	Supplier Development, Localisation and Industrialisation (SDL&I) Strategy	Document Identifier	240-148918142	Rev	4
		Effective Date	01 April 2023		
		Review Date	April 2026		

Business Unit	Group Capital Division: Office of the GE
Description/ Scope of Work	GCD Enablement (Resources) Provider
Duration of the Project	72 months (6 years)
Costs Estimates	Not Applicable
Name of Buyer	Martin Nndwammbi

Section: 1

1. Background

As part of the Group Capital Division (GCD) re-establishment initiative, GCD is seeking to engage a specialist resource contractor (or consortium) to augment our internal capability and capacity in delivering a range of technology projects spanning the refurbishment and upgrading of power stations, as well as green and brown field projects for nuclear, coal, hydro/pumped storage, open and/or combined cycle gas turbine plants, renewables, outage management, transmission, distribution and facilities. Resources will be required across all projects being managed by the Group Capital Division.


Eskom requires project management and project engineering management resources in two main categories namely: Generalised and Specialised Resources. Resources can be local or international resources. The preferred provider needs to be flexible across the project management and technology specific requirements as needed at projects. Competitive salaries and a special sign on bonus will be considered for exceptionally scarce or highly skilled resources that may be required on projects, to be paid back if the resource is retracted within a 24-month period.

Project management and Project Engineering Resources are required in the following technologies:

- Coal Fired Technology,
- Hydro and Pumped Storage Technology,
- Open or Combined Cycle Gas Turbines Technology,
- Heat Recovery Steam Generator Power Technology,
- Renewables Technology,
- Nuclear Technology,
- Flue Gas Desulphurisation (FGD),
- Plant NOx reduction technology
- Selective Catalytic Reduction (SCR) Technology,
- Underground Coal Gasification Technology,
- Civil and structural design applicable to specific Technology,
- Power Transmission and Distribution engineering, technologies, infrastructure and associated works,
- Marine engineering,
- Gas and petrochemical pipeline design,
- Assessment and refurbishment of existing power plants and infrastructure,
- Mining Technology and developments,
- Electrostatic precipitators,

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2. OBJECTIVES

- **Capacity Augmentation:** Rapidly scale up our project teams with experienced project management and technical resources.
- **On time, on budget Delivery:** Support delivery of multiple concurrent technology projects, ensuring adherence to scope, schedule, cost, quality health & safety and risk standards.
- **Provide skilled resources** to support the implementation, improvement, and sustainability of project and programme management practices.

3. SCOPE OF WORK

Project engineering resources are required to cover the full spectrum of engineering work across the technologies in the following:

Concept Studies – Technology solutions and life cycle cost analysis

Pre-feasibility Studies – Technical definition, cost/benefit analysis and risk assessment

Feasibility Studies – Turning Eskom's User Requirements Specification into Functional Specifications, preparing Position Papers, Standard Specifications and Plant Systems Optimisation. Develop Contracts List, Capital Cost Estimates and Contracting Strategies.

Commercial Specifications – Prepare Commercial Specifications and/or Works Information documents.

Tender Evaluation – Perform technical evaluation of tenders.

Project Engineering – Provide site technical support during construction and commissioning.

Quality control – provide site technical support during construction and commissioning.


4. SUPPLIER DEVELOPMENT, LOCALISATION AND INDUSTRIALISATION (SDL&I):

Eskom, as a State-Owned Entity is aligned with the Government's Development and Growth initiatives. It has committed itself to local development initiatives with the aim of increasing the competitiveness, capacity, and capability of its local supply base as well as supporting government's goals of shared growth, employment creation, poverty reduction and skills development.

Within Eskom, Supplier Development, Localisation, and Industrialisation (SDL&I)'s mandate is to achieve maximum and sustainable local development impact through leveraging Eskom's procurement spend in a manner that allows flexibility within the business to accommodate government local development initiatives and policies.

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All this should be achieved within the context of Eskom's Procurement and Supply Chain Management Procedure which is based on the Preferential Procurement Policy Framework Act (PPPFA), 2000 and Eskom's Preferential Procurement Policy:240-128811268

Supplier Development, Localisation and Industrialisation (SDL&I)'s objective is to leverage this Procurement to achieve the following Specific Goals in line with Section 2 (1) (d) of Preferential Procurement Policy Framework Act (PPPFA):

- i. *contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; and*
- ii. *implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994*

The Specific Goals determined to be applicable for this Procurement are listed herewith below as follows:

- Development and increasing of RSA Skills' pool through compliance with the CIDB's Contractor's Skills Development Goals (CSDG), which may entail Workplace Integrated Learning (WIL) for TVET College, Universities of Technology and University Graduates,
- Empowerment of communities in the vicinity of the Projects through job creation, local procurement, skills development, enterprise and supplier development, subcontracting and corporate social investment initiatives.


5. How Tenders will be evaluated on Specific Goals (HDI and RDP).

Section 5.1: Specific Goals

A maximum of 10/20 points may be awarded to a tenderer for the specific goal specified for the tender. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places. Subject to section 2(1)(f) of the Preferential Procurement Policy Framework Act, the contract must be awarded to the tenderer scoring the highest points.

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B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

Tender Returnable if the above elements are requirements.

- Valid original or certified copy of affidavit in the case of EME's must be submitted (sworn 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 / 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.

A tenderer failing to provide documentation for the allocation of preference points will not be disqualified, but (a) may only score points out of 90/80 for price and (b) scores 0 points out of 10/20 for specific goals.

Section 2:


2.1. Reconstruction and Development Programme (RDP) Goals

The objective of Sub-Consulting is to ensure that there will be sharing or transference of expertise to South Africans, in accordance with the requirements of the Reconstruction and Development Programme (RDP) through sub-consulting, which involves mentorship and coaching.

Therefore, the winning bidder will be expected to mentor/coach a small emerging consulting firm that is owned by previously disadvantaged persons through sub-consulting up to 30% of the scope of work to a South African firm. These Sub-Consulting requirements are as follows:

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Sub-contracting can only be concluded with one or more of the following entities;

- An EME or QSE which is at least 51% owned by black people; and
- An EME or QSE which is at least 51% owned by black people who are women.

2.2. Skills Development (Professional's Development Programme)


The Consultant is expected to assist Eskom with the **development of skills and professional registration of Eskom employees and/or unemployed Graduates through the Professional Development Programme (PDP):**

Eskom's Targets:

Qualification	Number	Entry Level	Output
Project Management	10	National Diploma/Degree in Engineering (any Discipline) and Construction experience	SACPCMP Registration
Professional Engineer	10	B-Engineering Degree and Project experience	ECSA Registration
Professional Technologist or Technician	10	National Diploma/Degree in Engineering (any Discipline) and Construction experience	ECSA Registration
Construction Safety Officer	10	Degree/ Advanced Diploma or relevant Qualification in Safety Management and Construction experience	SACPCMP Registration
Quality Auditors/ Assessors	10	Degree/Advanced Diploma or relevant Qualification in Quality Management and Construction experience	Relevant Professional Body
Environmentalist	10	Degree/Advanced Diploma: Environmental Science or Management	South African Council of Natural Scientist Professionals (SACNASP) Registration.
Quantity Surveyors	10	Degree/Advanced Diploma Quantity Survey and Construction experience	South African Council for Quantity Surveying Profession (SACQSP)

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Total	70		
The beneficiaries of Skills Development shall be South Africans, and should be reflective of the population demographics.			
2.3. B-BBEE Certificate Requirement			
Tenders are required to submit the B-BBEE Certificate as required by South African Law. If the Tenderer is a foreign company, it may submit a letter from the South African National Accreditation Systems (SANAS)' accredited B-BBEE Verification Agent, confirming that it could not be assessed for B-BBEE compliance as it is foreign company with no presence in South Africa.			
2.4. National Industrial Participation Programme			
Eskom is required to inform the tenderers of this requirement. NIPP will only be applicable for contracts with a foreign component or content of USD 5 million or more.			
<p>"NIPP is a programme that seeks to leverage economic benefits and support the development of South African industry by effectively using the instrument of government procurement. The NIPP programme is mandatory for all government and parastatal purchases or lease contracts (goods and services) with an imported content equal to or exceeding USD 5 million.</p> <p>"The programme targets South African and foreign industries, enterprises, and suppliers of goods and services to government/parastatals, where the imported content of such goods and services equals to or exceeds USD 5 million. The first customer of NIPP is the South African industry that benefits through the NIPP business plans, which, when implemented, generate new or additional business activities through one or more of the following: investment, export opportunities, job creation, increased local sales, SMME and BEE promotion, R&D, and technology transfer.</p> <p>"Companies with an NIPP obligation must sign this obligation agreement with the Department of Trade, Industry and Competition (dtic) before the contract with Eskom Holdings SOC Ltd, as a purchasing entity, is signed. The obligation agreement governs the relationship between the dtic and the supplier. It defines the NIPP obligation value(s), requirements to fulfil the NIPP obligation, performance milestones, performance monitoring processes, and the NIPP credit allocation criteria.</p> <p>"All tenders with an import content that is equal to or exceeds the threshold of USD 5 million compels the winning bidder to negotiate and enter into a NIPP obligation agreement with the dtic before signing the contract with Eskom."</p>			

Section 3: Contractual Requirements:

3.1. It is NOT a disqualification criterion, however, it will be part of the Contractual Condition and/or Negotiations
3.1.1. Maintain and/or improve B-BBEE Status:

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Awarded Contractor is expected to maintain or improve their B-BBEE Recognition Level for the duration of the contract and the foreign company will be expected to comply with South African Law once it has been awarded the Contract.

3.1.2. Contribution towards Corporate Social Investment (CSI):

The CSI contribution will be ONE PERCENT (1%) of the Contract Value and the Service Provider will be expected to either match or exceed this amount for its own CSI philanthropic contribution.

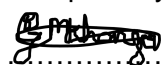
Section 4. Monitoring of SDL&I commitments

SDL&I or the Eskom agent will monitor the meeting of the SDL&I targets in the contract. SDL&I collates SDL&I commitments by contractors and suppliers as stated in their contracts with Eskom. A minimum of 1.5% penalty shall be invoked should a contractor/supplier fail to meet its contractual obligations in terms of the SDL&I targets.

Section 5: Reporting and Monitoring

- The winning Bidder shall complete and submit the SDL&I Implementation Schedule 28 days after contract award,
- This SDL&I Implementation Schedule will be used as a reference document for monitoring, measuring, and reporting on the Contractor's progress in delivering on their stated SDL&I commitments,
- The Contractor shall, on a quarterly basis, submit a report to Eskom in accordance with Quarterly Reporting Template on their compliance with the SDL&I obligations described above,
- Eskom shall review the SDL&I reports submitted by the Contractor within thirty (30) days of receipt of the reports and notify the supplier on its performance progress,
- Upon notification by Eskom that the supplier is not meeting its SDL&I obligations, the Contractor shall be required to implement corrective measures to meet those SDL&I obligations before the commencement of the following report.

Compiled by:



Gabriel Mkhonza

Middle Manager: Supplier Development, Localisation, and Industrialisation

Date: 20 August 2025

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