	Supplier Development, Localisation and Industrialisation (SDL&I)	Document Identifier	240-148918142	Rev	4
		Effective Date	01 April 2023		
		Review Date	September 2026		

Business Unit	Medupi Power Station (GCD)	
Description/ Scope of Work	Nitrogen Generating Plant, Integration of Hydrogen and Nitrogen Plants Scope of Work at Medupi Power Station	
Duration of the Project	14 months	
Name of Buyer	Mthunzi Mgaju	

Section 1:

1. SUPPLIER DEVELOPMENT, LOCALISATION AND INDUSTRIALISATION (SDL&I)

1.1. Background

Eskom, as a State-Owned Entity is aligned with the Government's Development and Growth initiatives. It has committed itself to local development initiatives with the aim of increasing the competitiveness, capacity, and capability of its local supply base as well as supporting government's goals of shared growth, employment creation, poverty reduction and skills development.

Within Eskom, Supplier Development, Localisation, and Industrialisation (SDL&I)'s 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 to accommodate government local development initiatives and policies.

All this should be achieved within the context of Eskom's Procurement and Supply Chain Management Procedure which is based on the Preferential Procurement Policy Framework Act (PPPFA), 2000 and Eskom's Preferential Procurement Policy:240-128811268

Supplier Development, Localisation and Industrialisation (SDL&I)'s objective is to leverage this Procurement to achieve the following Specific Goals in line with Section 2 (1) (d) of Preferential Procurement Policy Framework Act (PPPFA):

- i. contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; and*
- ii. implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994*

The Specific Goals determined to be applicable for this Procurement are listed herewith below as follows:

- Development and increasing of RSA Skills' pool through compliance with the CIDB's Contractor's Skills Development Goals (CSDG), which may entail Workplace Integrated Learning (WIL) for TVET College, Universities of Technology and University Graduates,

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- Empowerment of communities in the vicinity of the Projects through job creation, local procurement, skills development, enterprise and supplier development, subcontracting and corporate social investment initiatives.
- National Industrial Participation Programme (NIPP) is a Department of Trade, Industry and Competition (dtic) that is applicable if the procurement transaction has import material/ goods/services that is equal to or more than USD5 million. Therefore, in this instance, if the Bidder intends to import Human Resources whose costs to company is equal to or more than USD5 million, therefore the NIPP will be applicable.

1. How Tenders will be evaluated on Specific Goals (HDI and RDP).

Section 3.1: Specific Goals (Preferential Points Allocation)

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

Tender Returnable if the above elements are requirements.

- Valid original or certified copy of affidavit in the case of EME's must be submitted (sworn affidavit must be completed fully), or
- Valid Copy B-BBEE Certificate issued by CIPC for EME's. OR
- Valid original or certified copy of the B-BBEE certificate / affidavit in the case of QSE's must be submitted, or
- Valid original or certified copy of the B-BBEE certificate issued by SANAS Accredited Verification Agency for Generic Entities must be submitted, or

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- For JV's only valid original or certified copy B-BBEE Certificate issued by a SANAS Accredited Verification Agency will be accepted and the certificate should be in the name of the JV.
A tender failing to provide documentation for the allocation of preference points will not be disqualified, but (a) may only score points out of 90/80 for price and (b) scores zero points out of 10/20 for specific goals.

Section 2: Objective Criteria - May change award from the highest ranked tenderer to another tenderer in accordance with the requirements of the PPPFA [clause 2(1)(f)]:

2.1. National Industrial Participation Programme (NIPP)

Is there a possibility that there is equipment/plant/component/commodity that is valued at more than US\$5 million that will be imported?

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

If Yes, then the applicable SBD 5.2 Declaration Form (NIPP Declaration-Summary Schedule) is a tender returnable and will be mandatory for contract award main contractor is required propose development in the following areas or against the following Eskom's targets:

Eskom's Target	Tenderer Proposal
Declaration forms	

2.1 Skills Development

Are there Skills Development targets?

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

If Yes, the contractors are required to propose skills development against Eskom's targets:

Eskom's Target			
Category	Number	Entry Level	Output
Project Managers (Civil)	2	NDiploma/BTech/Degree	SACPCMP
Safety Officers	2	Safety Officer Certificate	SACPCMP
Quality Auditors	2	Relevant Degree/Diploma	IRCA/SAATCA


Section 3: SDL&I Penalty

3.1. Cash Retention per invoice

SDL&I or the Eskom Representative will monitor the meeting of the SDL&I targets in the contract. SDL&I collates SDL&I commitments by contractors and suppliers as stated in their contracts with Eskom. A minimum of 1.5% penalty shall be invoked should a contractor/supplier fail to meet its contractual obligations in terms of the SDL&I targets.

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Section 4: 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 (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.
- 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, shall accompany every contract.

Compiled by:



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Gabriel Mkhonza
Senior Manager (Acting): SDL&I
Group Capital Division

Date: 05 November 2025

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