

# MWP2394GX - THE PROVISION OF PROCUREMENT AND SUPPLY CHAIN MANAGEMENT ADVISORY AND EXECUTION SUPPORT SERVICES PANEL

**PROCUREMENT & SUPPLY CHAIN  
MANAGEMENT**

**6 FEBRUARY 2024**



	Description	Time allocated (minutes)	Responsibility
1	Welcome, opening and introduction	10	Verona Petzer
2	Commercial	10	Penny Shabangu
3	Technical – Scope of work	10	Leonard Moya
4	Technical – evaluation criteria	10	Leonard Moya
5	Contractual requirements	10	Penny Shabangu
7	Health & Safety	10	Mandla Mkhwanazi
8	Quality	10	Sipho Sambo
9	Supplier Development and Localisation (SD&L)	10	Rudzani Tshikungulu
10	Finance	10	Penny Shabangu
11	Common mistakes/lessons learnt	10	Penny Shabangu
12	Questions and answer section	15	All participants
	Closing	5	Verona Petzer

The objective of this session is to present and clarify the enquiry documents for the MWP2394CX:

Provision of procurement and supply chain management advisory and execution support services panel.

## THE PROVISION OF PROCUREMENT AND SUPPLY CHAIN MANAGEMENT ADVISORY AND EXECUTION SUPPORT SERVICES PANEL

### Eskom Representative

Name : Penny Shabangu  
E-mail : MlangeNP@eskom.co.za  
Landline : +27 11 800 2851  
Enquiry closing Date : 14 February 2024  
Enquiry closing time : 10:00 am (SAST)  
Enquiry Price : Free of Charge

**All enquiries during and after the tendering process shall be directed to the above Buyer as stipulated in the enquiry document MWP2394CX**

# COMMERCIAL



The place for delivery of the tenders is the Eskom Tender Box, situated at the following delivery address:

Tender Office  
Retail Centre  
Northside, Megawatt Park  
1 Maxwell Drive  
Sunninghill  
Sandton

The tender/proposal shall be submitted as follows:

- ❖ One (1) complete original file;
- ❖ One (1) complete hard copy of the original file;
- ❖ An additional soft copy may be included in the submission. Hard copy take precedence over the soft copy. Tenderer will not be disqualified if they do not submit a soft copy.

Failure to submit 2 separate files of the tender (1x original tender and 1x complete hard copy of the original tender) at the tender deadline, **will result in the tenderer being declared non-responsive and will be disqualified, i.e. will not be evaluated further.**

The original and hard copy of the tender must be clearly divided into the following sections:

- Commercial Technical (As per Commercial Tender Returnable)
- Technical (As per Technical Tender Returnable)
- Quality (As per Quality Tender Returnable)
- Environmental (As per Environmental Tender Returnable)
- Finance (As per Finance Tender Returnable)

Eskom will utilise the following **evaluation method** for this :

A responsive tender will be evaluated on the following criteria:

1. Tender Office recording and stamping of tender
2. Basic compliance
3. Mandatory documents
4. Functionality (Technical evaluation)
5. Contractual requirements
  - a) Health & Safety
  - b) Quality
  - c) Supplier Development, Localisation & Industrialisation
  - d) Financial Analysis
6. Contracting using NEC PSC and placement on panel
7. Mini RFQ with detailed scope of work to suppliers on the panel
8. Evaluation of responses based on price and B-BBEE status



## BASIC COMPLIANCE

1. Submit two (2) hard copies of the original tender to Eskom
2. Meet eligibility criteria (As per 2.1 on page 4 of RFP)
3. Submission of mandatory documents
4. Provide a Central Supplier Database (CSD) number (MAAA...)

Failure to meet any of the above will render the submission as “non-responsive” and **will be disqualified** from further evaluations

# TECHNICAL



## Scope of work – Panel A

### Procurement Enhancement and Execution Support



Focused on firms that have procurement enhancement and execution support experience in the public sector. The aim of the panel is to have a pool of suppliers to aid in the attainment of procurement objectives.

The generic scope of the panel will cover the provision of the following:

□ Provision of specialist services and execution support to help the procurement department in the attainment of the following objectives:

- Increase in contract coverage and on time placement of contracts.
- Cost Savings.
- Front End Planning and Demand Plan Enhancement.
- Improved Turnaround Times from need-to-need realisation.
- Decrease in repetitive spend.
- Sourcing Strategy enhancements.
- Category Management.
- Supplier Segmentation and Supplier Relationship Management.
- Cost Estimation and Benchmarking.
- Sourcing Strategy enhancement.
- Procurement Innovation.
- Negotiations

- ❑ Execution of Disposal Management transactions
- ❑ The typical human resource capability that the firm should have embedded in them is as follows:
  - Procurement Advisory Specialist
  - Procurement Specialists
  - Category Managers
  - Sourcing Specialists

Focused on firms that have P&SCM Compliance and Governance Support experience in the public sector. The aim of the panel is to have a pool of suppliers to aid P&SCM to improve its governance landscape and improve compliance levels to legislation. .

The generic scope of the panel will cover the provision of the following:

- ☐ Provision of specialist services and execution support to help the procurement department
  - Enhance P&SCM compliance levels.
  - Enhancement of the control environment.
  - Pro-active and Re-active Compliance Reviews.
  - Human Capital Capacitation on policy, procedures, and best practice.
  - Enhance Tender Office operation effectiveness.
  - Enhance Document Management operation effectiveness.
- ☐ The typical human resource capability that the firm should have embedded in them is as follows:
  - Policy and Procedure Advisor:
  - Compliance Officer

## Scope of work – Panel C

### Supply Chain Management Enhancement Support



Focused on firms that have Supply Chain Management Enhancement experience in the public sector. The aim of the panel is to have a pool of suppliers to aid P&SCM to improve its supply chain management landscape and improve compliance levels to policies and procedures.

The generic scope of the panel will cover the provision of the following:

- ☐ Aid in efforts to help reduce warehouse inventory management cost.
  - ☐ Help in efforts to improve Stock availability.
  - ☐ Help in efforts to Automate the warehouse function.
  - ☐ Aid in Housekeeping and improved stock accuracy levels; and
  - ☐ Enhancements of warehouse management value add to the business.
  - ☐ Offer expert advice on complex disposal transections.
- 
- ☐ The typical human resource capability that the firm should have embedded in them is as follows:
    - Inventory Modelling and Planning Specialists
    - Demand Planners
    - SCM Compliance Officers
    - Special Disposal Transaction Advisors

Focused on firms that have experience in procurement and supply chain analytics and business intelligence experience. The aim of the panel is to have a pool of suppliers to aid P&SCM in its decision-making process through the provision of analytics and business intelligence information

The generic scope of the panel will cover the provision of the following:

- ☐ Conducting Analytics to help enhance Procurement decision making.
  - ☐ Creating Visibility of P&SCM Performance.
  - ☐ Providing supplier and market intelligence to help improve strategy formulation.
- 
- ☐ The typical human resource capability that the firm should have embedded in them is as follows:
    - Data Scientists
    - Business Intelligence Officer

Focused on firms that have experience in leveraging public sector expenditure to attain Supplier Development, Localisation & Industrialisation objectives. The aim of the panel is to have a pool of suppliers to aid P&SCM in the development of strategies to help in the attainment of B-BBEE and SDL&I objectives.

The generic scope of the panel will cover the provision of the following:

- ☐ Conducting market intelligence on identified commodities for transformation imperatives
- ☐ Develop Best-in class system/programs to meet SDL&I Shareholder Compact KPI's (B-BBEE rating, NIPP, Localisation, Enterprise & Supplier Development (ESD), Local Content 9 designated Sectors)
- ☐ Develop an ESD 5-year strategy
- ☐ Formulate commodity focus areas strategy to grow black-owned entities participation.
- ☐ Assist in the development of industrialisation, building the local manufacturing industry and intellectual property within South Africa based on Eskom demanded product/services.
- ☐ Develop SDL&I Strategy and Plan.
- ☐ Develop Monitoring and Reporting system



The typical human resource capability that the firm should have embedded in them is as follows:

- B-BBEE Specialist
- Market Research Analyst
- Supplier Development, Localisation, and Industrialisation Specialist
- Monitoring and Reporting Specialist
- Enterprise Development Specialist

- ❑ The panel will be output based, and suppliers will be given tasks to deliver in accordance with the task order scope.
- ❑ Each task order will be supported by a set of Key Performance Indicators and detailed deliverables.
- ❑ The firms to form part of the panel will need to have embedded in them
  - Knowledge of P&SCM best practice
  - Technological tools, and
  - Human capital expertise to deliver the task order objectives.
- ❑ The firm need to have the necessary
  - Facilities
  - intellectual capability, and
  - embedded human capital to deliver against the panel objectives.

# Technical/Functionality Evaluation Criteria

No.	Description	Returnable	Weight	Scoring				
				0	30	50	80	100
1	Company Experience in the provision of procurement resources and procurement Advisory in the public sector	Fully signed Reference Letters covering the scope	40%	No Reference Letter Submitted	Partially Compliant Letters, do not cover all aspects of scope	Three (3) Reference Letters covering the full scope	Four (4) Reference Letters covering the full scope	Five (5) Reference Letters covering the full scope
2	Firms Experience in Providing Procurement Enhancement Support in line with the Panel Scope	Firms profile highlighting years of experience and clients serviced in line with Panel A requirements for each of the years.	40%	2 years' Experience (0-2.4 years)	3 years' Experience (2.5 to 3.4 years)	4 years' Experience (3.5 to 4.4 years)	5 years' Experience (4.5 to 5.4)	More than 6 years' Experience (5.5 and above)
3	Execution Methodology	Method Statement of how the service will be rendered (Organogram, Onboarding Induction, tools and equipment, back-end support, time sheet management, work quality management, skills transfer, ethics, background checks, performance management, knowledge management, task order management, scope execution)	30%	No Method statements submitted	Method statements does not address most of the requirements	Method statement does not cover all areas as identified	Method statement covers most of the areas as identified	Method statement covers all the areas as identified
	Threshold		70%					
	Total		100%					

# CONTRACTUAL REQUIREMENTS



- Contractual Requirements will be applied after evaluation and will be linked to contract award
- Contractual Requirements may not necessarily be linked to the allocation of points for further scoring
- The following will form part of the Contractual Requirements:
  - Health & Safety requirements,
  - Quality Requirements
  - Supplier Development Localisation and Industrialisation requirements
  - Financial statements analysis

**Shortlisted tenderers will be disqualified if they do not meet the contractual criteria by the date to be communicated to them by Eskom**

# HEALTH & SAFETY



# HEALTH AND SAFETY REQUIREMENTS



1. COIDA – Valid letter of good standing or proof of application issued by the Compensation Fund (COIDA) or a licenced mutual company
2. Signed acknowledgement form for Eskom's OHS, legal and other requirements to be submitted by the tenderer ( form will be provided by Eskom)



# QUALITY





## REQUIREMENTS

- Completed and signed Form A
- Quality Management System Requirements ISO 9001, equivalent or appropriate system relevant to the organisations product offering and size.
  - o Quality Method Statement based on scope.
  - o Quality Policy Approved by top management.
  - o Quality Objectives Approved by top management.
- Evidence of QMS in operation Ref QM-58
  - o Documented information for defined roles, responsibilities, and authorities.
  - o Documented information for control of externally provided processes, products, and services

# SUPPLIER DEVELOPMENT LOCALISATION & INDUSTRIALISATION (SDL & I)



**Our mandate** is to achieve **maximum and sustainable local development impact** through leveraging Eskom's **procurement spend** in a manner that allows flexibility within the business in order to accommodate **government local development initiatives and policies**

Tenderers who complete and submit the objectives as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I objectives do not form part of scoring, but commitments will form part of contractual obligations.

- The 90:10 OR 80:20 rule will apply in this project:
- B-BBEE = 10 /20
- Price = 90 /80

## 1. Transformation – BBBEE Improvement or Retention Plan

Transformation remains an area of focus, where Eskom continuously strives to align itself with national transformation imperatives to unlock growth, drive industrialization, create employment and contribute to skills development.

## 2. Local Procurement Content

“Local Procurement Content” refers to value added in South Africa by South African resources. Where a single contract involves a combination of local and imported goods and/or services, the tender response must be separated into its components as per the Price Schedule included with the tender documents. Local procurement content is total spending minus the imported component.

Tenderers are required to submit their proposals in the table below.

Local Procurement Content	Eskom Target	Propose
	100%	

### 2.1 Subcontracting to entities with a minimum 51% black ownership

Subcontracting for this transaction is not mandatory, however it's encouraged that the winning tenderer should procure/spend from designated groups on the following paid invoices for both:

- Indirect expenses (e.g. overheads) on goods and services supplied to the contractor/supplier by designated groups, and
- Direct spend on goods and services supplied by the sub-suppliers for the execution of the scope of work.

Activities, as a proportion of the local procurement content, which may be subcontracted to designated black owned enterprises must be submitted in a table below.

Procurement from Designated Group	Eskom Target	Tenderer Proposal
Black Owned	5.0%	
Black Women Owned	4.0%	
Black Youth Owned	3.0%	
Black Persons with Disability	1.0%	

•**Jobs.** Tenderers are required to submit proposals for the type and number of jobs that will be created and retained in South Africa as a direct result of being awarded a contract.

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



## Skills development

The Professional Service Provider shall achieve in the performance of the Contract skills development Goals (CSDG) established in the CIDB Standard for Developing Skills through infrastructure Contracts, Published in Gazette Notice No.48491 of 28 April 2023.

Tenderers are required to propose against the following training initiatives.

Skills Type	Eskom Target
Skill Development within (PSCM) e.g Material Management, Procurement, Risk and Governance, Quality, Environmental, Safety, Transport, Finance, Localisation and Industrialization.	25 For the duration of the project

The successful tenderer will be obligated to train 1 candidate for every R4 Million accumulated through invoices paid to the service provider; this obligation will be for the duration of the contract however a supplier needs to demonstrate positive progress on a quarterly basis.

The process of developing these skills shall involve the participation by tenderers directly and through their supply network. In certain cases, the SETA's accredited training providers can be approached to participate in developing critical and scarce skills.

The winning tenderer will be requested to submit an Implementation plan within 30 days of signing the contract.

Note: 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 are advised to approach their relevant SETAs to access grants and subsidies as well as South African Revenue Services for tax incentives that are earmarked for skills development initiatives.

## Section 4: SDL&I Penalty and Performance Security

Eskom will apply a penalty of 2.5% of the invoice amount for failure to meet SDL&I obligations.

As security for the fulfilment of SDL&I obligations, Eskom will apply a penalty of 2.5% on every invoice amount (excluding VAT) for failure to submit SDL&I performance reports every quarter; or failure to meet the SDL&I obligations in this contract. The retained amounts shall only be released to the contractor upon:

- The tenderer will be expected to submit their performance reports on a quarterly basis towards SDL&I obligations.
- SDL&I will assess the submitted performance report against the Implementation plan then issue a compliance report.
- Should the report yield non-compliance results, Eskom will retain the 2.5% penalty.
- Should the compliance results be positive, Eskom will release the retained funds to the tenderer.

Tenderers who complete and submit the objectives as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I objectives do not form part of scoring, but commitments will form part of contractual obligations.

# FINANCE



- ✓ The latest and approved financial statement not older than 18 months after year end, as per requirements of company law, must be submitted
- ✓ Where a new company is unable to provide audited financial statements for the last 18 months they may, at the discretion of Eskom, be permitted to provide audited financial statements for the most recent twelve-month operating period.
- ✓ Tenderers must note that in the case of a joint venture or special purpose vehicle (SPV) especially formed for this tender, audited financial statements for each participant in the JV / SPV is required

# LESSONS LEARNT/ COMMON MISTAKES



# Common mistakes by suppliers responding to RFPs



## Requirements on the Request For Proposals/Invitation to Tender

- Request For Proposals have **mandatory requirements for evaluation** and mandatory requirements for contracting. **Mandatory requirements for evaluation** should be submitted with the tender documents by the closing date otherwise the tender is non-responsive and it is not evaluated

## Common Mistakes by tenderers

- Submitting only one original copy of their proposal instead of an original and a copy (two files) as required
- E-mailing the tender documents to the Eskom representative. Tenders must be submitted as a file to the tender office
- Submitting documents that are not signed as well as submitting incomplete/not completed documents
- Submitting documents that are not relevant to the tender while omitting to submit the mandatory documents
- Tenderers submitting documents in formats that are different to the ones issued in the RFP. This may lead to errors in the re-created templates
- Tenderers not supplying mandatory documents for one enquiry because they had already submitted the information in another RFP when responding to multiple tenders
- Sending clarification questions after the deadline has passed (deadline is 5 days before tender closure)
- Submitting tenders after closure time. Tenders close exactly on the time indicated in the RFP.



# QUESTIONS





# THANK YOU