

	Supplier Development, Localisation and Industrialisation (SDL&I) Strategy Setting Template	Template Identifier	240-43921804	Rev	6
		Document Identifier	240-148918142	Rev	3
		Effective Date	01 September 2020		
		Review Date	September 2023		

Description/ Scope of Work	Physical guarding and reaction/emergency response services Eskom Real Estate
Duration of the Project	36 Months

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

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


- Valid B-BBEE certificate issued by a SANAS accredited verification agency / 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 in an enquiry is not mandatory but a condition for contract award, and if included, this must align with the requirements of the PPPFA [clause 2(1)(f)] and be clearly stated in the enquiry together with the consequence of such objective criteria (i.e., 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
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please indicate below Designated Components

Commodity	Components	Local Content Threshold
PPE	Textile, Clothing, Leather, and footwear	100%
Two Way Radio Terminals and Associated Equipment	Portable Radio, Mobile Radio, and Repeater	60%

NOTE: SBD 6.2 Declaration Form and Annexures C, D & E (Local Content Declaration-Summary Schedule) are therefore **mandatory for contract award** and must be tender returnable.

2.2 National Industrial Participation Programme N/A

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.

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.

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“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.”.

Section 3: SDL&I Objectives in line with Reconstruction and Development Program (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

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

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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.

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

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
	98%	

3. Enterprise Development (ED)


The winning tenderer/s will be required to participate in ED initiatives and will be required to identify, select, and develop emerging black owned enterprises as beneficiaries to improve their technical capability. The investment required to be allocated towards enterprise development.

Tenderers shall develop the assigned ED beneficiaries **on behalf** of Eskom and may not own a stake or shares (strictly 0% shareholding) in the assigned ED beneficiary, either directly or through a flow through or modified principles calculation. The ED beneficiary that qualifies for development shall:

- Be a legal entity registered with National Treasury's Central Supplier Database.
- Reside or be located within **rural** municipalities (outside a metro municipality) in the eight provinces of South Africa: and
- Wholly Black Owned, controlled, and managed, classified as an Exempted Micro-Enterprise (EME)

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Requirements for the ED program:

Tenderers are required to conduct a needs analysis on the ED beneficiaries to identify developmental areas. This will be followed by the formulation of a development program with milestones aimed at eliminating identified gaps. Tenderers will then develop a schedule of activities to address the identified developmental areas.

The tenderer will also allocate resources for the development of the ED beneficiary and assign an ED champion. The ED champion will be suitably qualified and experienced to monitor progress and complete portfolio of proof for the following activities for submission to Eskom every six months.

- Skills transfer with emphasis on innovation.

In addition, tenderers shall comply with requirements from the (non-exhaustive) list below:

1. Management and labor skills transfer. **(See skills development table below)**
2. Establishment of administrative systems.
3. Establishment of cost controls systems.
4. Planning, tendering, and programming skills transfer.
5. Business skills transfer with emphasis on entrepreneurial and negotiation skills.
6. Legal compliance.
7. Procurement skills transfer.
8. Contractual knowledge transfer

From signing of the contract, tender/s will be given 30 days to submit the following, this requirement will further be discussed during negotiations.


Name of Enterprise or names of owners	Ownership (BO, BWO, BYO or BPwD)	Tenderer to insert names of Local Municipality

Process of monitoring and reporting related to the ED program:

The Eskom assigned representative shall:

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- Ensure that all the pre-requisites for an ED relationship have been met over the agreed timelines of the contract to recognize the ED Program.
- Ensure that the ED Program complies with the requirements; and
- Interview and inspect any relevant documentation including premises for the ED beneficiary and selected staff to verify ED Program is compliant to contractual SDL&I commitments.

NOTE 1: The tenderer shall submit the following returnable for enterprise development:

- Enterprise development agreement signed by both the tenderer and the ED beneficiaries to confirm ED is on behalf of Eskom.
- Copies of letters from the tenderer to the ED beneficiaries, stating the intent to develop the enterprise. The tenderer should sign both documents and the ED beneficiaries earmarked.
- A schedule of activities to address the identified developmental areas.
- At contract award, Eskom and the ED beneficiary shall sign the ED agreement.

- 4. 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


5. Skills development

Skill type / Occupation	Eskom target of people to be trained	Proposed Number of Candidates
Security Supervisor Grade B		
Grade C		
Site Manager		
Total Number of Candidates to be Trained		

The successful tenderer will be obligated to train **1** candidate for every **R2 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.

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The main objective of this skills development is to empower already existing SSME by upskilling them as part of Enterprise Development.

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.

Section 5: Reporting and Monitoring

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- 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 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.

Section 6: Market Research

The following information demonstrates market analysis and assists in arriving at the targets above.	
Current Suppliers Providing the Services	Potential Suppliers:
•	• Open market

Section 7: General Information on Validity of Sworn Affidavits

The following must be considered when it comes to validity of Affidavits;
<p>Tenderers submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:</p> <ul style="list-style-type: none"> • 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). • 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.

Name of tenderer:

Tenderer representative:

Representative signature:

Date:

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