

# TECHNICAL EVALUATION CRITERIA : ANNEXURE A (3.13 Functionality requirements )

## Technical Evaluation Criteria: TMO (including finance)

Basket	Category	Sub Category	Criteria	Weight
Providing guidance, alignment and integration for the energy market reform (Legal Separation)	Act as a leading advisor to the Eskom Executive committee and Board on broader Legal Separation and the broader reformed energy industry by providing expert knowledge and best practice  Ensure and facilitate integration and alignment of strategy across the Eskom Divisions / Subsidiaries to ensure each entity has a place to operate in the new market.	Applicable understanding of finance, legal transactions, organizational restructuring, governance, operating models, Regulatory and policy requirements, Electricity trading and supply, Licensing, and other relevant industry developments  Assist in identifying and managing all transactional processes pertaining to the integration and alignment of all Eskom Divisions / Subsidiaries towards a synced energy industry, pertaining to the above	List of specialist managers, their qualifications and relevant experience in similar roles of large companies, preferably SOE's or listed companies. i to Strategy, Business Development Energy  Experience in Energy Industries and global trends.	5 5 5 5
Financial Modelling and Evaluation	Review and provide independent assurance on the financial modelling, valuations and associated transactions for Transmission, Distribution and Generation, including solvency and liquidity test	Provide expert judgement in reviewing the financial models and valuations for Transmission, Distribution and Generation to support strategic decision making and business planning processes	List of specialist managers, their qualifications and relevant experience in similar roles of large companies, preferably SOE's or listed companies. - Legal - Financial	10 5
Financial Operating Model, Processes and Procedures	Evaluate and provide independent assurance on the corporate and divisional/subsidiary financial operating models and associated processes and procedures	Provide expert judgement in reviewing the corporate and divisional/subsidiary financial operating models and associated processes and procedures to ensure that these address the necessary governance and financial controls requirements for an unbundled organisation.	List of specialist managers, their qualifications and relevant experience in similar roles of large companies, preferably SOE's or listed companies. - Legal - Financial	10 5
Integration with External Stakeholders	Applicable understanding of regulatory and policy requirements, electricity trading and supply, licensing, and global best practices in the energy industry.	Provide a link to the required external stakeholders and facilitate decision making to obtain a clear strategy of the future energy market and how the Eskom divisions / subsidiaries fit into it i.e. - DPE / DMRE - Energy Industry Roadmap - NERSA -	List of specialist managers, their qualifications and relevant experience in similar roles of large companies, providing support in integrating the company into the boarder industry	15
Capital Structure Optimisation and Financial risk management	Review and provide independent assurance to the Eskom Board and Executive committee on the current capital structure and provide recommendations for potential optimization	Provide independent assurance on Eskom's exposure to financial risk during the unbundling process and recommend risk mitigation strategies.	List of specialist advisors, their qualifications and relevant experience in similar roles of large companies, preferably SOE's or listed companies	10
Managing the delivery of the legal separation by providing an multi-disciplinary team to drive implementation	Programme Manage the implementation and delivery of the project across the divisions / subsidiaries and ensure: - Alignment to total industry strategy - Integration of timelines across divisions / subsidiaries - Risk management - Stakeholder management	Provide comprehensive strategic programme management methodologies, governance and support Provide full time skilled staff to the divisions / subsidiaries and enabling functions where required	1. List of Project and Programme Managers to be allocated to the contract 2. Provide evidence of the qualifications in Project Management - Preferably Strategic Project Management 3. Provide evidence of similar strategic projects worked on before.	5 10 10
Total				100

**Technical Evaluation Criteria: Operating model**

Basket	Category	Sub Category	Criteria	Weight
Review of the Operating Model	Evaluate whether the Operating Model adopted by Eskom is the appropriate operating model for a subsidiarised utility (Eskom) and propose alternative models	1. Reviewing the approach and strategy adopted for the implementation of the operating model 2. Compiling Business Case and rationale for subsidiarisation (restructuring) 3. The proposal must show the methodology to be followed linked to the elements of the scope and detailed project plan 4. The project must be completed within a stipulated contract period	1. Detailed reports (minimum of three) of successfully completed projects that share similar elements of the scope, preferably with case studies where possible: i) Greater than 10 years: 0 points ii) 6-10 years: 5 points iii) Equal/less than 5 years: 10 points	10
			2. Detailed evaluation process and methodology aligned to the scope of work	10
			3. Examples and description of potential operating models in line with the scope	5
			4. Project charter, including risks and mitigation	5
Operating model Compliance	Operating model complying with industry standards, legal requirements and best practice	1. Operating model global benchmarks and best practices 2. The operating model must align with applicable regulatory requirements, and take into account government Shareholder model	1. Global energy industry benchmarks (minimum of three, not older than five years) conducted on operating models for companies undergoing restructuring (subsidiarisation), preferably utilities	15
			2. Case studies (minimum of 2, not older than five years) of lessons learnt in designing and implementing operating models for restructuring/subsidiarising companies	5
Operating model due process	Governance framework and process alignment	1. Development of a governance framework for a subsidiarised company (relationship between a Holdings company and its subsidiaries structure, processes, delegation of authority, RACI between Shareholder, Holdings and subsidiary Boards, committees and EXCOs) that will enable ethical and holistic decision making, preferably (advantageous) utilities 2. Organisational design: optimisation and alignment of corporate centre, processes, resources, Information Technology, asset transfer and ownership between the Holdings and subsidiaries 3. Skill in the identification Establishment of a risk and the development mitigation processes	Provide a portfolio of evidence not older than five years (minimum of three companies with >10 000 employees) relating to: 1. Examples of Delegation of Authority for restructured/unbundled companies	10
			2. New ways of working - examples of governance framework for restructuring/subsidiarising companies with similar risks and mitigation measures	15
			3. New ways of working - examples of governance framework for restructuring/subsidiarising companies with similar risks and mitigation measures.	15
Total				100

**Technical Evaluation Criteria: Stakeholder Management**

Basket	Category	Sub Category	Criteria	Weight
Stakeholder and Change management	Stakeholder alignment plan	1. Consolidated internal and external Stakeholder strategy and plan to align employees and stakeholders 2. Drive the change management requirements for the impimentation and delivery of stated objectives	1. Example of stakeholder plan with details	30
			2. Example of detailed change management plan	30
Project Write-up	Project and process documentation and reporting	1. Keeping strict log of progress and milestones 2. Provision of project reports including methodologies used, supporting evidence and risk and benefit assessment 3. Detailed findings and Observations 4. Clear and Actionable recommendations for improvement	1. Example of milestone tracking	20
			2. different examples of completed project reports	20
			3. Evidence of previous projects where findings, observations and recommendations have been tabulated during the project	20
				20
Total				100

**Notes**

Weighting of the TMO partition will be resource based	70%
Weighting of the Operating model partition will be outcome based	20%
Weighting of the SHM partition will be outcome based	10%
Threshold will be equally weighted on TMO and Operating model (75%)	
The Legal Separation would be augmented by approximately 50 external resources a various level for a period of around 12 mnths.	
The Operatingship model will be based on an outcome based proposal as per the scope & Technical requirements & technical requirements	