

	<b>SDL&amp;I Strategy Setting Template</b>	Document Identifier	240-148918142	Rev	4
		Effective Date	01 April 2023		
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<b>Business Unit</b>	Generation Peaking	
Description/ Scope of Work	Electrical Lighting, Electric fence, Testing Inspection and Repairs of Earthing and Earth Mats, LV/MV Cabling and Supply and delivery of spares Contract at Eskom Peaking Generation	
<b>Duration of the Project</b>	Five (5) years	
<b>Name of Buyer</b>	Kim Hughes	
<b>Type of contract</b>	Formal Tendering	Open market: Tender Bulletin

### Section 1: Specific Goals

A maximum of 10/20 points may be awarded to a tenderer for the specific goal specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act, the contract must be awarded to the tenderer scoring the highest points.

B-BBEE Status Level of Contributor	Number of points (90/10 system)
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

**NB: The following documents are required to claim preference points,**

- Valid B-BBEE certificate issued by a SANAS accredited verification agency / sworn affidavit / CIPS affidavit
- Proof of ownership / shareholding (preferably CIPC documentation) inclusive of shareholding breakdown
- Certified ID copies of shareholder(s)
- Proof of Disability (where applicable)

**Tenderer failing to provide documentation for the allocation of preference points will not be disqualified, but'**

- May only score point out of 90/80 for price.
- Scores 0 points out of 10/20 for specific goals.

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## Section 2: Objective criteria

The inclusion of objective criteria is not mandatory but a condition for contract award. If the tenderer does not meet objective criteria; it may lead to the second-ranked tenderer being recommended for award.

### 2.1 Designated Sectors

When applicable the following stipulated minimum threshold for Local Production and Content must be achieved in full by the tenderer

a) Is this Commodity or part of it a Designated Sector?

**YES**

**NO**



Please indicate below Designated Components

Commodity	Components	Local Content Threshold
Cables	<b>Electrical cables used for power.</b> Low voltage Low voltage Low-cost reticulation Medium and high voltage ACR. <b>Telecom cables used for telecommunication.</b> Optical Fiber cables Copper Telecom Cables	90%
Fasteners	<b>Bolts, nuts, rivets and nails</b>	100%
Joining/connecting component	Gussets, cleats, stiffeners, splices, cranks, kinks, doglegs, spacers, tabs, brackets	100%
Wire products	All fencing products: all barbed wire and mesh fencing fabric/mesh reinforcing, gabions, wire rope/strand and chains welding electrodes, nails/tacks, springs and screws	100%
Ducting & Structural pipeworks	Non-conveyance tubing fabricated from steel sheeting and plate with structural supports	100%

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	PC Boards	100%
Plastic pipes	Polyvinyl chloride (PVC) pipe	100%
Solar PV components	<p><u>Laminated PV Modules</u> The local process will include tabbing &amp; stringing of cells, encapsulation and lamination, final assembly and testing in compliance with IEC standards.</p> <p><u>Module Frame</u> Aluminium components: all Aluminium PV Module Frames, PV mounting structures/racks, clamps, brackets, foundation components and fasteners are to be manufactured from locally produced extruded, rolled cast and foded products.</p> <p><u>DC Combiner boxes</u> Enclosures must be made from SMC and moulded in South Africa.</p> <p><u>Mounting structure</u> Aluminium components: all Aluminium PV Module Frames, PV mounting structures/racks, clamps, brackets, foundation components and fasteners are to be manufactured from locally produced extruded, rolled cast and foded products.</p> <p><u>Inverter</u> Must be assembled locally.</p>	<p>15%</p> <p>65%</p> <p>65%</p> <p>90%</p> <p>40%</p>

The tenderer must complete, sign and submit the following **mandatory** returnable for designated products:

- Annexure C (Local Content Declaration - Summary Schedule).
- Annexure D (Imported Content Declaration - Supporting Schedule to Annex C).
- Annexure E (Local Content Declaration - Supporting Schedule to Annex C).
- SBD6.2 (Certificate for declaring local content and production).

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If the quantity of materials and/or products cannot be wholly sourced in South Africa, **the DTI**, in consultation with the procuring entity, will grant exemption on a case-by-case basis. **Bidder should request and obtain written exemption from the Department of Trade and Industry (DTI).** Such exemption applications should be submitted, and approvals should be obtained prior to the closure of the bid(s) concerned. **The DTI** in consultation with the procuring organ of state and the local industry will consider the exemption application on a case-by-case basis. Bidder should refer to national treasury Designated Sector Instruction Number 12 of 2016/2017 Paragraph 4.2.

**NB: A tender needs to submit minimum stipulated threshold for local production.**

## 2.2 CIDB Skills Development (Not applicable)

### Continuation of Mandatory Requirements

#### a) Is there CIDB compulsory training?

If Yes, what is the % of the Construction Skills Development Goal % (CSDG)

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.25%	

If the answer above is Yes, it will then be mandatory for the supplier to match Eskom's targets

Criteria	Eskom Target	Tenderer Commitment
CSDG Percentage	0.25%	
Description	7EB	

**NOTE:** Failure by the Contractor/Service Provider/Supplier to meet the CIDB CSDG mandatory % will render their tender non-responsive.

## 2.3. 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 16% 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 sub-contractors, 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:

- **Equipment hires (TLB, crane, crane rollers, compacting tools)**
- **HV testing equipment.**

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- PPE
- PPE printing supplier
- Transportation of employees
- Accommodation
- Supplier of spares
- Medicals

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.

### Section 3: SDL&I Objectives in line with Reconstruction and Development Programme (RDP) Goals

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

**Note: SDLI objectives shall be sourced from previously disadvantaged Communities around UThukela District Municipalities.**

#### 3.1. 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. Eskom encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Tenderer/s will be allocated points in terms of a preference point system based on specific goals, Eskom also requests that tenderer/s submits their B-BBEE improvement or retention plan within 30 days of signing the contract. Tenderer/s are therefore requested to indicate the extent to which they will maintain (only if the respondent is a Level 1) or may improve/maintain their B-BBEE status over the contract period if their B-BBEE status is level 2 or 3. Tenderer/s with a B-BBEE status level 4 at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of B-BBEE Level 3 by the end of the first year of the contract and thereafter improve their B-BBEE status level or migrate by one level higher.

Tenderer/s with a B-BBEE recognition status of Level 5 to Level 8 or non-compliant at the time of contract award, shall migrate and achieve as a non-negotiable a milestone of Level 4 by the end of the first year of the contract and thereafter improve at least one B-BBEE Level higher of each year from the second year of the contract. Tenderer/s are requested to submit their B-BBEE Improvement Plan as an essential document within 30 days of signing the contract.

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**NB:** A valid B-BBEE certificate or Sworn Affidavit is a condition for contract award, if your company's annual Total Revenue is R10 Million or less you qualify as an Exempted Micro Enterprise therefore you can submit Sworn Affidavit. If your annual Total Revenue is R50 Million or less, you qualify as Qualifying Small Enterprise and must comply with all of the elements of QSE score card relevant to your sector unless an entity is at least 51% Black owned you are required to obtain a Sworn affidavit. If your Annual Total Revenue is above R50m you need to submit a Valid B-BBEE certificate

### 3.2 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	Tenderer Proposal
	100%	

### 3.3. Procurement spend on entities with a minimum 51% black ownership

The winning tenderer is encouraged to procure/spend on designated groups on the following paid invoices for both:

- the 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 subcontractors 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 Designated Group	from	Eskom Target	Tenderer Proposal
Black Owned		4%	
Black Women Owned		5%	
Black Youth Owned		3%	
Black Persons with Disability		4%	

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**3.3 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

#### 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.

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

For the duration of the contract, Eskom will retain 2.5% of every invoice (excluding VAT) as security for the fulfilment of all SDL&I Obligations. The retained amounts shall only be released to the Contractor upon:

- Eskom receives the SDL&I progress report/s from the contractor.
- Fulfilment of all SDL&I obligations by the contractor.
- Submission of an approved compliance report by SDL&I Department.

#### Section 5: Reporting and Monitoring

- The suppliers shall on a quarterly basis submit a report to Eskom in accordance with Data Collection Template on their compliance with the SDL&I obligations described above.
- Eskom shall review the SDL&I reports submitted by the suppliers within 30 (thirty) 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, the suppliers shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- Every contract shall be accompanied by the SDL&I Implementation Schedule, which must be completed by the suppliers and returned to SDL&I representative for acceptance 28 days after contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments.

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