

Supplier Development Localisation and Industrialisation Undertaking Provision Laser alignment Service for a period of 5 years

SUPPLIER DEVELOPMENT AND LOCALISATION TARGETS

1. OBJECTIVE CRITERIA

ERI is using this procurement opportunity to promote socio-economic transformation, empowerment of small enterprises, rural and township enterprises, 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 Transformation - B-BBEE Improvement or Retention Plan, Skills Development, Job Creation and Socio-Economic Development in favor of beneficiaries residing within the Local Municipalities where the service will be consumed.

1.1. Supplier Development & Localisation 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 Preferential Procurement Policy Framework Act (PPPFA).

1.2. Transformation – BBBEE Retention or Improvement Plan

Transformation remains an area of focus, where ERI 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 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.

Respondents with a B-BBEE recognition status of Level 5 to Level 8 or non-compliant, shall migrate and achieve as a non-negotiable a milestone of Level 4 by the end of the first year of the contract and thereafter improve at least one B-BBEE Level higher of each year from the second year of the contract.



Supplier Development Localisation and Industrialisation Undertaking Provision Laser alignment Service for a period of 5 years

1.3. 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 one-year bursary offer valued at R80 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 a bursary valued at R80 000.00 to an ERI 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 favor of an ERI assigned student 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 ERI 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 program.

2. Monitoring and reporting of SDL&I commitments

- a. The successful supplier shall on a quarterly basis submit a report to ERI in accordance with the SDL&I Data Collection Template on its compliance with the SDL&I obligations.
- b. ERI 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.
- c. Upon notification by ERI 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.



Supplier Development Localisation and Industrialisation Undertaking Provision Laser alignment Service for a period of 5 years

3. SDL&I Penalty

a. At the end of each quarter, ERI will apply a penalty of 2.5% of the invoiced 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	