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|  | Supplier Development, Localisation and Industrialisation (SDL&I) Strategy Setting Template | Template Identifier | 240-43921804 | Rev | 6 |
| | | Document Identifier | 240-148918142 | Rev | 3 |
| | | Effective Date | 01 September 2020 | | |
| | | Review Date | September 2023 | | |

| | |
|-----------------------------------|--|
| Business Unit | Transmission |
| Description/ Scope of Work | Highveld south reinforcing phase 2 (Earthwork and civils) |
| Duration of the Project | 30 months |
| Budget | ----- |
| Name of Buyer | Wenza Nene |

Section 1: Pre-qualification Criteria for Preferential Procurement

SDL&I will apply the following pre-qualification criteria as envisaged in PPPFA 2017 regulation 4

a) **Minimum BBBEE status level of contributor?**

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

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

b) **Is there BBBEE category targeted for this enquiry?**

If Yes, BBBEE category

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

Tender Returnable if the above elements are requirements;

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

c) **Is there minimum subcontracting for this enquiry?**

If Yes, BBBEE category

| YES | NO |
|-------------------------------------|--------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 30% | |
| EME 1/2 or QSE 1/2 | |

Tender Returnable if the above elements are requirements;

Copy of sworn affidavit in the case of EME's must be submitted (affidavit must be completed fully), or

- Copy B-BBEE Certificate issued by CIPC for EME's. OR
- Copy of the B-BBEE certificate / sworn affidavit in the case of QSE's must be submitted, or
- Copy of the B-BBEE certificate issued by SANAS Accredited Verification Agency

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Section 2: Mandatory Requirements

- CIDB registration 9CE and higher.
- Local content declaration forms (Annexure C and SBD 6.2)

2.1 Designated Sectors

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

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 | Description | Local Content Threshold |
|------------------|-------------|-------------------------|
| 1. Steel | | 100% |
| 2. Cables | | 90% |
| 3. Cement | | 100% |
| 4. Wire Products | | 100% |

NOTE: Failure to comply with the above stated requirement will result in disqualification of the bidders.

2.2 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"/> |
| 0.0025% | |

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

| Criteria | Eskom Target | Tenderer Commitment |
|---|--------------|---------------------|
| Health and safety officer (NQF qualification) | 3 | |
| Concrete Hands | 3 | |
| Steel Fixer | 3 | |

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|----------------------------------|---|--|
| Brick Layer | 3 | |
| Engineer (Experiential training) | 3 | |
| Plasterers | 4 | |
| Plumber | 3 | |
| Shutterhands | 3 | |
| Office Administrator | 2 | |
| Site Supervisor | 2 | |

NOTE: When it comes to projects that require Grade 7CE/GB CIDB dictates that the following should apply: 5% fee directed towards enterprise development support, 0.2% of the total project value for Built program.

Note: The list of skills mentioned above is not exhaustive nor prescriptive, suppliers may identify and add onto the list other core, critical and scarce skills.

Section 3: SDL&I Undertaking

Tenderers who complete and submit the undertaking as required, but who do not meet Eskom's targets, will not be disqualified. SDL&I undertakings do not form part of scoring but commitments will form part of contractual obligations

1. **B-BBEE** - Suppliers will at a minimum be expected to maintain or improve their B-BBEE status for the duration of the contract. Suppliers will be required to submit a valid B-BBEE certificate or a valid sworn affidavit.

2. **Job Opportunities**

Tenderer to also provide breakdown of jobs to be created and/ or retained in this table:

| Category | Jobs to be retained | Jobs to be created Target | Jobs to be created Proposal |
|-----------------|---------------------|---------------------------|-----------------------------|
| Management | | 5 | |
| Expert Skills | | 5 | |
| Skilled workers | | 15 | |
| Semi-skilled | | 25 | |
| Unskilled | | 45 | |
| Total | | 95 | |

Note:

- "Local Community", "Local Businesses", "Local Stakeholder" means the Ward and/or municipal area within which the Project works falls, or any of the feeder areas within the Project as agreed to between Eskom and the Contractor prior to contracting.
- Preference for the employment of all employees in all job categories, excluding the Contractor's core component, will be provided to candidates from the Local Community. White collar personnel maybe sources within the impacted local municipality or province.

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- 60% % of Semi-skilled employees shall be sources from the impacted district or metropolitan municipality/province or from the pool of previously trained employees from the Eskom SDL&I training programme.
- All *unskilled Workers* shall be recruited from the *Local Community*; 80 % of which should be sources from the impacted ward and 20% to be sourced from the impacted municipality jurisdiction

3. Subcontracting activities

| Activities | |
|------------------------------|------------------------------|
| Wall & Fencing | Security |
| Transport (Trucks) | Plant Hire |
| Yard stones | Supply of Ready Mix Concrete |
| Tar road | Supply of steel |
| Drive way & Paving | Steel Erection |
| Transportation of employees) | Labour Hire |
| Toilet Hire | Supply of Building Materials |
| Bush clearing | Plumbing |
| Building construction | Brickworks |
| Hiring of containers | Painting |
| Tiling | Accommodation |
| Paving | Cleaning |
| Building Carpenter | PPE |
| Electrical consumables | Covid 19 equipment |

Note: Expression of interest must be done to source local suppliers a month before site establishment.

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.

This option 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.

Section 5: 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 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 28 days after contract award.

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Section 6: Market Research

The following information demonstrates market analysis conducted in order to confirm the current capacity in the South African market.

| Current Suppliers Providing the Services | Potential Suppliers |
|--|--|
| <ul style="list-style-type: none"> SAP report | <ul style="list-style-type: none"> Aveng Africa Baseline Civil Contractors BEP Building Contractors Boledi Construction Boshard Construction Bran-U Construction Circle Wat Trading 132 t/a Makomota Stone EAM Industrial Services Fanaye Business Enterprise Gebane Engineering Services Gochi Trading cc Group Five Coastal Isibaya Maintenance & Supply Jist Project Management Works t/a Jist Trading Kavika Trading cc Khulane Quality Construction Lubbe Construction Matlaila's Plumbing & Builders Miledin Projects Mologadi A Nape Business Construction Murray & Dickson Construction Group Namakwaland Konstruksies Nedlan Construction Nhlane Electrical & Civil Contractors Old Town Investments 345 cc Rembu Construction RFR Electrical Rigamani Construction Sawren Construction (Pty) Ltd Solidus Pipeline Technology Shilangane Engineering (Pty) Ltd Shonisani Rambau STP Development & Projects Tshenolo Resources Tyris Udumo Trading 26 (Pty) Ltd t/a Ultimate Dynamic |

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Section 7: General Information on Validity of Sworn Affidavits

The following must be considered when it comes to validity of Affidavits;

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.

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Supplier Development Localization and
Industrialization

Date: 22.08.2022

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