



Supplier Development Localisation and Industrialisation Undertaking

Provision of Home Work Home employee transportation service from various pick up points at Volksrust to Majuba Power Station on an as and when required basis over a five year period.

SUPPLIER DEVELOPMENT LOCALISATION AND INDUSTRIALISATION TARGETS

1. PRE-QUALIFICATION CRITERIA

- 1.1. Only tenderers that are classified as Exempted Micro Enterprises (EMEs) and have a B-BBEE recognition status of Level 1 contributor will be considered.

2. OBJECTIVE CRITERIA – Local Content and Local-to-site beneficiation

ERI is using this procurement opportunity to promote socio-economic development, empowerment of local designated groups and promotion of local industrial development. It is against this background, therefore that ERI reserves the right to award the contract to a supplier that commits to B-BBEE Retention, Subcontracting, Skills Development and Job Creation in favour of beneficiaries residing within the Local Municipalities where the service will be consumed.

The primary objective of this transaction is to maximise localisation through the advancement of as many local to site employee transportation businesses as possible. Respondents must have the valid operating permits/ licences to operate routes prescribed in Annexure M of this tender. Qualifying co-operatives, joint-ventures and similar businesses are encouraged to tender. Notwithstanding the provisions of the NEC relating to costs on termination, in the event that the service provider losses the right to operate any of the contracted routes, the contract will be terminated with no costs implications to ERI.

2.1. Supplier Development Localisation & Industrialisation (SDL&I) Matrix

The SDL&I Matrix is not an evaluation criterion, however the successful supplier is under obligation to submit proposals before it is eligible for award in accordance with Section 2 (1) (f) of the PPPFA.

| TABLE 1: SUPPLIER DEVELOPMENT AND LOCALISATION COMPLIANCE MATRIX FOR SUPPLIERS AND CONTRACTORS | | | | |
|--|--|------------------|---------------------|------------------------------|
| Criteria | Weight (%) | Total Target (%) | Proposed Target (%) | Total Overall Weighted Score |
| Local Content to South Africa | 30.00% | 100.00% | | |
| Procurement from EME 1 or 2 | 35.00% | 30.00% | | |
| Skills Development | 35.00% | | | |
| Total Score | 100.00% | | | |
| | Total Supplier Development and Localisation Score | | | |

2.2. BBBEE Retention Plan

Transformation remains an area of focus, where Eskom continuously strives to align itself with national transformation imperatives to unlock growth, drive industrialisation, create employment and contribute to skills development.

ERI encourages its suppliers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard, ERI also requests that Respondents submit B-BBEE improvement/ retention plan.

Respondents are therefore requested to indicate the extent to which they will maintain (only if the Respondent is a Level 1) or improve their B-BBEE status over the contract period. Respondents are requested to submit their B-BBEE Improvement Plan as an essential document with their bid.

2.3. Subcontracting

In order to increase the number of designated groups in this sector, the successful supplier shall sub-contract 30% of the contract amount to one or more suppliers from the following categories:

- an EME which is at least 51% owned by black people living in rural or underdeveloped areas or townships;

ERI will make available a list of suppliers registered on a database approved by National Treasury to provide the goods and services in respect of the applicable designated group per the subcontracting commitment from which successful supplier will select the subcontracting beneficiaries. The successful supplier may only enter into a subcontracting arrangement after obtaining approval from ERI.

2.4. Skills Development

Considering the overall budget, duration of the contract, opportunities for growth in this industry and the industries annual contribution to skills development levies, the successful supplier is obliged to develop skills through a bursary offer valued at R60 000.00 per student at a registered and accredited South African university..

The skills development initiative will not be part of the weighting criteria however as a condition for contract award, the successful supplier shall offer bursary valued at R60 000 per student to an



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assigned beneficiary at a registered and accredited South African university, for every R4.8 million invoiced of the cumulative contract amount.

Training of candidates

The successful supplier shall offer a university bursary in favour of a student within the Local Municipality where the service will be consumed for every R4.8 million invoiced of the cumulative contract amount. The skills development commitment shall be carried out within one month of reaching or exceeding the R4.8 million threshold.

Reporting

At task order stage successful supplier will be required to submit a plan to Eskom for approval as part of the implementation schedule, which sets out the following in detail:

- Details of South African university including year of study and full time programme;

2.5. Job Creation

To be completed by the tenderer

| | |
|--|--|
| Number of jobs to be created as a direct result of this contract | |
| Number of jobs to be retained as a direct result of this contract | |

- The successful supplier must indicate in the table above the number of jobs to be created and / or retained as a direct result of this contract.
- The expectation will be that the successful supplier has a core team, which will be made up of specialised skills that may not be sourced in the areas surrounding the site. It will be required that at least **50%** of all semi-skilled and **100%** of all unskilled labour that will be utilised in executing the works, will be within Local Municipality where the service will be consumed

3. Monitoring and reporting of SDL&I commitments

- a. The successful supplier shall on a quarterly basis submit a report to Eskom in accordance with the SDL&I Data Collection Template on its compliance with the SDL&I obligations.
- b. Eskom shall review the quarterly report submitted by the successful supplier within 60 (sixty) days of receipt of the reports and notify the successful supplier in writing if its SDL&I obligations have not been met.



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- c. Upon notification by Eskom that the successful supplier has not met its SDL&I obligations, the successful supplier shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following quarter, failing which the SDL&I penalty clause shall be invoked.

4. SDL&I Penalty

- a. At the end of each quarter, Eskom will apply a penalty of 2.5% of the invoiced contract amount excluding VAT for the successful supplier's failure to meet SDL&I obligations during that period.

Every contract shall be accompanied by the SDL&I implementation schedule which must be completed by the successful supplier and returned to the SDL&I representative for acceptance **before** contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on the successful supplier stated SDL&I commitments.

Signed _____ Date _____

Name _____ Position _____

Company
Name _____