

 <p>Supplier Development and Localisation Security Services SD&L Undertaking Annexure I</p>	Unique Identifier	240-56738500
	Revision	Rev. 0
	Revision Date	September 2015
	Group Commercial Division	

SD&L contractual requirements

SD&L 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 in order to contribute towards addressing the socio-economic ills like unemployment, poverty and economic growth, through government local development initiatives and policies.

Eskom's aspiration for the tenderers to meet the following SD&L requirements. However suppliers will be requested as part of their submission to make proposals to Eskom based on the following SD&L requirements. The following requirements are a contractual requirement which means they can be negotiated before contract award with successful tenderer:

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)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

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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

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.

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

The tenderer should 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

1. BBBEE requirements: Successful tenderer is required at a minimum maintain their BBBEE status throughout the contract period:

2. Local Procurement Content

"Local Procurement Content: Tenderer is required to use local resources and equipment or any other consumables to execute this scope of work

The tenderer is required to submit their proposals in the table below:

Local Procurement Content	Eskom target	Tenderer Proposal
	100%	

3. Jobs. The tenderer is 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.



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

4. Skills development

Eskom reserves the right to negotiate with the tenderer on Eskom's requirements. The outcome of the negotiations will be a contractual obligation. If negotiations are not required, the tenderer's SDL&I undertaking will become a contractual condition.

Tenderer is required to submit proposals for the skills types / occupations and the number of candidates to be developed. These skill types must be relevant to the Boiler health set pumps. The candidates shall be currently unemployed graduates from school and technical, vocational, education and training (TVET) campuses. The threshold will be as follows to ensure successful implementation of this initiative:

- ✓ Tenderer will be obligated to **skill one** candidate for every **R2 Million** spend cumulatively through purchase orders/instructions awarded to the supplier; the tenderer will be required to implement this requirement a month after the threshold is reached.
- ✓ This obligation will be for the duration of the contract however tenderer needs to demonstrate positive progress on monthly basis.

Type of skill / Occupations	Number of candidates
e.g Security guard	

The process of developing these skills shall involve the participation by tenderers directly and also through their supply network. The PSIRA accredited training providers can be approached to participate in developing critical and scarce skills.

Tenderer shall recruit candidates for skills development from Free State, Limpopo and Mpumalanga provinces, and their composition must reflect the population demographics of South Africa.

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. The tenderer also are advised to approach their relevant SETAs to access grants, subsidies and incentives as well as South African Revenue Services for tax rebates that are earmarked for skills development initiatives.

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Note: Detailed implementation plan will be drafted and send to Eskom for approval on how all the SDL&I element will be achieved, 15 days after contract award.

Section 3: 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.

One of the following options will apply for SDL&I performance security:

- Suppliers will be required to report progress towards achieving SDL&I's contractual obligations on a quarterly basis regardless of the duration of the task order.
- As security Eskom will apply 2.5% retention on future invoices (excluding VAT) after all cumulative purchase orders awarded to Service Provider and reached a stipulated threshold of R2 million and failed to comply with fulfilment of the SDL&I obligations
- For every SDL&I commitment met in terms of the contract, the supplier shall apply for the release of the retention in the next payment certificate after the application and once the Eskom contract manager and the SDL&I compliance and monitoring team are satisfied that the obligations have been met.

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.

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6. Reporting and Monitoring

- The suppliers shall on a monthly/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 60 (sixty) 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 30 days after contract award.

7. SDL&I Penalty

- ✓ Suppliers will be required to report progress towards achieving SDL&I's contractual obligations on a quarterly basis regardless of the duration of the task order.
- ✓ As security Eskom will apply 2.5% retention on future invoices (excluding VAT) after all cumulative task orders awarded to a service provider who reached a stipulated threshold of R5 million and failed to comply with fulfilment of the SDL&I obligations
- ✓ For every SDL&I commitment met in terms of the contract, the supplier shall apply for the release of the retention in the next payment certificate after the application and once the Eskom contract manager and the SDL&I compliance and monitoring team are satisfied that the obligations have been met.

8. General Information on Validity of Sworn Affidavits

The following must be considered when it comes to validity of Affidavits;

Tenderers submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:

- Name/s of deponent as they appear in the identity document and the identity number.
- Designation of the deponent as the **director**, **owner** or **member** must be indicated in order to know that person is duly authorised to depose of an affidavit. (**Mark the applicable option**).
- Name of enterprise as per enterprise registration documents issued by the CIPC, where applicable, and enterprise business address.
- Percentage of black ownership, black female ownership and designated group. In the case of specialised enterprises as per Statement 004, the percentage of black beneficiaries must be reflected. (**No blank spaces to be left**).

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- Indicate total revenue for the year under review and whether it is based on **audited financial statements or management account**. (**Mark the applicable option**).
- Financial year end as per the **enterprise's registration documents**, which was used to determine the total revenue. (**Financial year end to be stipulated by day/month/year**).
- B-BBEE Status level. An enterprise can only have one status level. (**Tick applicable level**)
- Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for the empowering supplier status.
- Date deponent signed and date of Commissioner of Oath must be the same. (**The sworn affidavit must be signed in the presence of the Commissioner of Oath. Furthermore the Commissioner must also sign and stamp**)
- Commissioner of Oath cannot be an employee or ex officio of the enterprise because, a person cannot by law, commission a sworn affidavit in which they have an interest.

Declaration:

Based on the terms laid out above, we
(Company Name)

ACCEPT

NEGOTIATE

Name:

Date: