracking reports and forecasts.

For imported items, the Contractor shall maintain stock levels sufficient for one hundred twenty (120) days consumption based on tracking reports and forecasts.

The Company has the right to request the Contractor to adjust the minimum stock level as per hospital requirement and forecast without any obligation to the Contractor. In such case, the Contractor shall adjust the minimum stock level within fourteen (14) days from the date of receipt of Company's request for locally sourced items and within twenty-eight (28) days from the date of receipt of Company's request for Import items respectively.

- 23) The Contractor shall, at his own cost and responsibility, and without any assistance from the Company, prepare and arrange suitable transport as per manufacturers' requirements and MOH - KSA requirements, labour, customs clearance including customs duties and detention charges, get any and all required license or permit for his own staff and any other matters necessary for the delivery of the Materials to the Company's designated Warehouses or for the operation of Company Bulk Store, Sub-Stores and Pharmacies, including any other facilities or services provided by the Contractor according to this Contract.
- 24) The Contractor shall dispense the medicines to KJO Hospital Wards and Patients using the **Unit Dosing System** according to the quantity and dosage that is mentioned in the prescription issued by the treating doctors. The Contractor shall maintain a copy of such prescription in his records.
- 25) The Contractor shall dispense the medicine in zipper bags, not in manufacturer's box, with a printed sticker that clearly indicates the manufacturing date, expiry date, batch number and instruction to the patient, and the patient's name and file number affixed on it.
- 26) The Company Representative and/or his designated representative shall inspect the delivered and issued Materials at the Company's Bulk Store,

- Sub-Stores, Pharmacies and any additional Warehouses upon delivery, issuance or at any time without prior notice to the Contractor, and shall accept or reject such Materials. Should any Material delivered be rejected as the Material is not according to any of Company requirements as mentioned in this Contract, MOH - KSA requirements, Manufacturers' requirements or International Health Standards requirements, the Contractor shall withdraw and replace such Materials at his own cost and responsibility within three (3) working days.
- 27) The Contractor shall always utilize and update the Company's Hospital Management and Information System (HMIS) on a daily basis when delivering and dispensing the materials to/from the Bulk Store, Sub-Stores and Pharmacies of KJO Hospital wards and patients. The Contractor shall also generate and provide every single statistic, report or forecast to the Company on regular basis as per Company's instructions, and whenever requested by the Company for the observations, planning and/or budgetary purposes.
- 28) The Contractor shall, at his cost and responsibility, provide the required computers, printers, spare parts, supplies, labels, stationeries, consumables, materials etc. that are necessary to execute the scope of this Contract and for the effective utilisation of Hospital Management Information System (HMIS) that includes but may not be limited to data entry, report generation etc. Also, the Contractor shall be responsible to perform the periodic and non-periodic repair and maintenance of all his equipment and to do any upgrade whenever needed or requested by the Company without any cost impact to the Company.
- 29) In the event that the Contractor fails to maintain sufficient stock level, as defined under paragraph 22 above, or fails to supply the Material to the Company (KJO Hospital Pharmacies, Wards or Patients), the Company reserves the right to procure the same quantity from other sources and charge to the Contractor any amount in excess of the Contractor's quoted price and other incurred expenses that the Company may have to incur to procure the required items, without prejudice to any other remedies that the Company may have under the Contract or at law.

Moreover, in the above event, the Company shall deduct the amounts indicated below from any amount due and payable to the Contractor, for each day of such delay in supplying the required item or failure to maintain the required minimum stock levels. The deduction shall start from the date the request is made by the Company (KJO Hospital Pharmacies, Wards or Patients), or the date when the Company notified the Contractor of the deficiency in the stock levels, until the date when the Contractor actually delivers the delayed items or meets the required minimum stock levels of

the items concerned, or when the Company has actually procured the required items from other sources:

- (i) For the first ten (10) days of delay in supplying the requested item or failure to meet the required minimum stock level for any item:

An amount equal to zero point one per cent (0.1%) of the quoted prices for all required quantities per day, subject to a minimum amount of United States Dollar Fifty (US\$100) per day per item.

- (ii) For delays in supplying the requested item or failures to meet the required minimum stock level for any item, beyond ten (10) days:

An amount equal to zero point two per cent (0.2%) of the quoted prices for all required quantities per day, subject to a minimum amount of United States Dollar One Hundred (US\$200) per day per item.

Notwithstanding the foregoing provisions, the additional deductions shall in no event exceed ten per cent (10%) of the quoted prices for all required quantities per occurrence.

In the event that the Contractor is requested to procure any Material not listed in SCHEDULE C, the Contractor shall submit his proposal for such additional Materials for Company's approval within 30 Days of the request. The Contractor shall be in breach of the Contract, should it fail to submit the proposal as required, and US Dollar Two Hundred (\$ 200) shall be applied as a penalty for each day of delay from the date of the request made by the Company.

- 30) If the Contractor continues to fail to deliver any requested item, or to maintain the minimum stock level required for any item for five (5) times within one Gregorian calendar year (based on the anniversary date of the Contract), the Contractor agrees and understands that the Company, at its sole discretion, shall have the right to terminate the Contract, without prejudice to any other remedies that the Company may have under the Contract or at law.
- 31) In the event that any Material is withdrawn by the official authorities or its manufacture is discontinued by the Manufacturer, the Contractor shall immediately inform the Company in writing of such withdrawal or discontinuity and shall furnish to the Company the necessary documentations along with a proposal suggesting suitable alternative Material in place of the withdrawn or discontinued Material that will meet the Company's requirements, for Company's approval, and on approval of the same in writing by the Company, such material shall be supplied or made available by the Contractor within 30 Days of the said approval. The

Contractor shall be in breach of the Contract should it fail to comply with this clause and the same will be construed as failure to maintain the sufficient stock level, as defined under paragraph 22, and if appropriate, the Company shall deduct the amounts as indicated in paragraph 28 (i and ii) above accordingly.

In the event that any Material listed in the SCHEDULE C or any additional item which is approved later becomes temporarily unavailable in the market due to some reason which is beyond the Contractor's control, the Contractor shall immediately inform the Company in writing of such market situation with necessary documentations and a proposal of suitable alternative Material that will meet the Company's requirements. On Company's approval, the contractor shall maintain the stock level of the said alternative Material as defined in paragraph 22 above. In such cases the Contractor shall furnish a report pertaining to the availability of the listed/additional approved item in every calendar month from the date of the approval of alternative substitute as a temporary arrangement and the Company will not take the cost and responsibility of any excess stock of such alternative items. On the availability of the listed Material, such alternative items shall be replaced from the stock accordingly.

- 32) At the Company's discretion and judgment, any material issued by the Contractor to the KJO Hospital Wards or Patients could be returned to the Bulk Store or the Pharmacy if the said material is deemed not necessary to be kept in the Ward or by the Patient, provided that the material shall be in the same condition as it was received from the Contractor's Bulk Store or Pharmacy. In such cases, the value of the materials returned to the Contractor shall be deducted/removed from the Contractor's monthly invoice.

Upon the Company's request, the Contractor shall implement the Company's Policy, Procedure or Decisions pertaining to the stock maintenance and/or issuance of any Material to the KJO Hospital or patients at any time during the Service Period.

33) Contractor's Purchased Materials at the Expiry of the Service Period

At least ninety (90) days prior to expiry of the Service Period, the Company shall have the option to signify its intention in writing to purchase any or all of the Contractor's stock of Materials remaining at the end of the Service Period, except expired items or those with less than 2/3 of their shelf life.

Within thirty (30) days from receiving the Company's written notice, the Contractor shall prepare an inventory of all Materials to be transferred to the Company for the latter's verification and acceptance.

If the Company does not exercise such option, the Contractor shall remove any remaining materials not purchased by the Company from the Company's premises at the end of the Service Period unless the Contractor has negotiated and agreed with the incoming contractor regarding the transfer of the said unsold remaining stocks to the incoming contractor.

- 34) The Contractor shall, at its own cost and responsibility, arrange a refrigerated vehicle for transporting medications and vaccines as and when required by the Company.
- 35) **Hand-over to the next Contractor**

The Company reserves the right to request the Contractor to transfer the sponsorship of the Contractor's Personnel during the hand-over period to the new contractor's sponsorship, and the Contractor shall have the obligation to transfer the sponsorship to the new Contractor without any delay or exceptions. In such cases, no financial obligations shall accrue upon the Company or the forthcoming contractor to the benefit of the Contractor. In the event of non-compliance, the Company reserves the right to hold the remaining payments to the Contractor, and/or to confiscate the Performance Bond.

II. **PERSONNEL**

- 1) The Contractor shall hire the required, sufficient and capable number of staff as per MOH - KSA regulations in the Bulk Store, Sub-Stores and Pharmacies to meet Company requirements, to operate the Bulk Store, Sub-Stores and Pharmacies 24 hours a day, seven (7) days a week including weekends and holidays, and to ensure the smooth operation in dispensing the materials to KJO Hospital patients, pharmacies and wards, subject to the minimum requirements stated in Attachment 1 to SCHEDULE B. The Contractor shall ensure that a fully qualified Pharmacist shall be available in the Pharmacy 24 Hours of day, seven (7) days a week. For this purpose, the Contractor warrants that the minimum number of Personnel required in Attachment 1 to SCHEDULE B, is sufficient for the smooth performance of the Service.
- 2) The Contractor shall give priority in employment to Saudi/Kuwaiti nationals particularly those Saudis and Kuwaitis who are employed by the current Contractor. For this purpose, the Contractor shall be solely responsible to negotiate with these personnel and/or their current employers, without the involvement of the Company, provided that regardless of the Contractor's agreement for the employment of such personnel, the Company shall not be liable to compensate the Contractor for any amount in excess of the rates quoted by the Contractor in Attachment 4 to SCHEDULE C of this Contract (Consideration for Personnel).

- 3) Upon the Company's request, the Contractor shall provide any additional personnel as may be necessary for the proper performance of the Service.
- 4) While the Contractor is required to perform service continuously for 24 hours a day, 7 days a week, the Contractor's personnel shall report at the Company's designated offices during the Company's regular working hours, on the basis of 48 hours per week, except during the month of Ramadan, when work is on the basis of 36 hours per week.

Nonetheless, the Project Director shall be accessible to the Company's communications 24 hours/day, seven days/week.

The Company reserves the right to adjust the work schedule of the Contractor's Personnel depending on the Company's requirements.

- 5) Should any one of the Contractor's Personnel stated in Attachment 1 to SCHEDULE B be absent without the Company's written approval, request or agreement, the Company shall, deduct an amount of United States Dollars One Hundred (\$100) per person for each day of absence until a day prior to the re-joining of the Contractor's Personnel on duty, from any amount of money due and payable to the Contractor under this Contract, as a penalty.
- 6) The Contractor shall guarantee to all his personnel under this Contract a monthly minimum basic salary set out in Attachment 1 to SCHEDULE B. The Company reserves the right to verify the payroll of the Contractors' employees. In the event of any non-compliance with the payment due Contractor Personnel, the Company may withhold payment or deduct from any payment due to the Contractor up to the amount of such non-compliance by the Contractor until compliance with the same.
- 7) **Uniforms**

The Contractor shall, at his own cost and responsibility, provide at least three (3) sets of uniforms per year for all its Personnel working at the Hospital. This shall include but not be limited to Pharmacist coats, Assistant Pharmacist uniforms, as well as necessary safety apparel.

The Contractor shall make a list of all items including uniforms issued to the Contractor's Personnel for record purposes and ensure that all Contractor's Personnel are properly and professionally attired at all times, including name tags. Female uniforms shall conform to Islamic traditions.
- 8) The Contractor shall, at his own cost and responsibility, recruit female pharmacist/s to dispense the materials to the female patients through the

designated dispensary female window, and male pharmacist/s for dispensing the materials to the male patients through the designated dispensary male window in the pharmacy.

- 9) If, in the Company's judgment, the number of the Contractor's Personnel is insufficient and affecting the smooth operations in the Bulk Store, Sub-Stores and Pharmacies, the Company has the right to request the Contractor to increase the number of Personnel. In such case, the Contractor must complete the recruitment process for the requested Personnel within (30) thirty days of the receipt of the said request and on failure of which the Company shall deduct such amounts as indicated in paragraph 4 above. The Company will not be liable for any arrangements or cost in this regard.
- 10) Education & Training Programmes
- a) The Contractor shall conduct educational and training programmes for the development of his own Personnel, and for all KJO Hospital professionals inside the KJO Hospital without any additional cost to the Company.
- b) The Contractor shall conduct and or participate in National/International Health day celebrations at KJO Hospital without any additional cost to the Company.
- 11) **Seconded Staff**
- 8.1. The Company reserves the right to second any personnel to the Contractor at the Company's expense.
- 8.2. The seconded employees are the national or non-national employees who hold posts of Deputy Chief Pharmacist, Pharmacist, Pharmacy Assistants, medical technicians, and others.
- 8.3. The following provisions shall apply concerning such seconded staff:
- a) Each seconded employee shall take the job title assigned to him/her by the Contractor within his/her field of specialty and in fulfilment of the approved current hospital job structure. This shall be concurred by the Company.
- b) The Contractor shall assign each seconded employee the tasks and duties consistent with his/her competence level and specialty. This shall be concurred by the Company.

- c) Each seconded employee shall satisfy the minimum requirements for the job offered by the Contractor. This shall be concurred by the Company.
- d) The seconded employees shall work in accordance with the Contractor's work schedule.
- e) In case any extra hours of work are incurred due to discrepancy of the Company and the Contractor's work schedules, the Company shall compensate the seconded employees for the extra hours worked.
- f) The seconded employee shall work according to the established Hospital policies, procedures, protocols, and technical standards and experiences.
- g) The seconded employees shall abide by all rules, regulations, and instructions of the Company.
- h) Each seconded employee shall report directly to his/her immediate Job Supervisor in allocation of work, and duty rosters.
- i) Each seconded employee shall keep his/her respective Job Supervisor advised for work activities.
- j) Each seconded employee shall be evaluated by his/her Job Supervisor. The Job Supervisor shall submit monthly confidential evaluation reports to the Manager, Medical Services Department (MMS).
- k) Short leaves of absence from work, e.g., temporary short leaves of absence from the place of work for personal matters, may be asked for and granted by the seconded employee's Job Supervisor.
- l) Annual and emergency leaves shall be applied for in Company's Application and Authorization for Leave Form, signed by the Job Supervisor and authorized by MMS.
- m) In case of absence for any length of time, a seconded employee shall report to his/her Job Supervisor or MSD. In case the Company's Employee Relations Department (ERD) or Medical Service Department (MSD) were notified, the Contractor shall be informed as soon as possible.

- n) Any absence of a seconded employee from work for any length of time without prior approval from the Contractor shall be reported to MMS immediately.
- o) If a seconded employee is absent due to an emergency medical condition, he/she should justify this absence by submitting the necessary medical reports to the Contractor the sooner he/she is back.
- p) The Contractor shall submit all medical reports, sick leaves granted, and any details to MMS for verification and processing with ERD.
- q) The Contractor, if deemed necessary, shall assign supervisory responsibilities to any of the seconded employees according to his/her competence level. This shall be concurred by the Company.
- r) Personal matters of a seconded employee including grievances shall be submitted through his/her Job Supervisor, and shall be handled according to the Contractor's rules and regulations.
- s) If the grievance involves the Job Supervisor, it shall be submitted to the next higher-ranking Contractor's officer.
- t) If the grievance involves the Contractor, it shall be addressed to MMS in writing with full supporting documents.
- u) Disputes or complaints against or involving the Company seconded employees shall be submitted to MSD.

III. WORK POLICIES AND PROCEDURES

- 1) It is the Contractor's responsibility to ensure its compliance with any and all MOH - KSA and Company requirements including and not limited to requirements such as the infection Control, ISO and JCIA requirements. In case of any failure in this regard, Contractor has to respond and to implement any requirement by the Company within three (3) days. Company will not be liable for any arrangements or cost in this regard.
- 2) The Contractor must provide documented evidence of Policies, Procedures, Work Instructions, Protocols, and Guidelines that conform to International Standards of best practice, the ISO 9001: 2000 QMS and ISO 14001: 2004 EMS Standards, JCIA Standard as well as the KJO Hospital Quality Management System.

Documented processes for Risk Assessment, Risk Management, and Risk Control will be provided, and these processes should be reported to the Company and/or Hospital Contractor as required through Committee and Sub Committee.

- 2.1. Subject to 3rd party audit by KJO Hospital Quality Assurance (QA) Department.
 - 2.2. Policies and processes for verification of purchased product.
 - 2.3. Policies and processes for evaluation and selection of suppliers.
 - 2.4. Policies and processes for identification and traceability.
 - 2.5. Policies and processes for preservation of product.
 - 2.6. Policies and processes for non-conforming product / service including customer complaints.
 - 2.7. Policies and processes for records keeping for complying with M.O.H. – K.S.A. regulations in relation to the scope of service.
 - 2.8. Policies and processes for reporting methodology in relation to purchasing process, performance measures, and continual improvement opportunities.
- 3) The Contractor has to participate physically and in a positive manner in all required committees by the Project Director in order to upgrade and improve the services of KJO Hospital. (E.g. Therapeutic Committee, Consumable Committee and Capital Equipment Committee).

4) Safety Management Program

The Contractor shall have a designed Safety Management Program to provide a physical environment free of hazards to staff, patients and visitors, and to manage staff activities in order to reduce the risk of human injury. Such Safety Management Program designed by the Contractor shall be subject to approval by KJO. The Contractor shall ensure that such Safety Management Program is effectively implemented at its own risk and cost.

5) Use of Company Property

- a. During the Mobilization Period, the Contractor and the Company shall, at his own cost and responsibility, inspect and make an inventory of all Company properties to be made available to him as part of this Contract

for the performance of the Service. This list has to be checked and approved by the Company. The Contractor shall maintain such inventory during the Service Period.

- b. Subject to the provisions of Paragraph 32 of Item I above (Contractor's Purchased Materials at the Expiry of the Contract), upon the expiration of the Contract, the Contractor shall remove all his consumable materials, spare parts and supplies which were not purchased by the Company. However, any immovable (fixed) fixtures, facilities and improvements introduced by the Contractor, which are affixed to the Company's buildings and premises in such manner that their removal would cause any damage to the said buildings and premises, shall not be removed by the Contractor unless approved by the Company in writing. The Company, in this instance, shall not compensate the Contractor separately for the value of such items, which will become the property of the Company without any additional reimbursement or compensation to the Contractor. The parties acknowledge and agree that the value of such immovable items is considered to be part of the consideration to be paid to the Contractor under SCHEDULE C of this Contract.
 - c. None of the Company's properties shall be used to execute any other work beyond this Contract unless it is cited in the Contract or the Company's written approval is obtained.
 - d. The Contractor shall be responsible for any loss, destruction and damage resulting from the mismanagement or negligence by any of Contractor's personnel during the use, maintenance, repair and protection of Company properties.
 - e. The Contractor shall provide the Company with a statement regarding:
 - Loss, damaged or destroyed properties
 - The date and the cause of the loss or destruction
 - Countermeasure to cope with the loss
- 6) In the event of any variation at the end of the Contract, despite the execution of the aforementioned conditions, the Contractor shall report to the Company any shortage in the Company's property. In such an event, the Company shall refer to the Contractor for fair compensation for any loss or shortage in the Company's property. This Article excludes the personal properties owned or bought by the Contractor, his personnel or sub-contractors.

7) Standards and Programs

The Contractor shall, at his own cost and responsibility:

- 7.1. Maintain detailed documentation including Operators and Service Manuals, routine performance data, alarm and fail data on all systems and equipment under its care, custody and control.
- 7.2. Assure safety reliable performance of all systems stated above and shall keep the same in a clean, calibrated, adjusted and in good working condition.
- 7.3. Develop, implement and conduct Maintenance Program based on a Routine and Preventive Maintenance Program, to prevent the occurrence of defects and to detect deficiencies and take corrective action before causing any damage to the Hospital.
- 7.4. Maintain concise and detailed records of the scheduled Preventive Maintenance performed, deficiencies detailed and remedial actions taken.

In addition to the above stated, all repair work performed shall be in accordance with the Company approved procedures and associated documentation shall be submitted to the Company as needed, for review and record purposes.

- 8) It shall be the Contractor's responsibility to carry out all actions necessary to conform to Standards, Regulations and Inspection Procedures such as the ones defined by the MOH - KSA, International agencies, the Company and Saudi Arabian Civil Defence, Quality Assurance Department of KJO Hospital including JCIA, ISO and Infection Control requirements.
- 9) The Contractor shall observe the regulations/instructions of the MOH – KSA or other relevant Government Organizations for the Contractor's planning and conducting the maintenance, repair and replacement of medical and non-medical equipment and facilities in the Hospital as defined in this Contract.
- 10) Unless otherwise directed by the Company, the Contractor shall, at its own cost and responsibility, procure as needed and maintain a thirty (30) day stock for items available domestically or a ninety (90) day stock for items not available domestically of approved quantities of spare parts, including those furnished with the Hospital by the Company.
- 11) The Contractor shall ensure that all instruments under its custody are calibrated in conformance to standard industry practices and as per

- manufacturer's recommendations. The relevant documentation shall be maintained.
- 12) The Contractor shall ensure that the Bulk Store, Sub-Stores and Pharmacies passages, rooms and the receiving areas during and after working hours are accessible and available for Hospital staff and patients to pass through. He shall ensure that the equipment, instruments and building and maintenance materials are safely stored.
 - 13) The Contractor shall rectify any work which the Company deems as unsatisfactory without cost to the Company and without any objection or delay on the part of the Contractor. The Contractor shall shoulder all the defects resulting from the cessation of any facility or service as a result to any negligence on his part.
 - 14) Audits shall be undertaken, when deemed appropriate by the Company, to assess the extent of the Contractor's compliance with the approved policies and procedures for maintenance.
 - 15) **Preventive Maintenance**
 - 15.1. The Contractor shall, at its own cost and responsibility, maintain detailed documentation, including Operators and Service Manuals and As-built drawings, for all the medical and non-medical equipment in the Bulk Store, Sub-Stores and Pharmacies using related information provided to the Contractor by the Company and by the current contractor at the commencement of the Service. The Contractor shall install or supervise installation, and maintain documentation on all the Contractor-purchased, or the Company-owned medical and non-medical equipment, during the term of the Contract, if any.
 - 15.2. For other medical and non-medical equipment purchased/supplied by the Contractor, a "Permissible to Use Certificate" shall be obtained from the Company prior to installation and use.
 - 15.3. To assure safe and reliable performance of the Service, all equipment related directly or indirectly to patient care shall be kept clean, calibrated and adjusted, proper working, and fully operational using in-house staff and test equipment.
 - 15.4. For all medical and non-medical equipment in the Bulk Store, Sub-Stores and Pharmacies, a computerized and planned Maintenance Program, covering methods and frequency of testing and verifications and operational specifications and lists of required spare parts to be stored shall be established by the Contractor at his own

cost and responsibility, based upon safety requirements, performance criteria and manufacturer's claims. Such testing and verification shall apply to both fixed and mobile equipment and shall be consistent with the manufacturer's recommendations and standards promulgated by the recognized technical organizations, such as the National Fire Protection Association, as well as the requirements published by the Ministry of Health and/or the Company. Building management and preventive maintenance shall be planned and performed in compliance with the minimum requirement as set out in Article 7 of this SCHEDULE B to this Contract which shall be the minimum requirement therefore. The Contractor shall submit his detailed plan thereof for Company's approval within the period of time agreed by both parties after the Company issues the notice for the Contractor to commence Mobilization.

15.5. An effective system for determining electricity leakage, assuring proper grounding/earthing and other device-safety requirements, and providing appropriate corrective measures, shall be developed and implemented by the Contractor.

15.6. The Contractor shall maintain concise as well as detailed records of all preventive and corrective maintenance procedures performed on all medical and non-medical equipment and shall list all spares used. For all new equipment purchased proper acceptance testing must be carried out, witnessed and approved by Company representative(s).

16) **Hand-Over to Next Contractor**

Towards the end of the Service Period, the Contractor shall assist the Company to hand over the Bulk Store, Sub-Stores, Pharmacies, equipment and facilities to the forthcoming contractor for operation of the Bulk Store, Sub-Stores and Pharmacies as requested by the Company. Such assistance shall be the Contractor's obligation under the Contract and no payment thereon shall be given to the Contractor.

The Company reserves the right to request the Contractor to transfer the sponsorship of the Contractor's Personnel during the hand-over period to the new Contractor's sponsorship, and the Contractor shall have the obligation to transfer the sponsorship to the new Contractor without any delay or exceptions. In such cases, no financial obligations shall accrue upon the Company or the forthcoming contractor to the benefit of the Contractor. In the event of non-compliance, the Company reserves the right to hold the remaining payments of the Contractor, and/or to confiscate the Performance Bond

17) **Storage**

The following Articles detail specific requirements for storage of items for which storage requirements are not self-explanatory or have not been dealt with elsewhere in this Contract.

- a) Flammable or oxidizing items of supply, if stored within a warehouse, shall be stored in a separate area from other warehouse items and shall appropriately be marked with warnings and "No Smoking" signs in both English and Arabic languages. The Contractor shall be responsible for ensuring that adequate precautions are taken with this classification of supplies. Items with limited shelf life shall be carefully controlled to ensure that those items bearing the earliest expiration date are issued first.
- b) Upon receipt at the warehouse, exterior of the cartons shall be prominently marked with the expiration date of the item. Supplies bearing an expiration date shall not be issued after that date. As a general policy, the principle of first-in, first-out shall be applied to all issues.
- c) Corrosives shall be stored in an area of the warehouse or store specifically allocated for the storage of such items. This area shall be segregated from other areas of the warehouse, be well ventilated and delineated by notices and warning signs that corrosive items are stored therein. Precautions shall be taken to monitor and rectify any leakage or spillage that may occur with these items.

18) **Records Maintenance**

- 18.1. The Contractor shall, at his own cost and responsibility, establish and maintain mechanized permanent control records, for all the Company property provided to the Contractor, including property, which may be in the possession of or under the control of sub-contractor(s).
- 18.2. Property control records shall contain locator schemes or techniques to permit the location of any item of the Company property, whether this be distributed on the site or held in stock in a warehouse or store.
- 18.3. The Contractor's property control records shall be audited by the Company as frequently as conditions warrant. Such audit may be taken at any time during the performance of the Contract, upon completion or termination of the Contract, or at any time thereafter, during the period the Contractor is required to retain such records. The Contractor shall make all such records, including

correspondence related thereto, available to the auditors upon request.

19) Other Requirements during the Mobilization Period

19.1. The Mobilization Period is ninety (90) days beginning with the signing of the Letter of Intent by the Contractor.

19.2. Immediately after acceptance of the Letter of Intent, the Contractor shall, at his own cost, provide a Mobilization Team. The Mobilization Team will conduct overall planning for providing services by the Bulk Store, Sub-Stores and Pharmacies, establish operating policies, provide solutions for problem areas, and set time schedules for the commissioning of all operational equipment and systems at the Bulk Store, Sub-Stores and Pharmacies.

19.3. The Mobilization Team shall establish immediate routines, such as but not limited to:

- The flow and distribution of supplies within KJO Hospital;
- Technical documentation pertaining to operation and maintenance procedures of physical plant equipment, and other medical and non-medical systems in the Bulk Store, Sub-Stores and Pharmacies;
- Technical documentation for operation and maintenance of all medical and non-medical equipment and systems;
- Administrative mechanism for manpower planning, budget control, purchasing, receiving and distribution, accounting, costs analysis and emergency planning;
- Information processing activities;
- Survey and inspect stock of pharmaceuticals and other materials, develop a utilization plan for them, and establish the Contractor's procurement plan taking account of the existence of such stock.
- The Company may, at its sole discretion, instruct the Contractor to adopt all or a part of the operational policies and procedures currently in effect in Bulk Store, Sub-Stores and Pharmacies.

In addition, the Mobilization Team will:

- Establish Contractor's storage facility/ies outside the KJO premises within the Mobilization Period, for the storage and supply of Medical Consumables and Minor Instruments to the hospital departments.
- Fill all required posts within the Mobilization Period. The mobilization schedule for Contractor's staff shall be approved by the Company in advance. Priority shall be given to the staff employed by the current contractor.
- Inventory all properties and supplies in the Bulk Store, Sub-Stores, Pharmacies and any additional facilities so as to prepare the Contractor's procurement of necessary spare parts, supplies and properties.
- Coordinate the handover of responsibility for any sub-contracts, in particular, service contracts for important medical and non-medical equipment, when agreed with the Company. The Contractor will be responsible for any problems, which might result from the stoppage of any of these services.
- Coordinate the handover of all material stock, equipment, furniture, etc. from the Company to the Contractor.

20) **Changes in the Scope of Service**

The Company has the right to change, enlarge or reduce the Scope of Service under the Contract whenever appropriate. The effective date of such change and the revision of service charges shall be agreed through consultation between the Company and the Contractor pursuant to Article 15 of Schedule A of the Contract

Attachment 1 to SCHEDULE B