

	MPDUV10241GX	MILLING PLANT MAINTENANCE SERVICE AT DUVHA POWER STATION FOR FIVE YEARS
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SUPPLIER DEVELOPMENT LOCALIZATION AND INDUSTRIALIZATION

Section 3: Mandatory Compliance for Contract Award

The following requirements are mandatory compliance for contract award and submissions can be clarified during evaluations or negotiated before contract is awarded

3.1 BBBEE Compliance

Is there minimum BBBEE level targeted?

If Yes, what is the BBBEE status targeted for this transaction (contractor/s will be required to submit plans to achieve the target level if not met at contract award)

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
BBBEE Level 1-4 Eskom prefers to do business with suppliers of BBBEE Level 1-4 however suppliers with a BBBEE level 5 and above should not be disqualified; instead, they should be requested to submit a plan and/or commitment to improve their BBBEE level.	

3.2 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 spend minus the imported component.

Local Procurement Content	Eskom Target	Tenderer Proposal
	100%	

Subcontracting Requirements

Is there a requirement for subcontracting?

If Yes, what is the targeted subcontracting percentage

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>
30% Subcontracting to a QSE or EME that 51% or more black owned	

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3.3 Skills Development

Are there Skills Development targets?

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

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

Eskom's Target			
Category	Number	Entry Level	Output
Technical	3	N3 or Matric	N6 /National Diploma Maintenance technicians
Suppliers Commitments			
Category	Number	Entry Level	Output

Section 4: SDL&I Penalty and Performance Security

Eskom will apply a penalty of 2.5% of the Contract Value for failure to meet SDL&I obligations.

One of the following options will apply for SDL&I performance security:

- For the duration of the contract, Eskom will retain 2.5% of every invoice (excluding VAT) as security for the fulfilment of all SDL&I Obligations. The retained amounts shall only be released to the Contractor upon fulfilment of all SDL&I obligations at the end of the contract.
- Alternatively the Contractor shall submit a bond equivalent to 2.5% of the Contract Value and shall only be released to the Contractor upon fulfilment of all SDL&I Obligations.
- Panels- Eskom will apply 2.5% retention on every invoice (excluding VAT) after all cumulative task orders awarded to the Contractor/Service Provider that have reached a stipulated threshold as security for the fulfilment of the SDL&I obligations.

Section 6: Market Research

	N.B. <ul style="list-style-type: none">• Suppliers of BBBEE Level 5 and above will be required to submit a plan on how they will improve their BBBEE level to be BBBEE Level 4 or smaller.• Although subcontracting is not a pre-qualification for tender evaluation, it is definitely a mandatory requirement for contract award.
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