

INDUSTRIALISATION STRATEGY CONSULTING SERVICES

1. INTRODUCTION AND BACKGROUND

NTCSA is a subsidiary of Eskom whose primary responsibility is generating approximately 90% of the electricity used in South Africa and approximately 30% of the electricity generated on the African continent. NTCSA provides a reliable and efficient transmission network, system operator and energy market services in South Africa and designated electricity markets.

NTCSA's strategic role remains to enable economic growth by providing a reliable and predictable electricity supply in an efficient and sustainable manner. It also contributes to job creation, skills development, transformation through broad-based black economic empowerment, in support of the National Development Plan (NDP) and other country initiatives. This is in line with SDL&I's key objective that is to create an enabling environment for Industrialisation and transformation that must materialise through NTCSA's procurement spend that support the NTCSA's business objectives.

Through industrialisation, NTCSA aims to strengthen the transmission network, support local economies, and promote sustainable energy practices. This will be achieved by focusing on innovation, local manufacturing, and workforce development. NTCSA can therefore play a pivotal role in South Africa's energy future while driving economic growth and local collaboration.

2. MANDATE

To implement the industrialisation strategy for the NTCSA from 2025 to 2035, focusing on enhancing infrastructure, fostering innovation, and promoting sustainable practices. The implementation of the strategy will guide the NTCSA in becoming a leader in sustainable energy transmission, driving economic growth and further industrialisation in South Africa through innovative technologies and strategic partnerships.

3. PROBLEM STATEMENT

NTCSA's industrialisation strategy is crafted at a time when there are many challenges in the electricity sector in South Africa. These challenges include lack of capacity by local suppliers to scale their operations to meet NTCSA's demands, and the pricing and quality of local supplies. The South African government is on a drive to promote Industrialisation within the country with the objective of stimulating local economic growth thereby reducing unemployment and poverty. NTCSA is currently on an expansion program in terms of the Transmission Development Plan for the next ten years and play the vital role in the Industrialisation drive within the country. A strategy has been developed by NTCSA that supports the Industrialisation this drive. The strategy identifies the plan that needs to be rolled out in the next ten years that supports not only the government socio economic initiatives, but ensures a local supplier base that enables NTCSA to achieve its objectives through the TDP.

4. OBJECTIVES

Appointment of a qualified and well experienced Industrialisation Consultant to:

- To roll out the Industrialisation Plan as per the overarching NTCSA Industrialisation strategy.

5. MINIMUM REQUIREMENTS

Company experience:

- More than 2 years' experience in Industrialisation Consultancy.
- Industrialisation Strategy development and workshop facilitation.
- Track record working with large Corporates/Multinationals/SOEs.
- Track record working with Government Institutions and Legislative Bodies.
- Knowledge of Sector Development Plans.

6. STATEMENT OF WORK

The Consulting Firm need to have the necessary facilities, intellectual capability, technology, and embedded human capital to deliver against the objectives.

The *Consultant/s* performs the prime activities stated in Section 7.

The form of contract for the services is the NEC Professional Services contract with option G as the Secondary Option.

7. SCOPE OF SERVICES

This document defines the scope of services required from the Consultant/s to perform a variety of services which include the implementation of the NTCSA's Industrialisation Strategy.

7.1. Industrialisation Strategy Implementation Scope of Services
7.1.1. Implementation of the Industrialisation Strategy
○ Develop a road map of the implementation plan (sub plans) of the Industrialisation Strategy ○ Signed off Implementation Plan and Road Map with key milestone deliverables ○ Workshop the Industrialisation implementation plan with all relevant stakeholders, in respect of the Transmission Development Plan (TDP) ○ External benchmark of Industrialisation in similar industries, locally and internationally ○ Identify barriers to Industrialisation across NTCSA and implement action and preventative plans ○ Implementation of a Risk Mitigation Plan ○ Strategy Implementation plan for sector specific commodities, i.e. steel, conductors, transformers, etc. ○ Submit quarterly status Report on progress against Industrialisation targets ○ Input that will assist to fast-track NTCSAs Industrialisation strategy ○ Submit a Technological Assessment report incorporating various sub-committees who will be responsible to carry out a comprehensive assessment of technology gaps. ○ Submit a Supplier Capability report within the NTCSA commodity value-chain.
7.1.2. Set-up NTCSA Commodity Sub-committees and Workgroups
○ Ensure that NTCSA's Industrialisation Sub-committees and workgroups are in place and properly constituted ○ Develop Terms of Reference for the Commodities workgroup ○ Workshop the committees on their roles, responsibilities and KPIs ○ Monthly tracking, reporting and monitoring

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- Assessment of the key milestones in line with the Industrialisation Implementation Roadmap
- Identification of risks which may delay or prevent the implementation of the industrialisation strategy and the management thereof in the respective sectors.
- Steer and provide on-going guidance to custodians for enablement of the implementation of recommendations to close the gaps and to ensure that the desired outcome is achieved
- Co-ordinate sub-committee and workgroup monthly reports for submission to NTCSA Senior and Executive Management on progress achieved against the strategy.

7.1.3. Economic Analysis in respect of the Transmission Development Plan (TDP)

- Analyse the impact of transformation on the TDP
- Analyse the impact of locally produced commodities against imported commodities to ascertain economic value.
- Analysis to determine inefficiencies in the NTCSA commodity sourcing value chain and identify opportunities for industrialisation.
- Evaluation of the economic impact in respect of the various commodities and their contribution to the South African economy and socio-economic objectives of the NTCSA.

7.1.4. Stakeholder Engagement

- Stakeholder Mapping & Categorisation based on their impact on NTCSA's objectives
- Engaging with national, provincial, and local government bodies such as the Department of Trade, Industry and Competition (DTIC), Industrial Development Corporation (IDC), and provincial economic development agencies.
- Collaborating with universities (e.g., University of Pretoria, Wits University), TVET colleges, and research institutes to develop industry-relevant curricula and skills programs.
- Facilitating discussions with industry associations such as Business Unity South Africa (BUSA), Manufacturing Circle, and sectoral chambers.
- Consulting with worker representatives including the Congress of South African Trade Unions (COSATU), National Union of Metalworkers of South Africa (NUMSA), and the Federation of Unions of South Africa (FEDUSA) to address labour issues and workforce development.
- Establishing Public-Private Partnerships to mobilise investment, enhance infrastructure, and drive industrial development.
- Ensuring community and workforce participation in industrial initiatives to promote inclusive economic growth.
- Establishing global partnerships for technology transfer, market access, and best practices in industrial development.

7.1.5. Ad-hoc duties relating to Industrialisation

- Consolidation and coordination of all Industrialisation input information across the NTCSA business
- Develop budgeted costs for the implementation of Industrialisation model
- Development and management of a database which is orderly and accessible to NTCSA employees.
- Documentation and record keeping in line with best practices and of a high-quality standard.
- Utilization of NTCSA templates where applicable
- All execution in line with agreed timelines

7.1.6. Frequency

- 5-year period

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7.1.7. Costing

- Rate base

8. EMPLOYER'S OBJECTIVE

The Employer's objective is to contract the services of a suitably qualified consulting firm/s for the implementation of the Industrialisation Strategy with specific knowledge of:

B-BBEE compliance and sector codes;

Skills and experience in Supplier Development, Localisation & Industrialisation;

Knowledge of State-Owned procurement processes and relevant legislation regarding industrialisation;

Delegations of Authority;

National Treasury Regulations on Procurement; and

Management of procurement activities in a project environment, project procurement management.

The purpose of the contract will be to fully own and drive implementation of Industrialisation Strategies aimed at NCTSA achieving its socio-economic objectives. The service provider would be expected to provide specialist resources and tools to help drive certain initiatives in the Supplier Development, Localisation & Industrialisation space.

The firm needs to have the necessary facilities, intellectual capability, and embedded human capital to deliver against the objectives.

9. APPLICABLE DOCUMENTS

Applicable documents form an integral part of this document unless specifically otherwise stated.

9.1. Legislative Environment

The *Consultant* shall ensure personnel employed on this contract apply the most recent edition of the documents listed in the following paragraphs:

9.2. Normative

1. Public Finance Management Act 1 of 1999;
2. The Preferential Procurement Policy Framework Act 5 of 2000;
3. 240-62072907 The Eskom Delegation of Authority Policy;
4. The Broad-Based Black Economic Empowerment Act 53 of 2003, including the Broad-Based Black Economic Empowerment Regulations, 2016;
5. Preferential Procurement Regulations 2017;
6. National Treasury Regulations (to the extent as indicated in the regulations);
7. National Treasury Standard for Infrastructure Procurement and Delivery Management (NT prescription for Infrastructure Procurement);
8. National Treasury Instruction Notes and Guidelines;

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9. National Treasury Regulations (Contract Management Framework);
10. Promotion of Access to Information Act 2 of 2000 (PAIA);
11. The Protection of Personal Information Act 4, 2013 (POPIA);
12. The Electronic Communications and Transactions Act, 2002 (ECTA);
13. The Companies Act, 2008 and including the Companies Regulations, 2011;
14. 32-1033 Eskom Procurement and Supply Chain Management Policy;
15. 32-173 Conflict of Interest Policy;
16. 32-527 The Eskom Code of Ethics Standard;
17. 32-1112 Eskom Disciplinary Code Standard;
18. 240-62196227 The Eskom Life Saving Rules;
19. 32-727 Safety, Health, Environment and Quality (SHE) Policy;
20. 32-136 Construction Safety, Health and Environmental Management Procedure;
21. 32-726 SHE Requirements for Eskom Commercial Process;
22. 240-105658000 Supplier Quality Management Specification (QM58);
23. 32-202 Periods for Retention of Accounting and Other Records;
24. 32-10954 Foreign Exchange and Commodity Exposures Policy;
25. 32-1096 Foreign Exchange and Commodity Procedure for Importation and Exportation of Goods and Services;
26. 240-81328492 Eskom Value Standardisation and Cataloguing Procedure;
27. 240- 82441069 Materials and Services Cataloguing Procedure;
28. 32-644 Eskom Documentation Management Standard;
29. 240-51017584 Group Commercial Documentation Management Procedure;
30. 240-20167556 Execution of Probity Checks within the Procurement and Supply Chain Environment;
31. 240-116154037 Eskom Policy for Infrastructure Procurement and Delivery Management (Policy on NT prescription for Infrastructure Procurement);
32. Prevention and Combating of Corrupt Activities Act 12 of 2004;
33. 32-224 Eskom Interconnected Power System Emergency Response Procedure;
34. National Treasury Instruction Number 02 of 2016/2017: Cost Containment Measures;
35. B-BBEE Codes of Good Practice of 2013;
36. 240-113650212 Eskom Supplier Integrity Pact.

9.3. Informative

1. 240-53717262 Governance Secretariat Management Procedure;

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2. 240-53717264 Tender Office Standard;
3. Eskom's Integrity Pact with Suppliers;
4. ISO 9001 Quality Management Systems;
5. ISO 10845-1:2010 – Construction Procurement;
6. ISO 8000-110:2009 Data quality -- Part 110: Master data: Exchange of characteristic data;
7. ISO 22745-11:2010 Industrial automation systems and integration -- Open technical dictionaries and their application to master data;
8. ISO 14001 (Environment);
9. OHSAS 18001 (Health and Safety) Standard;
10. The Constitution of the Republic of South Africa Act 108 of 1996;
11. National Treasury Regulations (to the extent as indicated in the regulations);
12. General Procurement Guidelines (National Treasury, 2003:1-8);
13. National Treasury Regulations (Contract Management Guide);
14. The Construction Industry Development Board Act 38 of 2000;
15. Construction Industry Development Board Regulations and Standard for Uniformity;
16. Promotion of Administrative Justice Act 3 of 2000 (PAJA);
17. King III Report on Corporate Governance;
18. King IV Report on Corporate Governance;
19. Eskom Materiality and Significance Framework;
20. 240- 82441069 Materials and Services Cataloguing Procedure 20 March 2018 Rev 4;
21. Eskom Corporate Plan;
22. 240-124481999 Group Procurement and Supply Chain Management Business Plan;
23. 240-52381465 Group Commercial Management System Manual;
24. 32-1111 Eskom Disciplinary Procedure;
25. Customs and Excise Act 91 of 1964;
26. 32-391 Integrated Risk Management Standard.

9.4. Standards, Guidelines, Regulations and Acts

Document Title	Document Number	Revision
[1] Eskom Procurement and Supply Chain Management Policy	32-1033	
[2] Eskom Procurement and Supply Chain Management Procedure 32-1034	32-1034	Rev 5 and revisions thereafter

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Document Title	Document Number	Revision
[3] National Treasury Regulations and Instructions	Various	
[4] Public Finance Management Act,	1999	
[5] Eskom's Delegation of Authority Framework.	2022	
[6] Preferential Procurement Policy Framework Act	2000	
[7] BBBEE Act and regulations	2003 and 2016 regulations	
[8] Code of Ethics Policy	32-527	
[9] Code of Ethics Procedure	32-757	
[10] Conflict of Interest Policy	32-173	
[11] Declaration of interest Procedure	32-225	

The above documents are the minimum standards, regulations, and acts that govern the procurement and supply chain management environment. The *Consultant/s*, in executing the duties prescribed in this scope of *services*, is required to comply with the requirements of these documents.

10. EVALUATION CRITERIA AND PROJECTED NUMBERS

10.1. Consulting services for Industrialisation Strategy

No.	Description	Returnable	Weight	Scoring				
				0	30	50	80	100
1	Company Consultancy and advisory experience in the development and execution of an Industrialisation strategy	Fully signed Reference Letters covering the scope	30%	No Reference Letter Submitted	Partially Compliant Letters, do not cover all aspects of scope	One (1) Reference Letters covering the full scope	Two (2) Reference Letters covering the full scope	Three (3) or more Reference Letters covering the full scope
2	Firms Experience in the execution of the Industrialisation strategy.	Firms profile highlighting years of experience and clients serviced in line with Industrialisation requirements.	30%	<2 years' Experience	>2 <5 years' Experience	>5 <7 years' Experience	>7 <10 years' Experience	>10 years' Experience
3	Execution Methodology	Method Statement of how the service will be rendered (Organogram, employee qualifications, Industrialisation Models, 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, strategic alliances)	40%	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		80%					
	Total		100%					

Note:

1. The reference letter must be on the letter head of the company providing the reference, it must contain the contact details of the person providing the reference and must contain the scope executed and when the work was undertaken including the contract or order number.
2. The profile should highlight when the firm was established and the number of years the firm has provided the service and the names of the companies the service was provided to. The purpose is to see that the firm has the necessary experience in offering the services. A year would only be counted whereby the firm highlights the works undertaken in that year that are associated with the scope e.g., for a firm to score points they must indicate in each of the 5 years' work undertaken by the company, associated with the scope.
3. A due diligence check will be conducted on the submitted information.

11. DELIVERABLES

Consultants will be required to adhere to the agreed deliverables with the employer. Key performance indicators / milestones will be implemented to track deliverables.

12. REVIEW AND ACCEPTANCE OF DELIVERABLES

Acceptance of Deliverables by the Employer will generally follow the process outlined in **Error! Reference source not found..**

Ref.*	Task	Responsibility
a.	<i>Consultant</i> Prepares Deliverable and submits to its lead team for review	<i>Consultant</i>
b.	Internal review	<i>Consultant</i>
c.	<i>Consultant</i> submits deliverable to the Employer's team (NTCSA P&SCM project lead) for review	<i>Employer</i>
d.	NTCSA P&SCM project lead and <i>Consultant</i> review comments from the <i>Employer</i>	<i>Employer/ Consultant</i>
e.	Review Meeting	<i>Consultant and Employer</i>
f.	<i>Consultant</i> updates Deliverables report	<i>Consultant</i>
g.	Deliverable is issued to the <i>Employer</i> (NTCSA P&SCM project lead) for Acceptance	<i>Consultant</i>
h.	Report is submitted for Acceptance by the Chief Executive Officer	NTCSA P&SCM Project lead
i.	Report is presented to other NTCSA Structures.	NTCSA P&SCM Project lead supported by the <i>Consultant</i>

Table 1: Process for Review and Acceptance of Deliverables

* Refer paragraphs below.

- The *Consultant* prepares all Deliverables in accordance with his internal quality assurance procedures.
- The *Consultant* reviews all Deliverables in accordance with his internal quality assurance procedures. The reviewer is qualified in the process used to generate the Deliverable and is not the same individual who prepares the Deliverable, but may be from the same organisation. Reviewers have access to pertinent background information upon which they may base their review.
- The *Employer* reviews the Deliverables, using the requirements set in this document as a basis for review.
- The *Employer* forwards review comments to the *Consultant* within two (2) weeks after receipt of the Deliverables.
- The *Employer* and *Consultant* hold a review meeting to discuss and clarify the *Employer's* review comments. The *Consultant* minutes the changes to be incorporated as agreed between the Parties, as well as follow-up action.
- The *Consultant* updates/corrects the Deliverables as per the *Employer's* comments or as per the minutes of the review meeting.
- An authorized person within the *Consultant's* organization approves the revised Deliverables and submits the final deliverables to the NTCSA P&SCM project lead.

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- h. Deliverables are shared with the Chief Executive Officer for his acceptance.
- i. Report is presented to other NTCSA structures.

13. REVIEW MEETINGS

- a. The Consultant and the Employer/End User will review the Deliverables in meetings organised and scheduled by the Employer/End User.
- b. The Consultant ensures that all follow-up actions are carried out within the time stipulated.
- c. The *Employer/End User* may, in addition to the scheduled review meetings indicated, request additional reviews.
- d. The Employer may involve independent third parties in any of the review meetings.
- e. Review meeting may also include presentations to various NTCSA Structures. Where such is a requirement, the *Consultant* will prepare PowerPoint presentations in compliance with the requirements of those structures.

14. PROGRESS MEETINGS

The Employer/End User and the *Consultant* hold regular meetings to review the progress made with respect to project activities.

The *Consultant* agrees the frequency and venue of the progress meetings with the project lead from the NTCSA P&SCM team.

The *Consultant* agrees a schedule for the progress meetings with the project lead from the NTCSA P&SCM team.

The *Consultant* keeps minutes of these meetings.

Note: Minutes of meetings will not form any basis of variations or amendments to the contract. The Employer communicates contract variations or amendments formally and separately to the Consultant by means of compensation events.

15. RECEIVABLES

The *Employer* shall provide access to the *Employer's* premises and/or procurement sites where required. Everything provided by the *Employer* for the purpose of enabling the *Consultant* to carry out the *services* under this contract shall remain the property of the *Employer*.

The *Consultant* shall ensure all information stored on the laptops is not shared, removed, copied to environments external to the contract.

16. DOCUMENTS AND DRAWINGS

The *Consultant* is responsible for obtaining the documents referenced in section 6 and 7 of this document. The documents received from the *Employer* are for the sole use of the activities associated with this contract and shall not be transmitted or shared with others who are not part of the *Consultant's* team working under this contract.

17. INVOICING AND PAYMENT

All invoices shall be supported, where applicable, by a detailed breakdown of the manpower hours, and rates applicable. The Invoice shall be addressed to the Senior Manager: Procurement responsible for the service request.

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The *Consultant* shall address the tax invoice to NTCSA SOC Limited and include on it the following information:

- Name and address of the Consultant and the Senior Manager: Procurement;
- The contract number and title;
- The Purchase Order number
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT.
- The invoice shall be submitted with the signed off breakdown on manpower costs (Proactive Assurance Work)

18. ABBREVIATIONS

Abbreviation	Explanation
NDP	National Development Plan
NTCSA	National Transmission Company South Africa
B-BBEE	Broad-Based Black Economic Empowerment
KPI's	Key Performance Indicators
SDL&I	Supplier Development, Localisation and Industrialisation
SOC	State Owned Company
TDP	Transmission Development Plan
SOE	State Owned Entity
NEC	New Engineering Contract