Mandatory Subcontracting as condition of award

Subcontracting where feasible must be negotiated on contracts above R30 million and is a condition for contract award.

If feasible tenderers shall subcontract a minimum of 20% of the contract value to any of the following designated groups:

- an EME or QSE which is at least 51% owned by black people;

- an EME or QSE which is at least 51% owned by black people who are youth;
- an EME or QSE which is at least 51% owned by black people who are women;
- an EME or QSE which is at least 51% owned by black people with disabilities;
- an EME or QSE which is 51% owned by black people living in rural or underdeveloped area or townships;
- a cooperative which is at least 51% owned by black people;
- a EME or QSE which is at least 51% owned by black people who are military veterans.

NOTE 1: Tenderers shall submit the following returnables for Subcontracting:

- Subcontracting agreement signed by both parties with subcontractors' company registration documents.
- Copies of signed letters from the tenderer to the sub-contractor/s stating the intent to sub-contract and;
- Subcontractor's valid B-BBEE certificate by a SANAS accredited Verification Agency or Sworn Affidavit.

Main contractor to propose the areas of subcontracting and the subcontracting percentage.

Potential scope to be subcontracted and/or outsourced but is not limited to list below:

- Transport
- Packaging
- Forwarding and Freight

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.

Local Procurement Content

"Local Procurement Content" refers to value added in South Africa by South African resources and paid for with the local currency. 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
	90%	

Procurement spend on entities with a minimum 51% black ownership

The tenderers are 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.

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 this contract.

Skills development

Tenderers to take note of the skills below for developing the skills of unemployed candidates in the country. Skills development is intended to address Eskom's core, scarce and critical skills currently. Candidates shall only be bona fide South African citizens, and their composition shall be representative of the population demographics of South Africa paying special focus to those that are currently and previously disadvantaged.

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Skill type / Occupation
Winding Technician
Draughtsman
Industrial Mechanic
Metallurgical & Quality Control (QC) Inspector
Electrical Testing Technician

Note: Successful supplier/s to deliver on 1 Skill (from the list above) for every spend accumulated to R8 000 000 invoiced to Eskom.

The process of developing these skills shall involve the participation by tenderers directly and through their supply network giving on job training. In certain cases, National Qualifications Authority qualifications may be developed via the SETA's accredited training providers can be approached to participate in developing critical and scarce skills.

Note: That these targets for skills development candidates categorically exclude Eskom employees and registered learners / interns. 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. Tenderers 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.

Sub – contractor details:

Name of contractor / Contractors	
Proposed Scope of work to be performed by sub-contractor	
Subcontractor BBBEE status level	
% **Subcontracting**	
Contact person	
Telephone number	
E-mail address	