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<b>SD &amp; L EXECUTION SUPPORT REPRESENTATIVE:</b>	Mosa Makhubo	<b>Tel:</b>  <b>Date:</b>	011 800 3809  25 March 2026
<b>BUSINESS UNIT:</b>  <b>NAME OF END-USER:</b>	Gauteng Cluster  Thuso Malatjie	<b>Document Revision no:</b>	
<b>DESCRIPTION:</b>	Supply, Delivery and Installation of Smart Meters		
<b>BUDGET VALUE:</b>			
<b>DURATION:</b>	12 months		

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.

**Supplier Development Localisation and Industrialisation Objectives is in line with Reconstruction and Development Programme (RDP) Goals.**

**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>B-BBEE</b>	<b>Qualification</b>	<b>Number of Points (80/20 system)</b>	<b>Number of Points (90/10 system)</b>
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. National Industrial Participation Programme –**

Eskom will implement the NIPP requirement, which determines that the contractor/supplier must contact the Department of Trade, Industry and Competition (dtic) to arrange for support and development of local businesses. Eskom is required to inform the tenderers of this requirement. NIPP will only be applicable for contracts with an FGN component or content of USD 5 million or more.

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The following narrative must be captured in all tenders that have import/foreign content equal to or in excess of USD 5 million:

“NIPP is a programme that seeks to leverage economic benefits and support the development of South African industry by effectively utilising the instrument of government procurement. The NIPP programme is mandatory for all government and parastatal purchases or lease contracts (goods and services) with an imported content equal to or exceeding USD 5 million.

“The programme targets South African and foreign industries, enterprises, and suppliers of goods and services to government/parastatals, where the imported content of such goods and services equals to or exceeds USD 5 million. The first customer of NIPP is the South African industry that benefits through the NIPP business plans, which, when implemented, generate new or additional business activities through one or more of the following: investment, export opportunities, job creation, increased local sales, SMME and BEE promotion, R&D, and technology transfer.

“Companies with an NIPP obligation must sign this obligation agreement with the Department of Trade, Industry and Competition (dtic) before the contract with Eskom Holdings SOC Ltd, as a purchasing entity, is signed. The obligation agreement governs the relationship between the dtic and the supplier. It defines the NIPP obligation value(s), requirements to fulfil the NIPP obligation, performance milestones, performance monitoring processes, and the NIPP credit allocation criteria.

“All tenders with an import content that is equal to or exceeds the threshold of USD 5 million compels the winning bidder to negotiate and enter into a NIPP obligation agreement with the dtic before signing the contract with Eskom.”.

### 2.3 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.

Commodity	Local Content Threshold
Smart meters	50%
Fabricated steel (enclosure and related items)	100%
Cables	90%
Assembling and testing	100%

The following manufacturing activities must be undertaken within the borders of the Republic of South Africa for both types of meters:

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- |                                                                                                                                                       |                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Printed Circuit Board Sourcing<br>2. PC Board Circulation<br>3. Sourcing of Connecting Cables<br>4. Sourcing of Enclosures<br>5. Final Meter Assembly | 1. Printed Circuit Board Sourcing (if applicable)<br>2. PC Board Population (if applicable)<br>3. Sourcing of Connecting Cables (if applicable)<br>4. Sourcing of Meter Box, Meter Body, Valves and Indicator Covers<br>5. Assembly of Counter<br>6. Assembly of Indicator<br>7. Final Meter Assembly |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

NOTE 2: SBD 6.2 Declaration Form is therefore mandatory and must be a tender returnable.

Note: For this section (Special Conditions of Tendering) the following documents should also be completed and signed:

A completed and duly signed SBD 6.2 – Local Content Declaration Certificate

Note: For this section (Special Conditions of Tendering) the following documents should also be completed and signed:


- A completed and duly signed SBD 6.2 – Local Content Declaration Certificate.
- A completed and duly signed Annexure C, D and E.
- Completed and duly signed Preference point Claim form.

NOTE:

When the above cannot be wholly sourced from South Africa (SA) based manufactures to achieve the designated local content threshold at any particular time, bidders should request and obtain written exemption from DTI. Such exemption application should be submitted and approvals should be obtained prior to the closure of the bid.

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For local content related enquiries, please call the helpline on +27 (12) 394 1435.

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## 2. Mandatory Subcontracting

Mandatory Subcontracting as condition of award

Subcontracting is mandatory on contracts above R30 million and is a condition for contract award.

Tenderers shall subcontract a minimum of 20% of the contract value to the following designated groups: an EME or QSE which is 51% owned by black people living in rural or underdeveloped area or townships.

NOTE 1: Tenderers shall submit the following mandatory returnable for Subcontracting:

Subcontracting agreement signed by both with subcontractors' company registration documents (CK and B-BBEE certificate or sworn affidavit) or

Copies of sub-contracting contracts (agreements) or copies of letters from the tenderer to the subcontractors, stating the intent to sub-contract. The Tenderer should sign both documents and the Sub-contractor(s) earmarked.


Potential scope to be subcontracted and/or outsourced: To be proposed by the Tenderer

- Transport
- Packaging
- Forwarding and Freight

Subcontracting, in this instance, will be treated as a condition for contract award. A supplier awarded a contract may not subcontract more than 25% of the value of the contract to any other entity that does not have an equal or higher B-BBEE status level of a contributor than the supplier concerned unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract

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**Subcontracting, in this instance will be treated as a condition for contract award.**

### 3. Industrialisation

There is no requirement for industrialisation as most 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.

Skills type	Proposed no.	Intake	Outcome
Technicians / Electrician	1	Matric /Post / undergraduate	Certificate of completion
Smart Meter Data Analyst / Capture	1	Matric /Post / undergraduate	Certificate of completion
Motor mechanic / Auto Electrician/	1	Post / undergraduate	Certificate of completion
Project Engineer's / Manager	1	Post / undergraduate	Certificate of completion

**Note:** That these targets for skills development candidates categorically exclude Eskom employees and registered learners. The tenderers are required to take full responsibility for the total cost of developing the requisite skills, and Eskom shall not make any financial contribution towards the fulfilment of this obligation. Tenderers also are advised to approach their relevant SETAs to access

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grants, subsidies, and incentives as well as South African Revenue Services for tax rebates that are earmarked for skills development initiatives

## 5. Job Opportunities

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

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

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

## 6. Supplier Development

Supplier development programs are encouraged to empower 51% and above Black owned that are businesses that are EME / QSE, through holistic impactful business incubation programmes as a form of support. This could be in a form of financial support (loans or sponsorship), providing necessary tools/ equipment, rendering training opportunities or mentoring programmes that could enable growth in their business.

A signed copy of the contract between parties with the implementation program will be send to Eskom for approval and monitoring purpose.

- ### • 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.

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- **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 March 2026

**Accepted by  
Contractor /Supplier:**

**Signature:**

**Date:**

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