SDL&I Undertaking

Tenderers who complete and submit the undertaking as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I undertakings do not form part of scoring but commitments will form part of contractual obligations

1. NIPP: In line with DTI requirements on important content that are above $5million, the National Industrial Participation Programme has to be applied in order to stimulate local manufacturing capability and job creation. International manufactures of equipment have to commit on minimum thirty percent local participation programme through formalized DTI NIPP obligations agreements. Therefore, in line with NIPP requirements, once the contract is awarded, the international company has to complete SBD 5 form as an undertaking to DTI.

Note: The above NIPP obligation will apply only if the foreign portion is equivalent or more than the stipulated minimum threshold of $5 million. Suppliers will be encouraged to indicate or declare how much local manufacturing / procurement spend amounts to in this transaction. In an event where the foreign content does not exceed the NIPP threshold of $5 million, the normal SDL&I targets of skills development, Subcontracting and job creation will be applied.

2. **BBBEE requirements:** All tenderers must at a minimum maintain their BBBEE status throughout the contract period:

3. **Subcontracting to entities with a minimum 51% black ownership**

The target for subcontracting is 30% of the contract amount. This allocation shall be distributed across EME 1&2 / QSE 1&2.

Eskom target	Tenderer Proposal
30% EME 1&2 / QSE 1&2	

4. **Jobs.** Tenderers are required to submit proposals for the type and number of jobs that will be created and retained as a direct result of being awarded a contract.

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

5. Skills development

Tenderers are required to submit proposals for skills development of unemployed candidates. Skills development target is Eight **(8)** candidates in order to address Eskom's core, scarce and critical skills and the MerSETA scarce and critical skills. These skills are also included in a 2018 list of occupations in high demand as stipulated in the Government Gazette 41728. Candidates shall be from all provinces in the country, and their composition shall be representative of the population demographics of South Africa

Category	Eskom Target	Tenderer proposal
Quality controller	2	
Technician	2	
Artisan	2	
Engineers	2	

The process of developing these skills shall involve the participation by tenderers directly and also through their supply network. In certain cases, the SETAs 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. 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.

Note: *All the above are negotiated with the successful tenderer prior to contract award*.

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 all SDL&I obligations, Eskom will apply a penalty of 2.5% of every invoice amount (excluding VAT) for failure to submit SDL&I performance reports every quarter; **or** failure to meet the SDL&I obligations in a contract.

Section 5: 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 28 days after contract award.

Section 6: 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**).
- 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.