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Business Unit	Group Capital Division
Scope of Work	Procurement of Governance, Compliance and Assurance (GCA) Services' Provider
Duration of the Project	60 months (5years)
Tender No.	E2195GCDMWP
Name of Buyer	Thandiwe Gxabuza

Section: 1

1. Background

1.1. Governance, Compliance and Assurance Service Provider Scope of Work

1.2. Background

The GCD is accountable for strategically planning, developing, and executing capital projects in Eskom. These capital projects are classified in accordance with its complexity and strategic importance. GCD should also provide governance, compliance and assurance on all projects within GCD and selected projects across the Eskom divisions and subsidiaries. GCD has established the GC&A Business Unit with the mandate to oversee group project governance frameworks, compliance and providing monitoring, oversight and assurance, supported by strategic project reporting and evaluation. Therefore, the contractor shall provide services to enable GC&A to deliver on its mandate.

1.3. Strategic Contribution

An objective of Eskom is to create assets in support of its strategic intent and corporate plan, ensuring economic growth and social prosperity in South Africa.


GC&A is an advisory organisation and mandated to provide Eskom Board, the Eskom Executive Committee (EXCO), the Group Chief Executive Officer (CEO) and the GCD Group Executive (GE) independent governance, compliance and assurance reports and reviews on validated project data across Eskom's divisions and subsidiaries' portfolios, programmes and projects. Timeous visibility on critical and constraining issues, recommendations and solutions is provided in support of successful asset creation and infrastructure project delivery. GC&A is an enabler that strives for continuous improvement through embedment and management of lessons learned.

The GC&A team supports the GE by providing detailed expert analysis of the project reports, which may then be followed by a briefing session to update the GE on the respective projects and the project progress towards achieving forthcoming milestones, including but not limited to discussing key issues/trends and high-risk activities with potential mitigation measures.

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The GC&A team will be instrumental in engaging with the project teams, analysing progress and recommending appropriate execution methodology and through the use of skilled personnel to enable key projects specific milestones to be met. The unrelenting focus, coupled with strategic and tactical “deep dives” (comprehensive reviews), collaborative reviews and analysis will result in enhancing the projects likely successful outcome. In addition, collaborative reviews will be scheduled with the intention of undertaking deep interrogation of the project schedules and cost, providing an independent view of project delivery.

GC&A will also provide robust oversight services through issue exploration by following the Defence in Depth philosophy, to make precursors for performance deviations visible, determine root and contributing causes to project performance deviations, provide analysis on organisational weakness classifications and track and monitor delivery with solution driven recommended plans to deal with negative performance deviations.

The purpose is:

- To avoid performance deviations proactively – by anticipating events and managing the way they impact on projects.
- To minimise the error rate by focusing on strengthening GCD’s defences and the rigorous use of prevention and improvement techniques.
- Minimise error consequence – by eliminating latent flaws and focusing on organisational effectiveness and reinforce good practices.

GC&A will implement as part of oversight and integrated business improvement systems, multidisciplinary and holistic frameworks for the project environment (internal, external and international) to ensure organisational and project operational error prevention and performance improvement. More specifically, it will assist in identifying and analysing important human and organisational performance gaps; a defence-in-depth philosophy to mitigate against human and organisational failures or risks; a framework for prevention and improvement principles which could be integrated into core business processes and practices; prevention and improvement techniques on individual, leader and organisational level; and an assurance framework that evaluates effectiveness of the cross-functional integration and interaction between the organisation, leader and individual.


1.4. GC&A Objectives

The key objectives of GC&A shall be to:

- Demonstrate that Executive Management is in control of its mandate with focus on projects, resolving material issues in an expeditious manner within the agreed parameters i.e. schedule, cost, risk, safety, health, environment, and quality.
- Support delivery of GCD’s mandate by providing timeous visibility on critical constraining issues and in collaboration with project sites provide recommendations to manage project risks and issues and to implement timeous interventions/mitigations to expedite execution

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2. 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.

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.

National Industrial Participation Programme (NIPP) is a Department of Trade, Industry and Competition (dtic) that is applicable if the procurement transaction has import material/ goods/services that is equal to or more than USD5 million. Therefore, in this instance, if the Bidder intends to import Human Resources whose costs to company is equal to or more than USD5 million, therefore the NIPP will be applicable.

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

Section 3.1: Specific Goals (Preferential Points Allocation)

A maximum of 10 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.

B-BBEE Status Level of Contributor	Number of points (90/10 system)
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	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 tender 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 zero points out of 10 for specific goals.

Section 2: Objective Criteria - May change award from the highest ranked tenderer to another tenderer in accordance with the requirements of the PPPFA [clause 2(1)(f)]:

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2.1. Reconstruction and Development Programme (RDP) Goals

2.1.1. Empowerment through Subcontracting a minimum of 30% of the Contract Amount.

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 Environment Services 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:

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 (Professionals 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	20	National Diploma/Degree in Engineering (any Discipline) and Construction experience	SACPCMP Registration
Engineering (Mechanical, Civil, Industrial)	20	B-Engineering Degree and Project experience	ECSA Registration
Cost Engineers	10	Degree/Advanced Diploma Quantity Survey and Construction experience	South African Council for Quantity Surveying Profession (SACQSP)
Total	50		

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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.

“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.

“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.

“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.

“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.”

Section 3: Contractual Requirements:

3.1. It is NOT a disqualification criterion; however, it will be part of Contractual Condition

3.1.1. Maintain and/or improve B-BBEE Status:


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):

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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.

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