

**ENTERPRISE DEVELOPMENT THROUGH CONTRACTED SUPPLIER**

<b>SUBCONTRACTING INITIATIVE</b>	<b>Mark with an X</b>
Provision of outage services	

Eskom Rotek Industries (ERI) will sign an Enterprise Development (ED) agreement with various designated groups wholly owned, managed and controlled by black people living in rural or underdeveloped areas or townships, interested in accessing the 30% subcontracting opportunities within the outage maintenance sector at various power stations/ sites. The primary suppliers shall develop assigned ED beneficiaries on behalf of ERI.

Primary suppliers may not own a stake or shares (strictly 0% shareholding) in the assigned ED beneficiary, either directly or through a flow through or modified principles, etc. calculation. The assigned ED beneficiary that qualifies for development shall:

- Be a legal entity registered with National Treasury’s Central Supplier Database;
- Reside or located within Eskom’s areas of operation classified as Local to Site (refer Annexure 3); and
- Wholly Black Owned, controlled and managed, classified as a designated group supplier.

Primary suppliers will conduct the needs analysis on the assigned ED beneficiaries to identify developmental areas. This will be followed by a formulation of the development program with clear milestones aimed at eliminating identified gaps.

Primary suppliers will then develop a schedule of activities to address the identified developmental areas. Primary suppliers will also allocate resources for development of the ED beneficiary and assigns an ED champion. The ED champion will be suitably qualified and experienced to monitor progress and complete portfolio of proof for activities for submission to ERI within agreed timelines.

Primary suppliers will comply with at least five requirements from the list below:

1. Management and labour skills transfer;
2. Shorter payment terms less than 14 days;
3. Guarantee(s) provided on behalf of a beneficiary entity;
4. Interest-free loan with no security requirements;
5. Establishment of administrative systems;
6. Establishment of cost controls systems;
7. Planning, tendering and programming skills transfer;
8. Business skills transfer with emphasis on entrepreneurial and negotiation skills;
9. Technical skills transfer with emphasis on innovation;
10. Legal compliance;
11. Procurement skills transfer;
12. Establish credit rating/ history;
13. Establish financial loan capacity/ history;
14. Contractual knowledge transfer