

	Supplier Development Localization & Industrialization Supply of stoves and gas cylinder SD&L Undertaking Annexure I	Unique Identifier	240-56738500
		Revision	Rev. 0
		Revision Date	September 2015
		Group Commercial Division	

SDL&I mandate

SD&L has a mandate to achieve maximum and sustainable local development impact through leveraging Eskom's procurement spend in a manner that allows flexibility within the business in order to contribute towards addressing the socio-economic ills like unemployment, poverty and economic growth, through government local development initiatives and policies.

Mandatory requirement

CIDB Skills Development

a) Is there CIDB compulsory training?

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

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

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	0.25%	
Description	Gas Installers, Electrical, Carpentry	

1. SD&L contractual requirements

Eskom's aspiration for the tenderers to meet the following SD&L requirements, however suppliers will be requested as part of their submission to make proposals to Eskom based on the following SD&L requirements. The following requirements are a contractual requirement which means they can be negotiated before contract award with successful tenderer:

1.1 Skills Development

Eskom reserves the right to negotiate with the tenderer on Eskom's requirements. The outcome of the negotiations will be a contractual obligation. If negotiations are not required, the tenderer's SD&L undertaking will become a contractual condition.

Skills development is designed to benefit the currently unemployed graduates from school: further education and training campuses and universities.

The composition of these candidates must be representative of the population demographics of South Africa. Note that these targets for skills development candidates categorically exclude Eskom employees and registered learners. ***It will be as follows:***

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- ✓ Successful tenderer will be obligated to **skill one** candidate for every **R4 Million** spend cumulatively through purchase orders/instructions awarded to the supplier; The supplier will be required to implement this requirement a month after the threshold is reached.
- ✓ This obligation will be for the duration of the contract however supplier needs to demonstrate positive progress on monthly basis.
- ✓ Candidates shall be sourced from previously disadvantage groups in South Africa, particularly at the site where the services will be taking place.

Tenderers are required to propose against the following training initiatives:

<u>Skills type</u>	<u>Intake</u>	<u>Outcome</u>	<u>Eskom allocation target</u>	<u>Tenderer proposal</u>
Installers	Matric	Gas Installer	60%	
Gas safety officer	Matric	Gas safety officer	40%	

Note: The supplier will be required to take candidate that matriculated and who's unemployed, enroll them to do a gas installation program (to be certified gas installer) for at least 1 years then give them work experience for 6 months thereafter. As for Gas safety officer the supplier will take unemployed safety officers and enroll them into advance and specialized gas safety program for 6 months then give the 6-month working experience.

1.2 **Local Procurement:** This contract will be targeting 100% local service providers and they will be encouraged to use local resources that have experience in an around the communities where the project is executed.

1.3 **Jobs:** The supplier is required to submit proposals for the type and number of jobs that will be created and retained as a direct result of this contract modification.

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


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2 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 30 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 14 days after contract award. This will be used as a reference document for monitoring, measuring and reporting on the supplier's progress in delivering on their stated SDL&I commitments
- These requirements will be implemented once the threshold of R4 Million and more is reached.

3. SDL&I Penalty

- ✓ Suppliers will be required to report progress towards achieving SDL&I's contractual obligations on a quarterly basis regardless of the duration of the task order.
- ✓ As security Eskom will apply 2.5% retention on future invoices (excluding VAT) after all cumulative task orders awarded to a service provider who reached a stipulated threshold of R4 million and failed to comply with fulfilment of the SDL&I obligations
- ✓ For every SDL&I commitment met in terms of the contract, the supplier shall apply for the release of the retention in the next payment certificate after the application and once the Eskom Contract Manager and the SDL&I compliance and monitoring team are satisfied that the obligations have been met.

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4. Validation of Sworn Affidavit for points or pre-qualification (if applicable)

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.

Declaration:

Based on the terms laid out above, we (Company Name)

ACCEPT

NEGOTIATE

Name:

Date: