

	Supplier Development, Localisation and Industrialisation (SDL&I) Strategy Setting Template	• Template Identifier	240-43921804	Rev	6
		Document Identifier	240-148918142	Rev	3
		Effective Date	01 September 2020		
		Review Date	September 2023		

SD & L EXECUTION SUPPORT REPRESENTATIVE:	Mosa Makhubo	Tel:	011 800 3809
		Date:	26 February 2024
BUSINESS UNIT: NAME OF END-USER:	Gauteng Cluster Themobile Mbhiza	Document Revision no:	1
DESCRIPTION:	Electrification Work		
BUDGET VALUE:			
DURATION:	3 years		

Suppliers are obligated to contribute towards the six elements of SD&L, namely: B-BBEE, Localisation, Industrialisation, Skills Development, Job Creation and Supplier Development for the duration of the contract.

1. B-BBEE

Eskom prefers to do business with companies that are more than 50% Black Owned; this includes Black Woman Owned (BWO), Black Youth Owned (BYO), and Black People Living with Disability (BPLwD).

In this contract the preference will be given to suppliers that are Black Owned and has a B-BBEE Level of 1 to 3 as per Eskom's preference.

The existing Panellists members shall maintain or improve upon their current B-BBEE level to level 1-3 during the life contract. The Panellists members that are less than 51% BO will also improve on the Black Ownership of the companies/institutions as per Eskom preference (if applicable), for future business relationship with Eskom. The Panellists members will be required to submit a new certificate should ownership of the company change during the life of the contract.

Local suppliers shall be allocated points in accordance with the B-BBEE Evaluation Scorecard (figure 1) shown below:

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Note: the following element (A, 2, 3,4,5,6 & 7) will form part of the Eskom's objectives and they will be negotiated with the successful supplier(s)

A. Specific goals

Specific Objective of Tender (Application of other criteria in terms of section 2(1)(d-f) of PPPFA)

The objective criteria for this tender are the following:

- Transforming this industry by appointing small emerging black businesses with 51% black ownership (further preference will be given to BYO/BPLwD),
- Job creation for previously disadvantaged people.

To achieve the above the following aspects will apply

- Appoint companies with 51% black ownership, or
- In the event where the contract is awarded to a **Generic firm**, 20% shall be sub-contracted/incubate to emerging BYO/BPLwD (100% shareholding) with the purpose of supplier development (where necessary) or
- Joint venture where the lead firm is 51% black owned.

NB. The joint venture may be:

- i) Black Owned Company and Black Owned Company or
- ii) Black Owned Company (Majority shareholder) and non- Black Owned Company or
- iii) Black Women Owned Company and Black Owned Company or
- iv) Black Women Owned Company(Majority shareholder) and non- Black Owned Company

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Figure 1: B-BBEE Evaluation Scorecard (90/10 application)

B-BBEE	Qualification	Number of Points (80/20 system)	Number of Points (90/10 system)
1	≥ 100 points	20	10
2	≥ 85 points < 100 points	18	9
3	≥ 75 points < 85 points	16	8
4	≥ 65 points < 75 points	12	5
5	≥ 55 points < 65 points	8	4
6	≥ 45 points < 55 points	6	3
7	≥ 40 points < 45 points	4	2
8	≥ 30 points < 40 points	2	1
Non-compliant	< 30 points	0	0

Note :

Eskom prefers to contract with but is not limited to compliant BBEEE level 1-3 contractors. Any tenderer who does not comply with this criterion should provide a migration plan that will form part of the contractual obligation. The terms and conditions will be negotiated ad agreed prior to contract award. The migration plan will be accepted based on partial fulfilment or as a whole depending on the time period allocated for the transaction/s.

Where there is a partial acceptance of a migration plan, should the same tenderer be awarded further contracts with Eskom the agreed migration plan must be shared with Eskom officials responsible for the tender for continued compliance monitoring.

Eskom will not contract with any supplier without a valid BBEE certificate.

2. Localisation

Eskom requires suppliers to purchase all their materials, products or any other services required within the borders of South Africa. The Local Content to South Africa will be 100% because Eskom do not expect any skills to be imported for these services and the industry is matured enough to possess all the skills required. It will form part subcontracting, skills development, and supplier development. Local to site will also be 100%.

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2.1 DTI Designated material threshold

Commodity	Local Content Threshold
Cables and accessories	90%
Kiosk	100%
Wooden Poles	100%
Cable mv/lv	100%
Steel Poles and Fabricated steel	100%
Surge Arrester	100%
Steel products and components for construction	100%
Pipes and fittings	100%
Building Material for building	100%
Conductors	100%
Clamps/ joints/ brackets	100%
Concrete work	100%
Circuit Breakers	100%
Bolts and nuts	100%
Smart meter	50%
Prepaid Meters	70%
Plastic pipes	100%

Declaration Certificates for Local Production and Content for designated sectors (SBD 6.2) and National Treasury Instruction on: Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content hereto as evidence of compliance with this requirement.

The implication of the local production and content drive, should your transaction include products of a specific designation as listed by the dti, the following needs to be done:

The DTI Exemption Certificate is required to tenders that fails to meet the minimum stipulated threshold for local content and production.

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3. Industrialisation

There is no requirement for industrialisation as all resources are sourced from within South Africa.

4. Skills Development

Successful supplier will be obligated submit a proposal to train **1** candidate for every **2 Million Rand** cumulated through task order awarded to the supplier; this obligation will be for the duration of the contract. The duration of the task order will not be linked with the supplier's obligation to train; therefore the supplier will have to ensure that the skills committed are successfully achieved by the end of the contract period. Skills candidates shall be sourced from previously disadvantage groups in South Africa. The purpose is to provide these candidates with skills and workplace experience in order to increase the opportunity for them to be employable within the industry. The supplier may develop the candidates directly, through their supply network or through the SETA accredited training providers.

Skills development candidates should be currently unemployed graduates from FET Colleges and universities and/or matriculants. The composition of the candidates shall be representative of the population demographics of South Africa. The supplier will be provided will the list of skills as per respective discipline to choose from, this will mean this supplier will train candidate with skill type that is relevant to their area of expertise.

4.1 Skills development

List of proposed skills (only critical, scarce and core) that are scope specific.

Skills type	Proposed no.	Intake	Outcome
Electrical Engineering Artisan / Engineer	2	Post / undergraduate	Certificate of complication
Project Manager	2	Post / undergraduate	Certificate of complication
OHRVS	2	Post / undergraduate	Certificate of complication
Risk Assessment	2	Post / undergraduate	MV/LV Cable Terminator Certificate

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1. Completion certificate to be issued at the end of the project
2. Compile a training program.
3. Submit a signed contract with the selected candidates.

Possible subcontracting opportunities for the local SMME:

- Staff Transport / Water tankers/ Toilets
- Bush clearing
- Site clearing
- Trenching / Backfilling
- Site establishment
- Security
- Accommodation

Suppliers shall propose the number of jobs to be created as a direct result of being awarded this contract. Suppliers must also propose the number of jobs to be retained as a direct result of this contract. These proposals shall be made in the SD&L Compliance Matrices (Figure 2).

Type of jobs	Target set (local-to-site)	Suppliers Proposal
General workers	100%	
Semi-skilled	20%	
Skilled	10%	

NB: See List of Skills to be developed below

The monitoring and report will provide implementation schedule and supplier data collection templates to ensure that the above obligations to train candidates are achieved successfully through regular monitoring of task order value awarded to suppliers.

5. Job Creation

The existing Panellists members shall propose the number of jobs to be created as a direct result of this contract. Suppliers must also propose the number of jobs to be retained as a direct result of this contract. The proposals shall be recorded on the implementation schedule at contract award.

Tenderer to indicate number of Jobs to be created and/or retained from this contract;

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Number of Jobs to be created	Number of Jobs to be retained

6. Supplier Development

- **SDL&I Retention**

SDL&I has a mandate to achieve maximum and sustainable local development impact through leveraging Eskom’s procurement spend in a manner that allows flexibility within the business to contribute towards addressing the socio-economic ills like unemployment, poverty, and economic growth, through government local development initiatives and policies.

Suppliers will be required to report progress towards achieving SDL&I’s contractual obligations, on a quarterly basis. The SDL&I retention is to encourage and ensure that the Suppliers implement the agreed targets.

Failure to comply with the contracted SDL&I obligations will enforce the application of the 2% penalty at the end of the contract.

- **Monitoring and Reporting of SDL&I Commitments**

- Panel suppliers that have been awarded task orders with SDL&I commitments shall submit reports on their SDL&I performance in accordance with the SDL&I function Data Collection Template.
- Eskom shall review the quarterly reports submitted by the suppliers within fifteen (15) days of receipt of the reports and notify the suppliers in writing if their SDL&I obligations have not been met.
- Upon notification by Eskom that the suppliers have not met their SDL&I obligations, suppliers shall be required to implement corrective measures to meet those SDL&I obligations.

7. Concluding

The commitment of any of SD&L elements will form part of the NEC contract and shall be monitored throughout the duration of the contract to ensure all the obligations and undertakings are fulfilled.

Compiled by: Mosa Makhubo

Signature: 

Date: 25 February 2024

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**Accepted by
contractor:**

Signature:

Date:

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