

FOR THE SUPPLY, DELIVERY, ASSEMBLY, INSTALLATION, ANCHORING AND SET UP, TESTING AND COMMISSIONING OF COMMERCIAL GYM EQUIPMENT FOR PORT OF EAST LONDON EMPLOYEE FITNESS FACILITY

IDENTIFIED SPECIFIC GOALS

This is a well-defined scope and the policy alignment is clear. Based on **(a)** the Transnet Preferential Procurement Policy (TPPP, effective 1 June 2023), **(b)** the turnkey nature of the gym facility, and **(c)** the realistic structure of the South African fitness-equipment market, the socio-economic objectives should be **targeted, defensible, and proportionate** to avoid artificial barriers to competition.

Below is a **policy-aligned and market-appropriate set of socio-economic objectives** you can confidently apply to this project.

1. Policy Lens: What the TPPP Allows and Encourages

The TPPP supports socio-economic objectives that:

- Are **linked to the scope of work**
- Are **measurable and auditable**
- Do **not distort the market** or exclude capable suppliers
- Promote **transformation, SMME development, and local economic participation**

For a **supply, delivery and installation** contract (not manufacturing or construction-heavy), the policy emphasis should be on:

- **Ownership and management control**
- **SMME and local subcontracting**
- **Skills transfer**
- **Local labour and services**, where feasible

2. Market Reality: Turnkey Gym Equipment Supply

This market is characterised by:

- **A limited number of established OEMs and distributors**
- Equipment that is **largely imported**, but:
 - Installed locally
 - Maintained locally
 - Supported by local technicians and service agents
- Strong presence of **BBEEE-compliant distributors and resellers**
- Opportunities for **local value addition at installation, logistics, flooring, mirrors, and maintenance level**

👉 This means **local manufacturing requirements would be inappropriate**, but **local participation and skills transfer are entirely reasonable**.

3. Recommended Socio-Economic Objectives (Fit-for-Purpose)

3.1 B-BEEE and Transformation Objective

Objective: Promote participation of historically disadvantaged persons in the supply chain.

How to apply:

- Preference for **BBEEE-compliant suppliers (Level 1 and 2)** (as per PPPFA / Transnet thresholds)
- Encourage **Black-owned (51% and more) / Black women-owned enterprises** without mandating exclusivity

Why it fits:

- Strong alignment with TPPP
 - Market already has compliant suppliers
 - Does not distort competition
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3.2 Local SMME Participation (Installation & Ancillary Works)

Objective: Support local enterprise development in the Eastern Cape.

How to apply:

- Require that **a portion of installation, flooring, mirror installation, logistics, or minor building works** be subcontracted to:

- Local SMMEs, and/or
- EMEs / QSEs based in the Eastern Cape

Why it fits:

- Installation and flooring are clearly in scope
 - Creates real local impact
 - Easy to verify via subcontracting agreements
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3.3 Local Employment During Installation (NOT APPLICABLE)

Objective: Create short-term employment opportunities for local communities.

How to apply:

- Require use of **local labour** for:
 - Offloading
 - Assembly assistance
 - Flooring installation
 - Site preparation support

Why it fits:

- Installation phase is labour-intensive
 - Does not affect OEM supply
 - Strong socio-economic justification
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3.4 Skills Transfer and Training (NOT APPLICABLE)

Objective: Improve long-term operational sustainability of the facility.

How to apply:

- Mandatory **on-site training** for TNPA staff covering:
 - Safe use of equipment
 - Basic troubleshooting
 - Preventive maintenance principles
- Provision of **user manuals and maintenance schedules** (already in scope)

Why it fits:

- Explicitly aligned to deliverables
 - Leaves a lasting benefit beyond the contract
 - Low cost, high impact
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3.5 Local After-Sales Support and Maintenance Capability (NOT APPLICABLE BUT PART OF TECHNICAL COMPLIANCE)

Objective: Ensure sustainability and reduce operational risk.

How to apply:

- Supplier must demonstrate:
 - **Local service presence** (Eastern Cape or nearby region), or
 - **A local authorised service partner**

Why it fits:

- Reduces downtime
 - Supports local technical enterprises
 - Strong operational justification (not just socio-economic)
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4. Objectives NOT Recommended (and Why)

Objective	Reason
Local manufacturing of gym equipment	Market reality: most equipment is imported
Mandatory 100% subcontracting	Unreasonable for turnkey supply
Youth / learnership quotas	Installation duration too short
Excessive local content thresholds	Risk of non-responsive bids

5. Consolidated Socio-Economic Objectives (Ready to Use)

The summarised socio-economic objectives for the project are as follows:

The project aims to advance socio-economic development by promoting B-BEEE-compliant suppliers, and enabling participation of local SMMEs in installation and ancillary services, in line with the Transnet Preferential Procurement Policy.

SPECIFIC GOALS	POINTS
PRICE	80
B-BBEE Status Level of Contributor 1 and 2	03
51% Black Owned EMEs and QSEs	07
The promotion of supplier/service provider development through subcontracting or JV for a minimum of 30% of the value of a contract to South African Companies which are: EMEs and/or QSEs who are 51% black-owned	10
Non-Compliant and/or B-BBEE Level 3-8 contributors	00
Total points for Price and Specific Goals must not exceed	100