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|  | Supplier Development, Localisation and Industrialisation (SDL&I) Strategy Setting Template | Template Identifier | 240-148918142 | Rev | 1 |
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Failure to meet Pre-qualification at tender stage will lead to disqualification

1.1 Minimum BBBEE status level of contributor?

If Yes, what is the BBBEE status and/or level required

| YES | NO |
|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Level 1 | |

1.2 Is there BBBEE category targeted for this enquiry?

If Yes, BBBEE category

| YES | NO |
|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| EME & QSE | |

Tender Returnable if the above elements are requirements:

- Valid original or certified copy of sworn affidavit in the case of EME's must be submitted (affidavit must be completed fully), or
- Valid Copy B-BBEE Certificate issued by CIPC for EME's. OR
- Valid original or certified copy of the B-BBEE certificate / sworn affidavit in the case of QSE's must be submitted, or
- Valid original or certified copy of the B-BBEE certificate issued by SANAS Accredited Verification Agency for Generic Entities must be submitted, or
- For JV's only valid original or certified copy, B-BBEE Certificate issued by a SANAS Accredited Verification Agency will be accepted and the certificate should be in the name of the JV.

1.3 Minimum subcontracting requirement for this?

If Yes, what is the minimum percentage?


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

Tender Returnable if the above element is a requirement.

- Letter of intent or any other requested document indicating commitment and the percentage required must be submitted as a tender returnable.
- Sub-contracting can only be concluded with the following entities:

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- 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

Section 2: Mandatory requirement for tender submission

When applicate the following stipulated minimum threshold for Local Production and Content must be achieved in full by the tenderer

2.1 Local Content Designation

- 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 |
|-------------------------------|---|-------------------------|
| Fasteners | Bolts, nuts rivets and nails | 100% |
| Joining/connecting components | Gussets, cleats, stiffeners, splices, cranks, kinks, doglegs, spacers, tabs, brackets | 100% |
| Valves | Safety or relief valves (Pressure valve or Vacuum valve) | 70% |
| Taps & Cocks | Low pressure (full range) | 70% |

NOTE 1: SBD 6.2 Declaration Form and Annex C (Local Content Declaration-Summary Schedule) is therefore **mandatory** and must be a tender returnable. Forms must be completed in full and signed.


If the quantity of materials and/or products cannot be wholly sourced in South Africa, **the DTI**, in consultation with the procuring entity, will grant exemption on a case-by-case basis. **Bidder should request and obtain written exemption from the Department of Trade and Industry (DTI).** Such exemption applications should be submitted, and approvals should be obtained prior to the closure of the bid(s) concerned. **The DTI** in consultation with the procuring organ of state and the local industry will consider the exemption application on a case-by-case basis. Bidder should refer to national treasury Designated Sector Instruction Number 12 of 2016/2017 Paragraph 4.2.

NB: A tender that fails to meet the minimum stipulated threshold for local production and content will be disqualified.

Section 3: Mandatory Compliance for Contract Award

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

3.1 CIDB Skills Development

a) Is there CIDB compulsory training?

If Yes, what is the % of the Construction Skills Development Goal % (CSDG)

| YES | NO |
|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| N/A | |

If the answer above is Yes, it will then be mandatory for the supplier to match Eskom's targets

| Criteria | Eskom Target | Tenderer Commitment |
|-----------------|--------------|---------------------|
| CSDG Percentage | N/A | |
| Description | N/A | |

3.3. 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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| | |

3.3 Subcontracting Requirements

Is there a requirement for subcontracting?


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

Section 3: Mandatory Compliance for Contract Award ... continue

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

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SDLI undertakings

Note: The undertakings shall be sourced from previously disadvantaged Communities around Sedibeng and Fezile Dabi District Municipalities.

3.4 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% | |

3.5 Enterprise Development

Are there specific ED requirements that are not achievable through Sub-contracting?

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

If Yes, the main contractor is required propose development in the following areas or against the following Eskom’s targets:

| Eskom’s Target | Tenderer Proposal |
|--|-------------------|
| The bidder to identify and incubate a Small Measured Entity from the above-mentioned District Municipalities. Assistance could be in the form of business support/ equipment/finance. | |

A detailed ED plan that shows impact to the beneficiary should be submitted to the employer for approval prior to contract award. The ED implementation plan should include the following:

- ☐ Clear objective.
- ☐ Priority interventions
- ☐ Key performance indicators; and
- ☐ A concise implementation plan with clearly articulated milestones

In addition, they will expected to draft an ED proposal within eight weeks of contract award stage. ED agreement must be signed with the beneficiary and sent to Eskom for review and acceptance. Progress will be monitored throughout the duration of the contract


3.6 Job Opportunities

Tenderer to indicate number of Jobs to be created and/or retained from this contract.

| Number of Jobs to be created | Number of Jobs to be retained |
|------------------------------|-------------------------------|
| | |

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Local pool criteria:

| Type of jobs | Target set (local-to-site) | Suppliers Proposal |
|-----------------|----------------------------|--------------------|
| General workers | 100% | |
| Semi-skilled | 70% | |
| Skilled | 30% | |

Skills Development

Are there Skills Development targets?

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

| Eskom's Target | | | | Tenderer Proposal | | | |
|----------------|----------|------------------------|--------|-------------------|----------|------|--------|
| Category | Entrance | Exit | Number | Category | Entrance | Exit | Number |
| 1.Plumber | Grade 10 | Competency certificate | 2 | | | | |

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.

Section 5: Reporting and Monitoring

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- 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 30 days after contract award.

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