



Eskom Transmission's Small Medium and Micro Enterprises Workshop for SMME's in the Gauteng & surrounding areas

Presentation

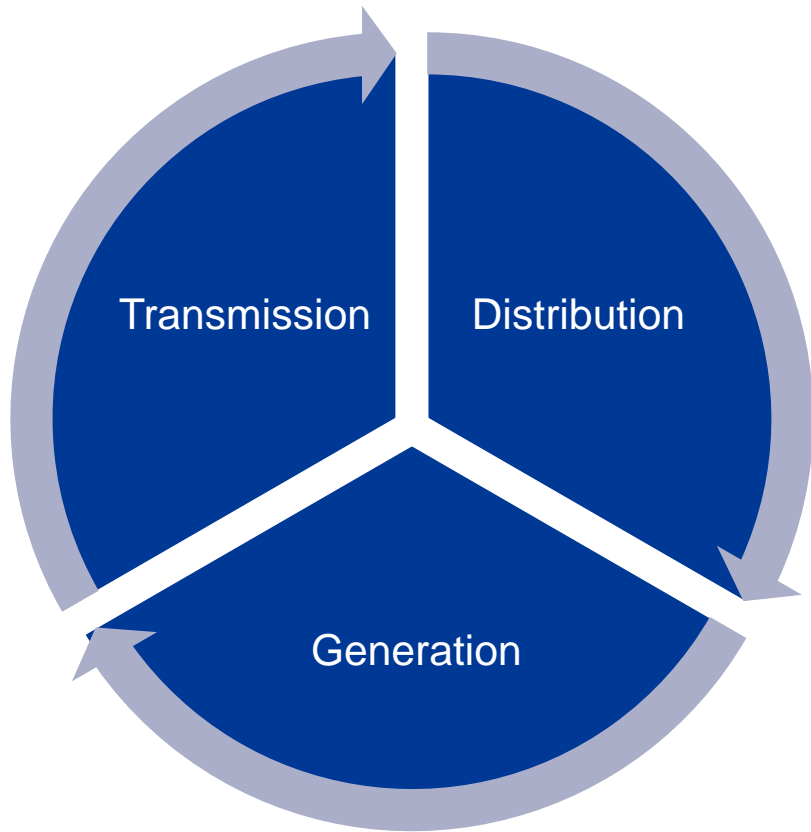
Date: 26 to 27 March 2024

Time: 09:00 - 16:30



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- Subsidiaries in Eskom**
- Eskom Development Foundation (ESDEF)
 - Eskom Rotek Industries (ERI)
 - Eskom Finance Company (EFC)
 - Eskom Insurance Company (ESCAP)



- **Non-Profit Company**, which was incorporated under section 21 of the **Companies Act** (Registration number 1998/25196/08) and **solely funded by Eskom Holdings SOC**.
- **Responsible** for implementing **Eskom's corporate social responsibility (CSR)** through grants and donations to registered **non-profit organisations**.
- As a state-owned company, **Eskom** must **align and contribute** to the **national developmental agenda, Environmental, Social & Governance Frameworks (ESG)** and **Sustainable Development Goals (SDG)'s**.
- **Eskom** has over the years made a **significant contribution to CSR**.
- **Eskom's infrastructure** and operations are sustained by individuals and **exist within communities** confronted by the triple challenge of **poverty, unemployment and inequality**.
- **Eskom undergoing strategic shifts and transformation** due to changing energy and policy environment and has adopted the Turnaround strategy to **stabilise the business** and **promote its financial recovery**.
- The **Just Energy Transition (JET)** to **pivot the business to net zero carbon emissions by 2050**, simultaneously **enabling sustainable job creation** and **socio-economic growth**.

Eskom's CSR Strategy is formulated on the understanding of the needs of communities and business objectives existing within the current and future footprint of the organisation in alignment with the country's developmental objectives.



1

Targeted youth education programmes – growing future skills pipeline



2

Community Upliftment and awareness programmes - mitigating non-technical risks



3

Community SME development, localisation and incubation programmes



4

Investment in the Circular Economy & low cost innovative energy solutions



5

Supply chain development to drive localisation & industrialisation



6

Legacy & Outreach Programmes – Goodwill



7

Community based electrification programmes



8

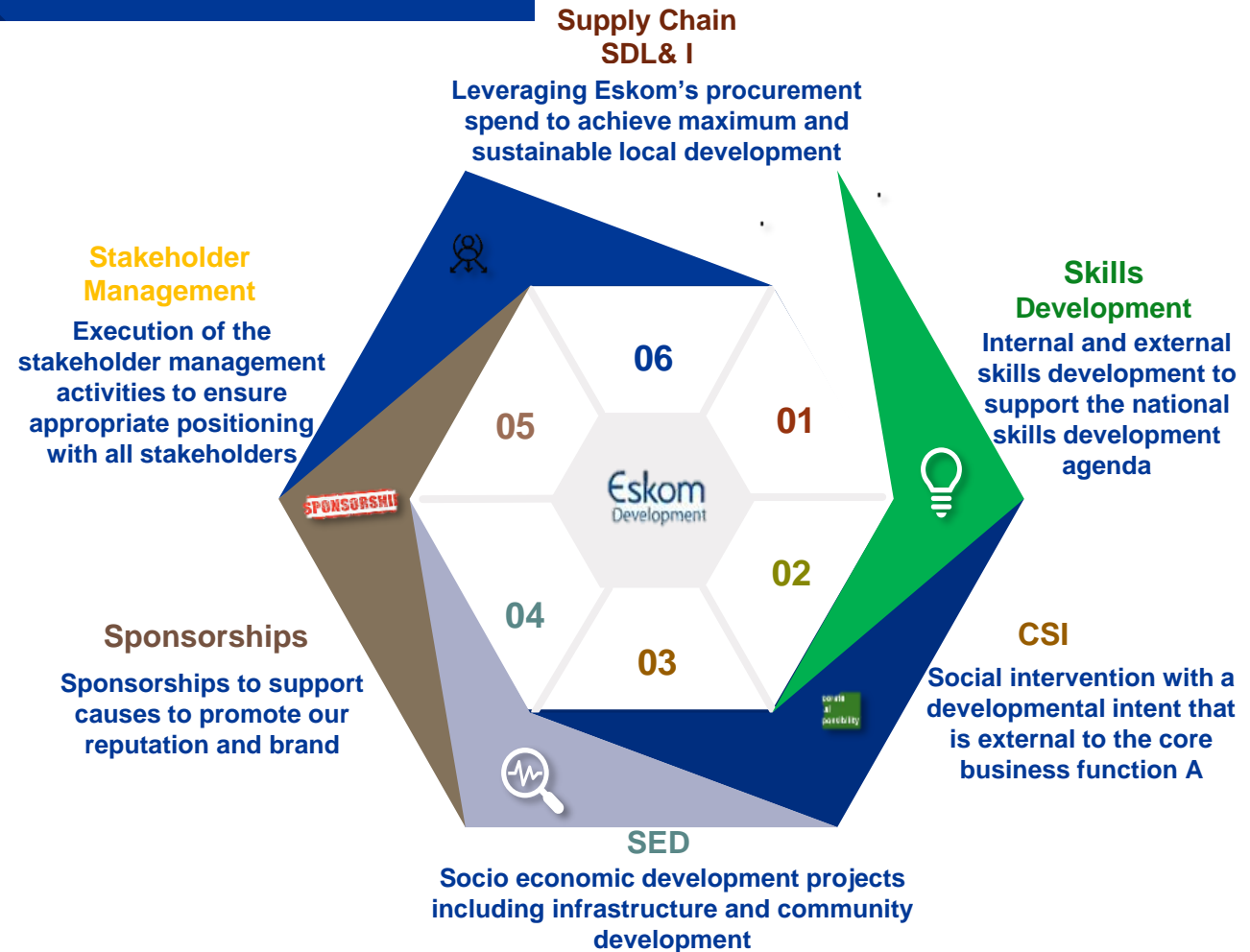
Community Safety, Health Environmental programmes

Eskom Development Foundation Corporate Social Responsibility Mandate – Eskom Social License to Operate

CSR Focus Areas



Eskom's CSR Activities



Ambitions

- Asset creation that will leave a lasting legacy.
- Building inter-generational wealth.
- Support in the development of black industrialists, women and youth empowerment.
- **Economic value creation that delivers long-lasting results to beneficiaries**

Purpose

- Provide strategic direction to CSR in support of the national development mandate, Eskom's Turnaround Plan, and a JET.
- Guide management decisions on the approach to CSR practices.
- Create a framework for consolidation of Eskom's efforts to optimise the value, impact, and sustainability of programmes.
- **Leverage Eskom's programmes to create opportunities and value propositions for our stakeholders**

Objectives

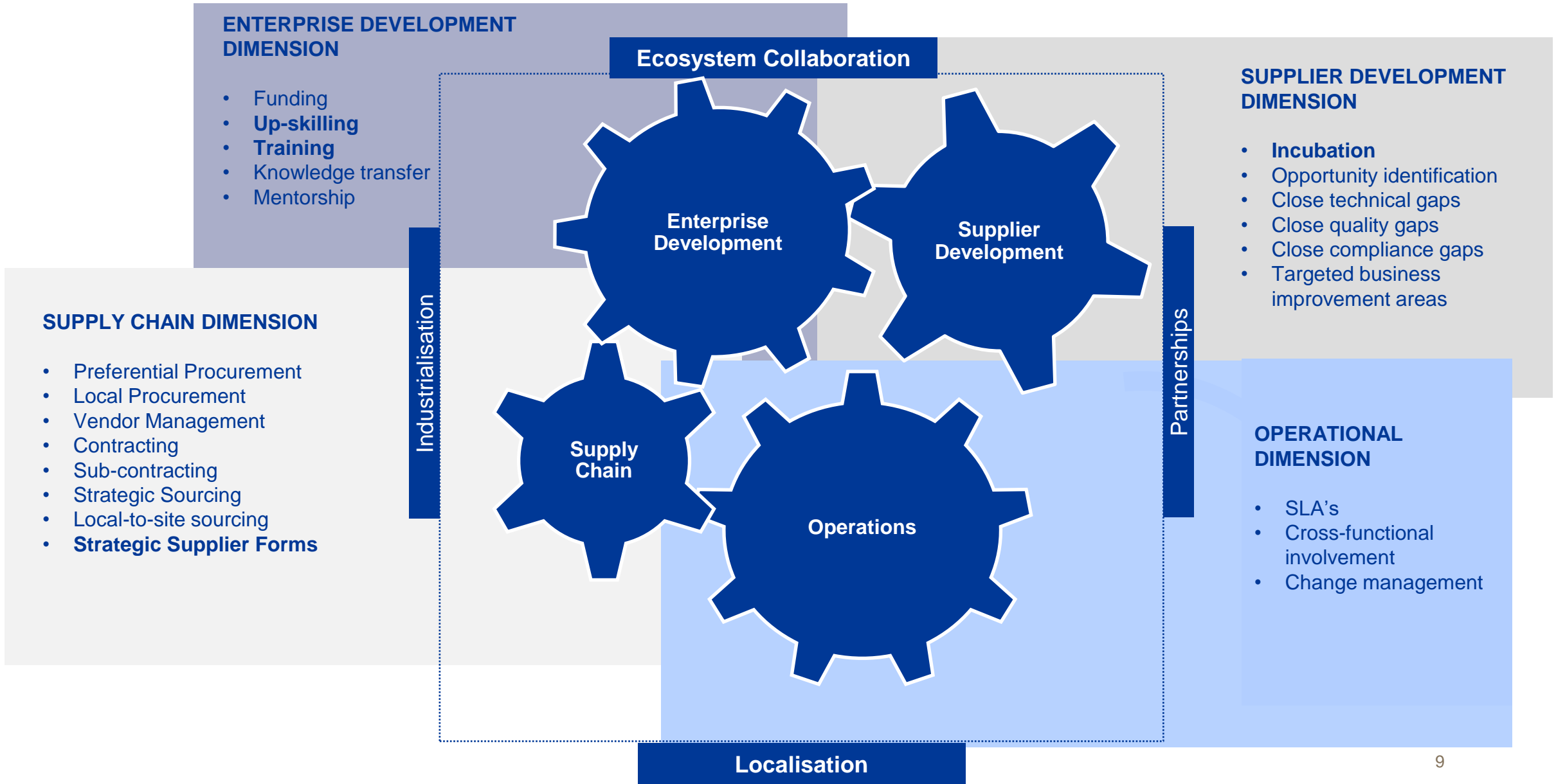
- Create shared value for communities and Eskom by focusing on non-technical non-commercial interventions in current and future Eskom supply areas.
- Deliver tangible contributions to NDP2030 ito. Poverty alleviation, skills development, job creation, etc.
- Increase the impact of targeted initiatives through strategy partnerships to deliver sustainable impact.
- Pursue Grant funding opportunities to augment and support existing CSR programs.
- **Maximising efforts achieving Broad-Based Black Economic Empowerment (B-BBEE) scorecard results.**

Scope

- Defines a strategic approach to CSR and areas covered in CSR.
- Transforms Eskom's approach from CSI, SED, SD&L and BBBEE to a more integrated CSR approach.
- Guides the integration of CSR in business activities, structures, and processes.
- Ensures alignment and co-ordination of CSR in Eskom
- **Reaffirms Eskom's commitment to the national development and transformation mandate.**

ESKOM CSR POLICY





CSR initiatives will enable strategic project delivery



Repurposing

- Use Eskom's repurposing and repowering plans of plants such as Komati to drive transformation and creation of black industrialists through effective planning and coordination
- Eskom has a pipeline of projects that line up with the JET initiative, with infrastructure spending in PV, Solar and Wind projects which can also be leveraged



Battery Storage

- Explore opportunities for creation of major battery storage companies that will be structured with focus on transformation.
- This will support local IP creation, job creation, local capabilities & content (labour, raw materials) and transformation –potential to create black industrialist in manufacturing



Micro grids

- Prioritise the creation of sustainable enterprises to support the rollout of the micro grid solutions which aims to electrify 13% of the population to deliver against government's electrification programme
- Further opportunity exists in the strengthening of critical corridors on the Distribution grid to enable connections of IPP's, Distributed Energy Resources (DER)



Capital Spend

- Transformation and localisation can be accelerated through ownership requirements and stringent requirements on local content
- Priority project programs within Group Capital, Generation, Transmission and Distribution include Emissions, Future Build, PDP, Tech Plan, Outages, Core, Electrification and AME



JET

- Support Eskom's decarbonisation plans by leverage and crowd-in CSR/SED activities to support transition programs in communities impacted by power station de-commissioning e.g. reskilling, social upliftment, industrialization and manufacturing opportunities

The policy regulates all CSR activities by Eskom Holdings SOC Limited (“Eskom”), including its divisions and subsidiaries, supporting the transitioning of Eskom with solid socio-economic programmes for the development of communities where Eskom operates in South Africa or where it intends to operate.

CSR programmes Driven Ambitions

- Asset creation that will leave a lasting legacy
- Building intergenerational wealth
- Support in the development of black industrialists and youth empowerment
- Economic value creation that delivers long-lasting results to beneficiaries prioritised among most communities affected by Eskom’s current operations and strategic intent
- De-risking organisational operations and strategic shifts through mitigation of undesirable non-technical impacts

Policy Statement

- CSR strategic imperatives are directly aligned with the national transformation agenda, the NDP, the National New Growth Path, Employment Equity framework, environmental laws, and other sector-specific charters providing significant drivers to SED.
- Eskom promotes B-BBEE legislation and related regulations giving historically disadvantaged groups economic opportunities through skill development, employment, procurement, ownership, and management.
- Eskom shall be a major catalyst in investing, growing, and developing enterprises that are aligned with government imperatives
- Eskom CSR creates shared value by identifying and addressing social problems that intersect with business to promote the unlocking of socio-economic opportunities and have a positive impact on the business.
- Eskom promotes a culture of honesty, transparency, good governance, and ethical leadership as crucial elements to achieve CSR strategic objectives and sustainability

Policy Exclusions

- Organisations that are not formally constituted/registered
- Profit-making organisations
- Political party activities (directly and indirectly)
- Trade union activities (directly and indirectly)
- Church/ religious organisations, unless the organisation has a formally constituted outreach programme that directly benefits the community.
- Organisations where Eskom employees hold shares.
- Individuals, Eskom employees or their families
- Awards ceremonies, unless is an Eskom initiated project.
- Table sponsorships and fund-raising events, unless initiated by Eskom.
- Government departments (Inaugurations, launches, functions or award ceremonies), except being support to public benefit organisations.
- The acquisition/takeover of businesses
- The purchase of share options
- Projects not complying with Eskom’s policy on broad-based black economic empowerment.
- Any activity/project/organisation or cause whose objectives infringe the Constitution, Bill of Rights or any legislation of the Republic of SA



ESDEF programmes

- ❖ Eskom EXPO for Young Scientists
- ❖ Math's and Science programmes
- ❖ Teacher training (Math's & Science)
- ❖ SMME Incubator support programme
- ❖ Business Connect
- ❖ Community radio station activations
- ❖ Access to Energy (A2E)/ micro-grids
- ❖ Legacy and community outreach



Type of organisations (aligned with Eskom strategic operations)

- ❖ Old age homes
- ❖ Hospices
- ❖ Schools (primary & high school)
- ❖ Orphanages
- ❖ Early Childhood Development Centres (ECD)
- ❖ Youth organisations
- ❖ Tertiary Institutions incl. TVET's
- ❖ SMME incubators
- ❖ Donor NPO's



Application process

- ❖ Application letter on organisation letterhead
- ❖ Bank statement
- ❖ Quotation of requests
- ❖ Reviewed against mandate
- ❖ Responsible practitioner conducts site visit to verify need and existence of organisation
- ❖ Submit to governance committee
- ❖ **Send applications to**
CSI@eskom.co.za

Submission of applications:
csi@eskom.co.za



- The sustainability of the Transmission business requires capital investment in network expansion and augmentation as well as refurbishment of the existing infrastructure.
- The grid currently comprises of approximately 33 247ckm (circuit kilometers) of high voltage transmission lines and 171 substations in total.
- The TDP is the Transmission Development Programme and additional to making provision for new integration networks ensure sustainability by removing risks from the network through the replacement of poor condition assets, with consideration of network constraints. The requirements include:
 - Network Strengthening
 - New Generation Integration networks
 - Asset renewal (replacement) and/or refurbishment of network assets
 - Comply to fault level changes and ensure safe operation
 - Reduce operational costs
 - Ensure end-to-end communication
 - Comply with legislative and statutory requirements
 - Acquire an adequate level of capital spares
 - Eliminate risks of security breaches and theft
 - Improve network performance

- The TDP emanates from the **Grid Code** which states that “The *NTC* shall **annually** publish a minimum five-year-ahead *TS* development plan by end October, indicating the major capital investments planned (*but not necessarily approved*).”
- Furthermore, the development of the plan must be on a consultative process with stakeholders and shall include an annual public forum to disseminate the plan. (*The last forum was attended by more than 450 guests including: Customers (Industrial, Redistributors), Suppliers, EIUG, SALGA, RE Associations (Wind, Solar), Financiers / Banks, DOE, NERSA, DPE, DFFE and the media.*)
- **The key change** from last year’s TDP 2021 is associated with the **new generation capacity assumptions**. While the TDP 2021 focused predominantly on the Integrated Resource Plan (IRP) 2019 for these assumptions, the TDP 2022, apart from the IRP 2019, also factored in the following:
 - Eskom’s 2035 Corporate Strategy,
 - Connection applications received through the various DMRE procurement processes,
 - Information obtained through consultations with RE, associations as well as,
 - Applications received from the non-DMRE integration programmes

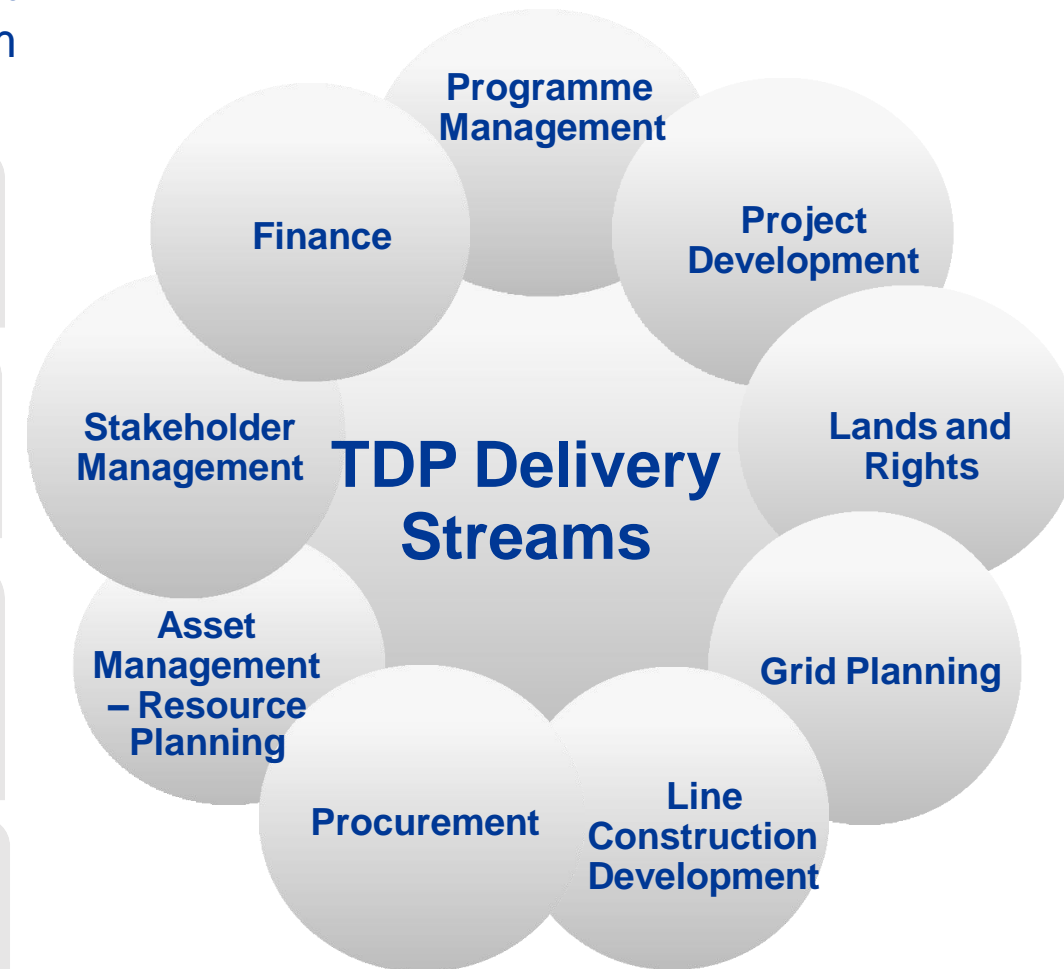
The TDP 2022 was formulated to address the following, subject to the Transmission capital budget as stipulated in the Eskom Corporate Plan:

Attain Grid Code compliance by resolving both substation and line violations (**N-1**)

Determine new network infrastructure requirements to **sustain** and allow for future demand growth

Determine new network infrastructure requirements to **integrate new generation** capacity (IRP 2019, Eskom 2035 Corporate Strategy and other programmes) and address system stability requirements

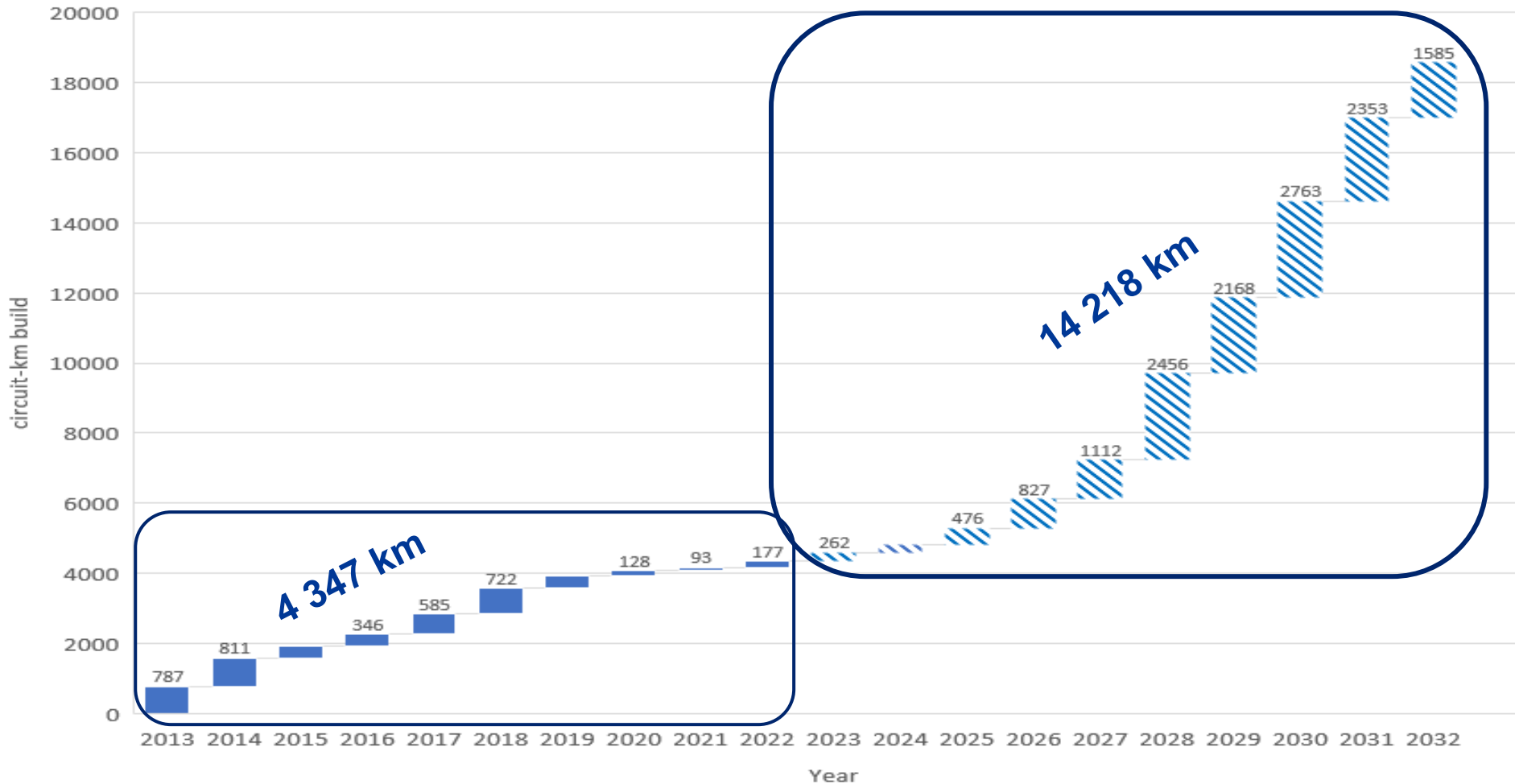
Consider **asset replacement** requirements to ensure reliability of supply and network optimisation



TDP Deliverables: 10-year historical and 10-year future power line physicals - 4 347 km versus 14 218 km of overhead transmission lines



Eskom Transmission circuit-km build per year

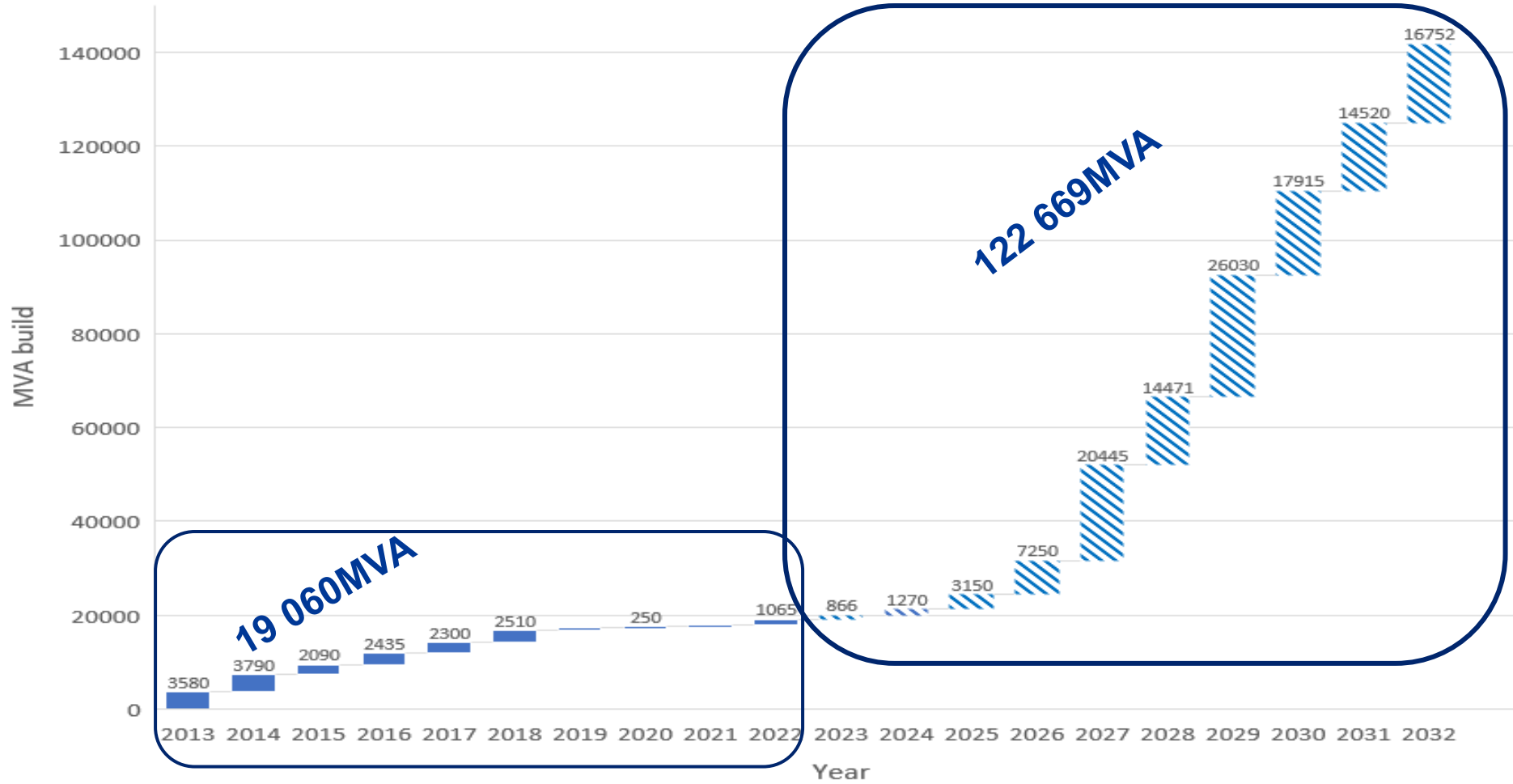


Sharp increase in Transmission infrastructure in the next 10 years, compared to last 10-year actuals

14 218 km is 43% of current 33 000 km total

10-year historical and 10-yr future transformation physicals 19 060 MVA, and 122 669 MVA of transformation capacity

Eskom Transmission MVA build per year



Sharp increase in Transmission infrastructure in the next 10 years, compared to last 10-year actuals

122 669MVA is **77%** of the current 160 019MVA total

Main categories and project types

Substation Refurbishments

- Addressing all equipment that have deteriorated and where spares are obsolete.

Line Projects

- Re-insulation, waterlogged towers, anchors and stays refurbishment, bird guards, Adlash replacement with OPGW, etc.

Secondary Plant and Other specific plant

- DC, Protection, Surge Arrestors, CB's, Aircons, Cap Banks, GL312 Breakers, JB's and Line traps, etc.

Security projects

- 66 x National security projects

System Operations related projects.

The above list is not exhaustive but covers prominent areas

Transformers and Reactors:

- Targeted replacements and phased approach based on network risk

Protection Schemes:

- Certain schemes need to be replaced due the unavailability of spares and obsolescence, currently phases 1-4 have been identified as focus areas

Current Transformers (CTs):

- CTs that have been identified as high risk across the network and a big number of projects are already in execution

Powerline Hardware and Foundations:

- A full Lines assessment has been done and the refurbishment plan updated with 76 projects

Powerline Insulation:

- Line Insulation is the least reliable of the line components and has the shortest longevity. Line re-insulation projects thus form most of the current line asset replacement portfolio

Fibre:

- Fibre Wrap (e.g. Adlash) installed on some line earth-wires have exceeded their expected lifespan and are now impacting on the line performance. These need to be replaced with Optical Ground Wire (OPGW) which generally are outage dependent

Enablers: Priority initiatives being implemented to support the delivery of the TDP

 Planning

 Owners' Engineer (OE) & EPC

- Owners' Engineer (OE)
- Lines EPC
- Substation EPC

 Capital Budgets

 Integrated Reporting

 Resource Planning

 Environmental Approvals

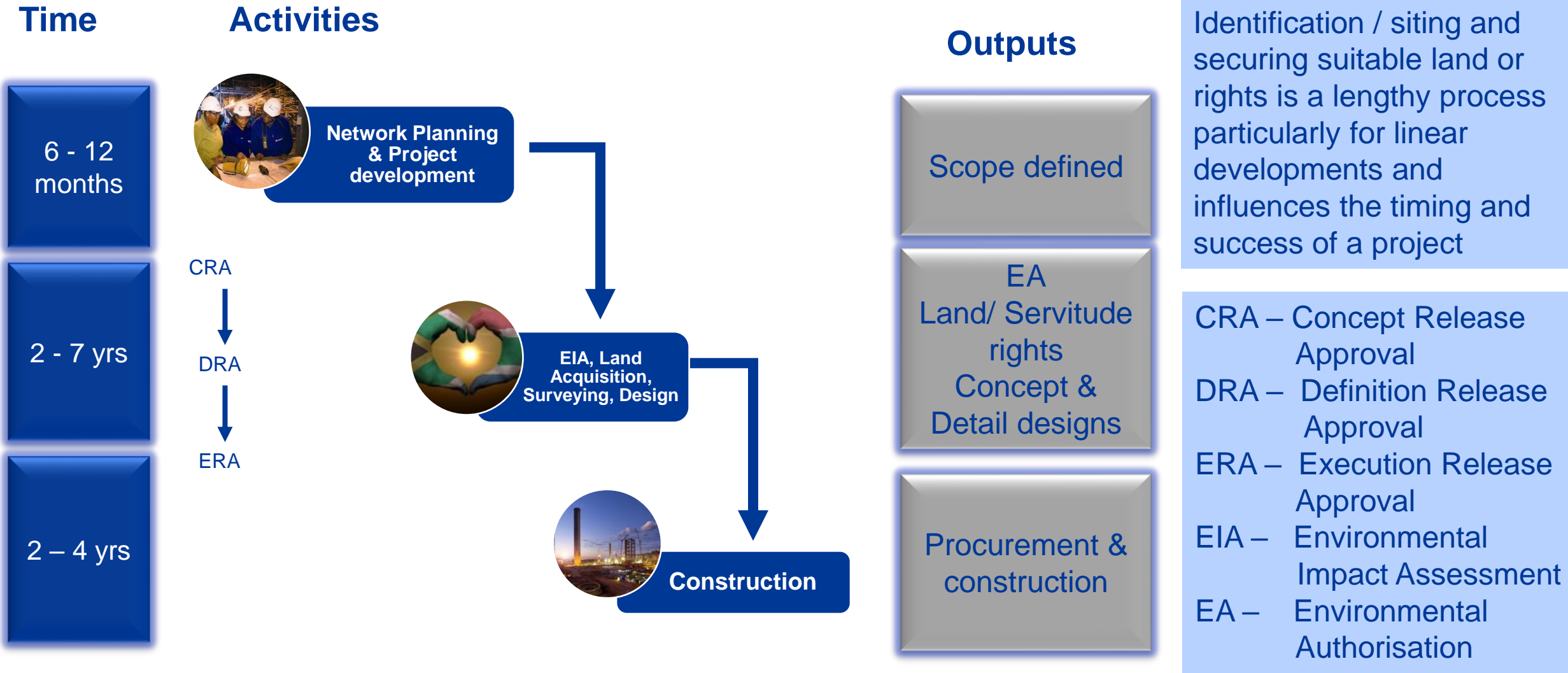
 Expropriation & Consent to Occupy

 Government Departments

 Transformer & Steel Supply



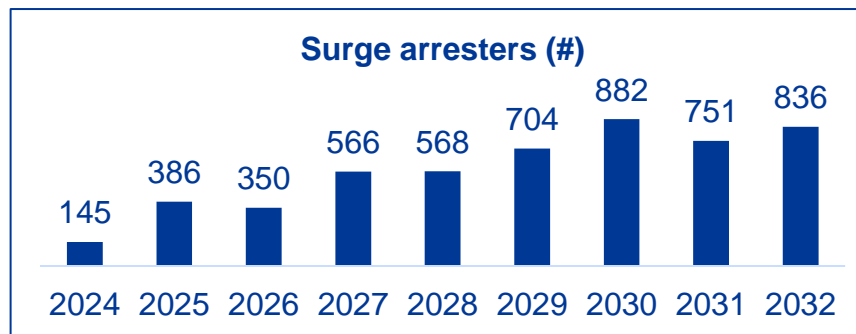
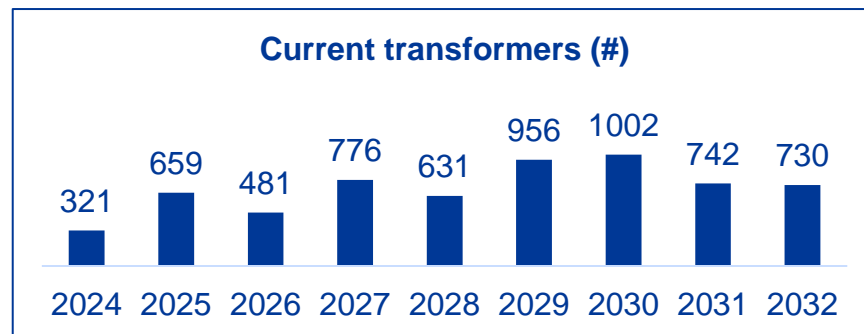
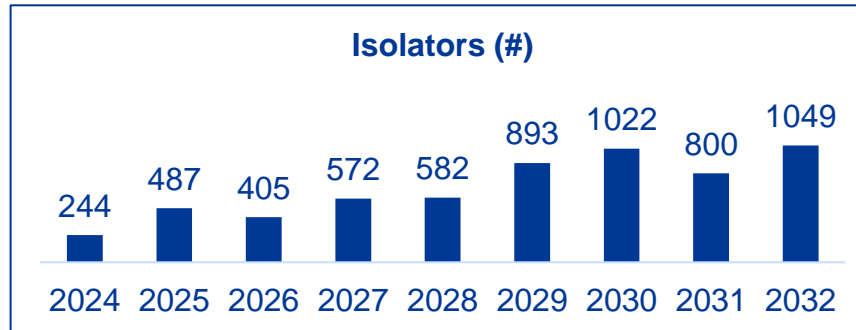
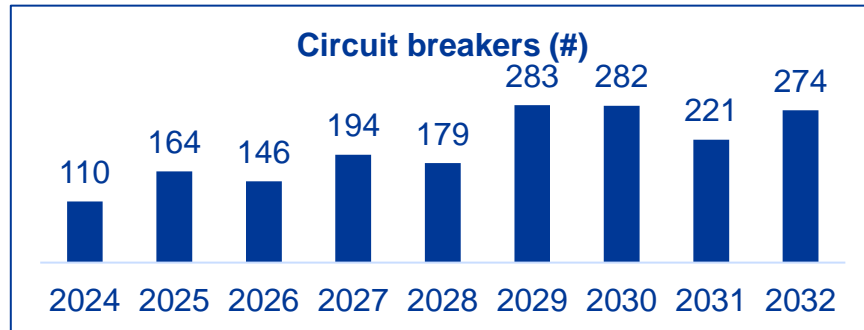
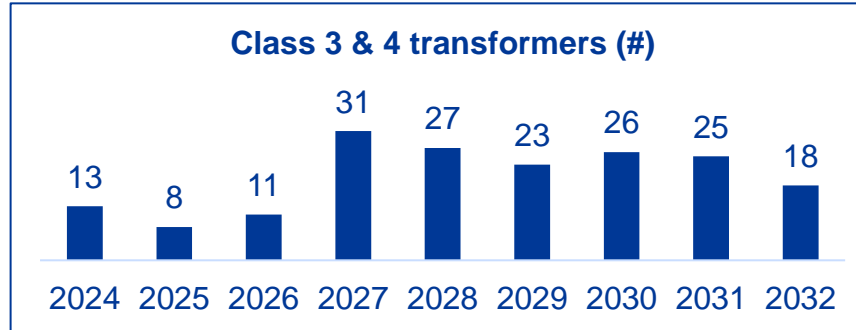
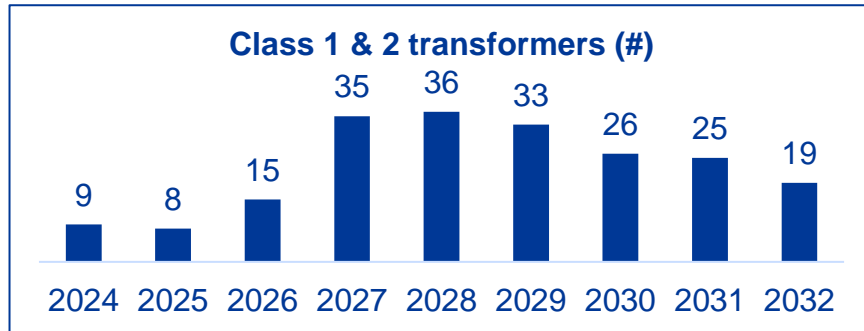
Project Development: Typical Transmission project timelines (assuming no hurdles) – Traditional or Multiple Packages approach



- An external resource capacity assessment was conducted on the Transmission Development Plan (TDP) for the period 2023-2032
- Key Transmission services and commodities were assessed and forecasted based on the TDP2022
- Requirements for key commodities and services were analysed, year on year, which considered business requirements for the TDP, critical and strategic spares, telecommunications and projects in execution
- Forecasts were conducted for key commodities and services including those for Primary Plant, Secondary Plant, Overhead Lines and Telecommunications
- Any use of these estimates provided by Eskom would be entirely at the supplier's risk and no liability can be attached to Eskom

Primary plant equipment commodity requirement forecasts

Primary plant equipment commodity requirement forecasts



Key insights

- The following primary plant equipment will be required between 2024 and 2032
 - **206** class 1 & 2 transformers
 - **182** class 3 & 4 transformers
 - **1 852** circuit breakers
 - **6 054** isolators
 - **6 298** current transformers
 - **5 188** surge arresters

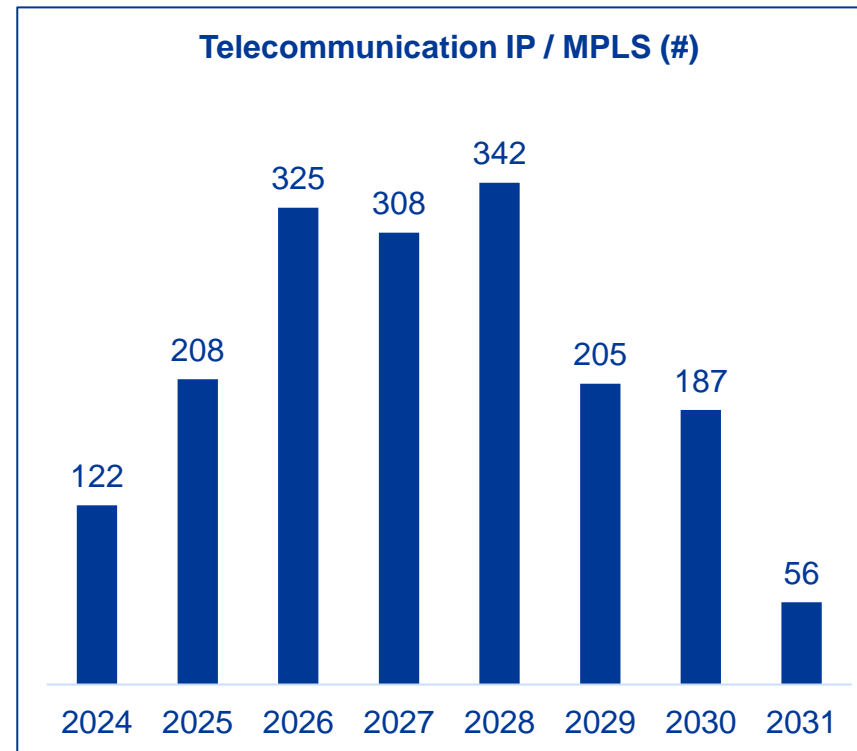
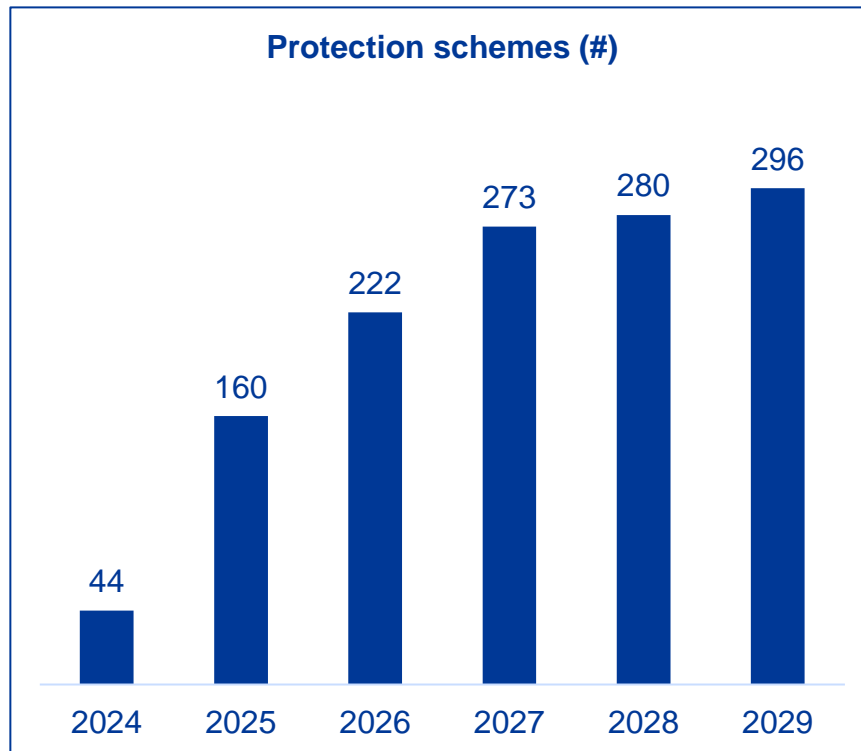
Secondary plant and telecommunications equipment commodity requirement forecasts

Secondary plant and telecommunications equipment commodity requirement forecasts



Key insights

- The following secondary plant equipment will be required between 2024 and 2029
 - **1 275** protection schemes
- The following telecommunications equipment will be required between 2024 and 2031:
 - **1 753** Internet Protocol/Multi-Protocol Label Switching (IP/MPLS)



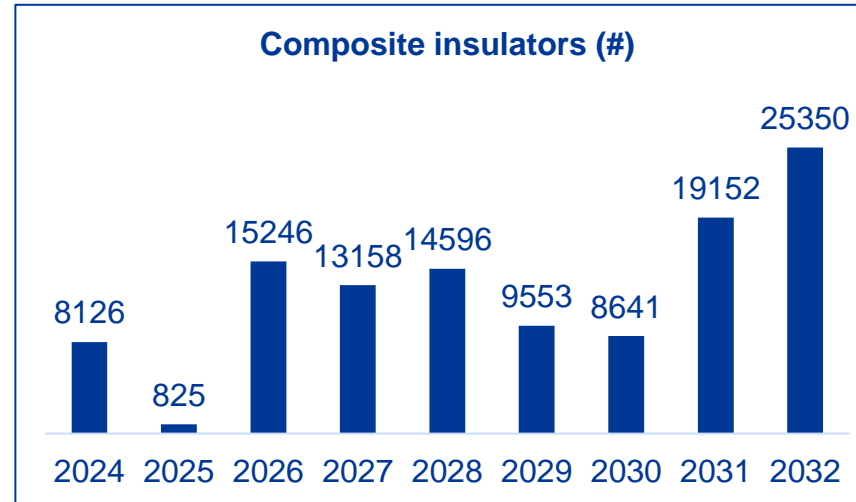
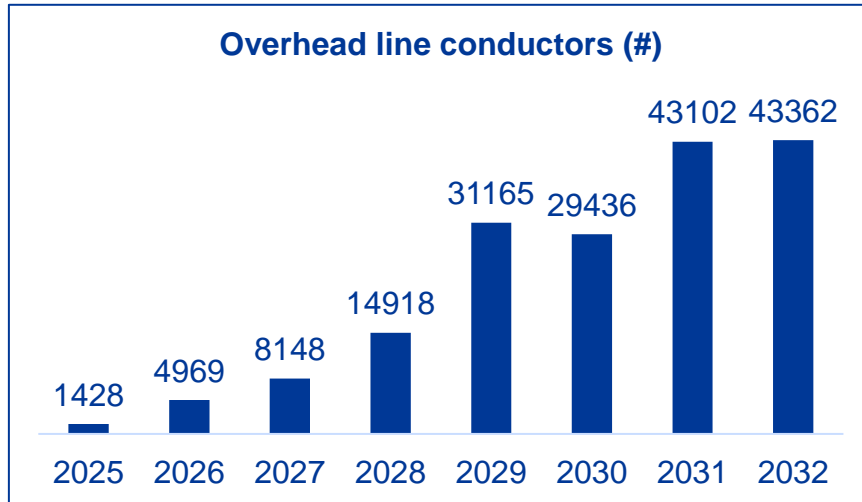
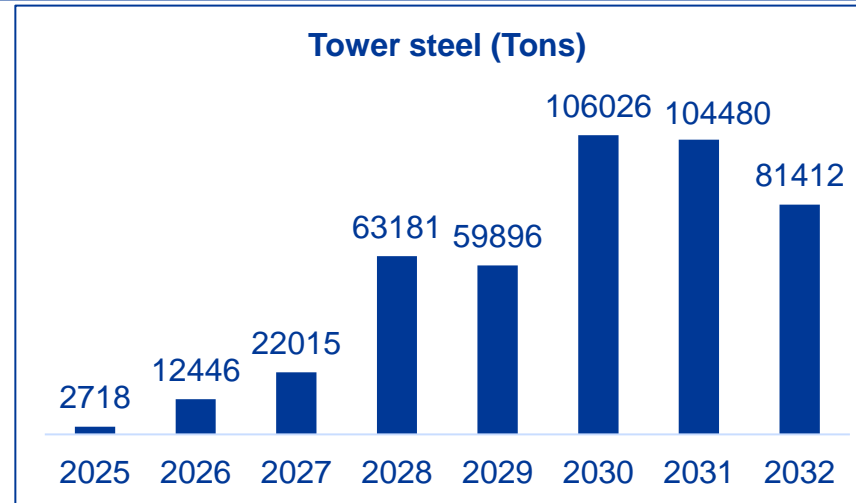
Note: Any use of these estimates provided by Eskom would be entirely at the supplier's risk and no liability can be attached to Eskom

Overhead line equipment commodity requirement forecasts

Overhead line equipment commodity requirement forecasts



Key insights



- The following overhead line equipment will be required between 2023 and 2032
 - **14 218** km of lines
 - **452 174** tons of tower steel (2025 to 2032)
 - **176 528** overhead line conductors (2025 to 2032)
 - **114 647** composite insulators (2024-2032)

- We have adopted an Asset Management approach to optimise the asset life and mitigating strategies are in place to ensure stability of the network.
- Great progress has been made in the implementation of asset management principles and asset renewal assessment and planning specifically, that confirms a sound Refurbishment Plan.
- The TDP makes provision for a robust plan to ensure the future requirement of the country and is crucial to deliver on those requirement.
- The forecast presented above indicate a large demand forecast for infrastructure and commodities which is aligned to the aggressive TDP programme
- The quantities presented are estimates based on the best available information and is subject to change.
- This is for information sharing to prepare the market for successful roll out of the programme

Commercial Process
Procurement Process
Invitation to Tender

Mabatane Mariri





Tender submission requirements during Lockdown when submitting Tender documents at Eskom Tender Offices

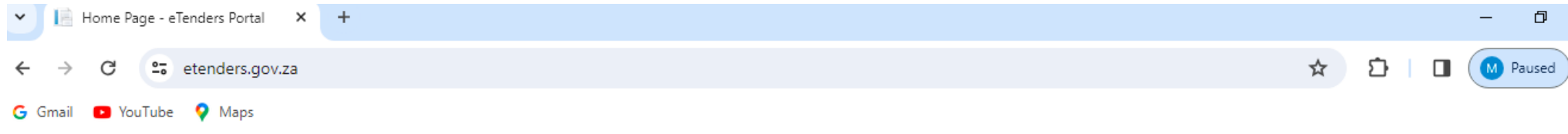
Please note that Suppliers need to have the necessary permits and documentation as regulated and legislated by Government for companies or their employees to travel and conduct business. If not, they will have to make use of Courier Services, that are operating during lockdown, to pick up and deliver tenders timeously to the Eskom Tender Office.

Tenders

Please click on this link: [Eskom's Tender Bulletins](#), to access the available tenders.

In the new window, click on "General Search" on the navigation bar. If you wish to contact one of our buying offices, click on contacts on the new window





Find public sector tender opportunities in South Africa

This site provides access to information on all tenders made by all public sector organisations at all spheres of government.

Search **Browse Opportunities** Procurement Data Procurement Plans Get In touch Login

The site has a large number of Tender Opportunities, please use buttons below to refine your search.

 Currently Advertised

 Awarded

 Cancelled

 Closed

DISCLAIMER: Please note we are only searching for open/active tenders. Please click on Browse Oppotunities to view other Tender options

Dismiss

Eskom Representative for MWPXXXXTX:

Name : Name and Surname
E-mail : mmmmm@eskom.co.za

Timelines

Non-Compulsory Clarification Meeting : 05 April 2024

Clarification Queries Closing Date_ : Five (5) days prior to tender closing

Enquiry Closing Date and Time : 26 April 2024, Strictly **10:00am**

(SAST) – MWP0000TX

No Late Submission/s will be accepted under any circumstances – not even by a second

All questions and clarifications pertaining to the enquiry will be in writing only and addressed via email to the Eskom Representative namely, mmmmm@eskom.co.za. Answers will be uploaded on the National Treasury e-tender portal and Eskom tender bulletin only and no individual responses to tenderers will be send.

- Commercial Folder
 - Technical Folder
 - Finance Folder
 - SDL&L Folder
 - Technical Folder
 - Quality Folder
 - OHS Folder
-

Step 1 – Check for tender for Acceptability and Responsiveness

- All responses will be evaluated for overall compliance to the conditions of tender and for responsiveness.

Step 2 – Functionality/Technical

- The evaluation criteria are used to measure functionality.
 - Criteria should be determined for each Enquiry on a case-by-case basis.
 - The points to be allocated for each criterion and sub-criterion must be specified.
-

- The minimum qualifying (threshold) score that must be obtained to pass the functionality assessment must be specified. For example,

Functionality Criteria	Total weight	Example, Overall minimum threshold for functionality to proceed to the next phase
Mobile Substation	100%	75%

Step 3 –Price & Preference points (80/20 or 90/10)

- Either 80/20 or 90/10 (Price/BBBEE rating) preference point system will be used to evaluate the tender. Calculate price points out of 80 or 90 (Price = Tendered or evaluated price).

BBBEE Level	Number of points (80/20 system)	Number of points (90/10 system)
1	20	10
2	18	9
3	14	6
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant	0	0

The following will form part of the contractual requirements at contracting phase and **will not** constitute evaluation criteria:

- Financial analysis:
- SHEQ (**suppliers to be compliant before possible contract award**)
- SDL&I Undertaking
- National Industrial Participation Programme (NIPP)
- Due diligence by State Security Agency (SSA)
- Company screening of the recommended supplier/s will be conducted by State Security Agency. Eskom reserves the right not to award a contract to a suppliers/s or terminate a contract with a supplier/s should the results of the screening deem it necessary to terminate.

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable)**	Returnable required prior to Contract Award.
Basic Compliance	The tenderer must submit two hard copies of the tender (a complete original tender, plus one (1) hard copy of the original tender at tender submission deadline)	✓		
	CSD Number (MAAA.....)	✓		
	Note: Eskom also prefers that one (1) additional complete soft copy (in memory Stick) of the original tender is required in electronic format, for all word or excel document.			
Annexure A	Acknowledgement Form		✓	
Annexure A.1	Reverse e-auction training acknowledgement form		✓	
Annexure A.2	Reverse e-auction process		✓	
Annexure B	Tenderers Particulars		✓	
Annexure C	Integrity Pact Declaration form		✓	

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
Annexure D	CPA for local goods/services (if applicable) Note: If not submitted, tenderers will not be disqualified but prices will be evaluated as fixed.	✓		
Annexure E	CPA(IG) for imported goods/services (if applicable) Note: If not submitted, tenderers will not be disqualified but prices will be evaluated as fixed.	✓		
Annexure C	SBD 6.2 -Declaration certificate for local production and content		✓	
Annexure G (applicable for all suppliers including foreign suppliers)	SBD 1- to be completed and submitted by all tenderers.		✓	
# Annexure H	SBD 6.1- Preference Points Claim Form in terms of PPPFA 2022 regulations		✓	
Annexure I	SBD 4 – Bidders Disclosure		✓	

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
Additional Documents required in event of JV: -	Letter of intent to form a JV/consortium or Valid joint venture agreement confirming the rights and obligations of each of the joint venture partners and their profit-sharing ratios.		✓	
	Separate written confirmation that the joint venture will operate as a single business entity (incorporated) for the duration of the contract, or this may be included as an obligation within the JV agreement.		✓	
	# Proof of compliance to the stipulated Specific goals. Valid B-BBEE certificate issued by a SANAS accredited verification agency / sworn affidavit / CIPC affidavit.		✓	

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
	Details and confirmation of a single designated bank account in the name of the JV and independent of the individual JV partners, as set out in the joint venture agreement.			✓
# Specific Goals	<p>Valid B-BBEE certificate issued by a SANAS accredited verification agency / sworn affidavit / CIPC affidavit.</p> <p>Failure on the part of the supplier to submit “proof of specific goals for purposes of evaluation and scoring by the tender closing will not result in disqualification (if tenderer is otherwise deemed to be responsive/acceptable in all other aspects). The tenderer will, however, be scored zero for Specific goals for purposes of PPPFA scoring and ranking.</p>		✓	

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
Tax Clearance Certificates	<p>A certified copy of a tax clearance certificate is still required by Foreign suppliers (with a footprint in South Africa- but who are not on CSD and have not provided a SARS pin number) and Local suppliers (who have not provided their SARS e-filing PIN number for verification by Eskom and/or their CSD profile / CSD number).</p> <p>Foreign suppliers with no footprint in South Africa, must still complete the SBD1 document, however no proof of tax compliance is required.</p>			✓
Compliance with Employment Equity Act	To the extent that the tenderer falls within the definition of a “designated Employer” as contemplated in the Employment Equity Act 55 of 1998, the tenderer is required to furnish the Employer with proof of compliance with the Employment Equity Act, including proof of submission of the Employment Equity report to the Department of Labour. (South African tenderers only).			✓
NEC	Data by Supplier		✓	

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
	DOCUMENTS REQUIRED UNDER CONTRACTUAL REQUIREMENTS			
Quality	Supplier Quality Management: Specification QM 58_240-105658000 Refer Quality folder Category 2 for list of quality tender returnables.			✓ ✓

Tender returnables

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
OHS	Valid Letter of Good standing (COIDA)		✓	
Supplier Development, Localization and Industrialization (SDL&I)	SDL&I Undertaking			✓
Due Diligence	Audited Financial Statements of the tenderer for the previous 18 months, or to the extent that such statements are not available, for the last year. Tenderers must note that in the case of a joint venture or special purpose vehicle (SPV) especially formed for this tender, audited financial statements for each participant in the JV / SPV is required. Start-up enterprises formed within the last 12 months are not required to send in statements, but if successful with their tender will be required to send statements for the first year when once available.			✓

Reference	Returnable From Suppliers	Returnable required at Tender closing (disqualifiable)*	Returnable required at Tender closing. (Non-disqualifiable) **	Returnable required prior to Contract Award.
Technical (required for functionality scoring)	DOCUMENTS REQUIRED UNDER FUNCTIONALITY/TECHINICAL CRITERIA			
Technical	Completed Technical Schedule A & B	✓		
Technical	Drawings	✓		
Technical	Type test reports	✓		
Technical	OEM Operating and maintenance manual.	✓		

- Not submitting two hardcopies of the tender (One complete original tender and one complete copy of the original tender)
 - Not Submitting fully completed Pricing Schedule/ PS5 Schedule
 - Not Submitting Mandatory requirements
 - Not submitting fully functionality requirements
-

Commercial Process Pricing

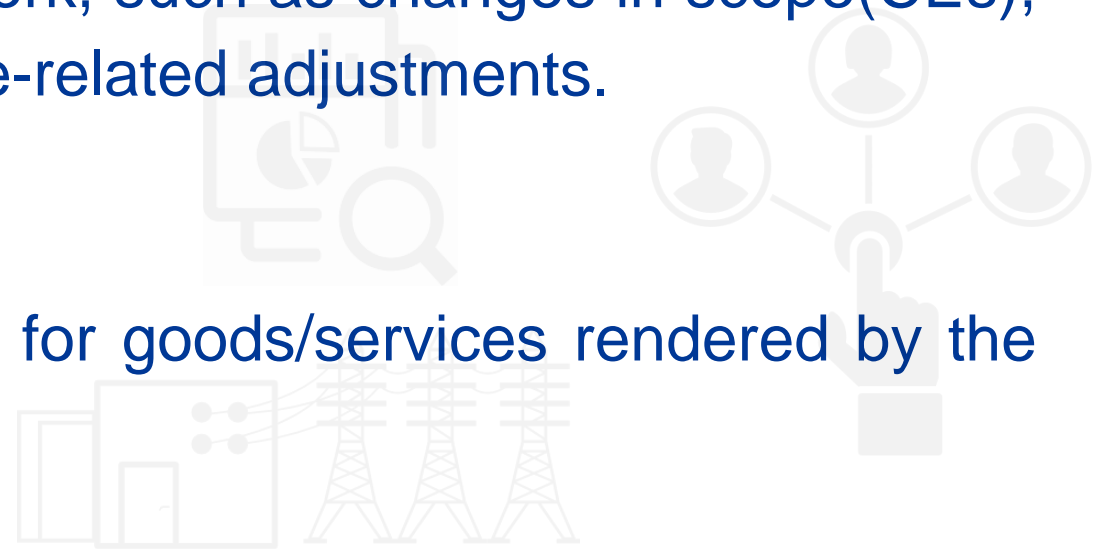
Mlunglisi Maluleke



Can be defined as:

“Tender Price” refers to the amount agreed upon by the parties for the work to be done under the contract and may be subject to adjustment based on various factors outlined within the contract framework, such as changes in scope (CEs), fluctuations in cost (CPAP), or performance-related adjustments.

Provides agreed reasonable imbursement for goods/services rendered by the Supplier/Contractor.



NB: Information in the Bill of Quantities is not Works Information or Scope of Work!!!

- | | |
|--|---|
| <ul style="list-style-type: none">• Works Information/Scope of works• NEC Form Option• B.o.Q, Pricing Instruction and Preambles• 2.9 ITT, Copies (non-disqualification)• 2.13 ITT, Validity period | <ul style="list-style-type: none">• 3.15 ITT, Tender Price Evaluation• 3.18 Ranking, PPPFA• Tender returnables, Copies (non-disqualification)• Annexure D, CPA Local & Foreign• Annexure E, Forex• Price in full or part |
|--|---|

Lowest price does not necessarily win the tender!!!

Prices will be evaluated as follows [3.15, ITT]:

1. Inclusive of VAT
 2. Making the specified correction for arithmetical errors
 3. Excluding contingencies in any bill of quantities or activity schedule.
 4. Making an appropriate adjustment for any other acceptable variations, deviations, or alternative tenders submitted.
 5. Making a comparison of the Net Present Value of each adjusted tender based on the tendered programme (if provided) and prices, on the estimated effect of Price Adjustment Factors and rate of exchange fluctuations (if applicable) and on other evaluation parameters relating to uncertainty and risk, where applicable.
1. Unconditional discounts must be taken into account for evaluation purposes;
 2. Conditional discounts must not be taken into account for evaluation purposes but should be implemented when payment is effected

Prices will be scored and ranked at 90/10 or 80/20 PPPFA point allocation.

- BoQ/PS Alteration
 - Item omission
 - Cost + fee (Tx commodities & equipment transactions)
 - CPA Formulae
 - Arithmetic errors (Sums, ROE)
-

- Site Clarification Meeting
- Tender Qualifications
- List of deviations

Commercial Process

NEC Overview
Adv. Sibongile Masemola



- NEC contract document Draft (ECC, ECSC, TSC, TSSC, PSC, PSSC)
- The Supplier Engagement forum , 26 March 2024 EPC project list was shared for all the applicable project categories
- Terms and conditions to be issued with the tender are explained on the next slides

1. Agreements & Contract Data
2. Pricing Data
3. Scope of Work
4. Site Information



Microsoft Word
17 - 2003 Document

Eskom Transmission SMME Workshop Commercial & Tender Evaluation Processes

Day One

TIME	ITEM	DETAILS	SPEAKER
08:30-09:00 – 30 mins	Registration		All
09:00-09:05 – 5 mins	Opening		Shantal Ramkison
09:05-09:10 – 5 mins	Safety Briefing		EAL Safety Officer
09:10-09:15 – 5 mins	Welcome and Setting the Scene		Lerato Morife
09:15-09:45 – 30 mins	Eskom Development Foundation (ESDEF)	Corporate Social Responsibility - Presentation, Q&A	Palesa Mocoancoeng
09:45-10:00 – 15 mins	Transmission Development Plan (TDP)	Overview	Atha Scott
10:00-10:15 – 15 mins	Tea Break		
10:15-12:45 – 150 mins	Commercial Process Part 1	Procurement Process 30 mins	Mabatane Mariri
		Invitation to Tender & Current Tenders out in Market 30 mins	Mabatane Mariri
		Pricing 30 mins	Mlunglisi Maluleke
		NEC Overview 40 mins	Sibongile Masemola
		Supplier Reconsideration Process 20 mins	Vuyiwe Mbulawa
12:45-13:30 – 45 mins	Lunch		
13:30-14:15 – 45 mins	Commercial Process Part 2	Vendor Registration 45 mins	Felicia Stalenberg & Inno Lebere
14:15-15:15 – 60 mins	Technical Process	Lines 30 mins	Tebogo Bhulose
		Substations 30 mins	Enderani Naicker & Phenyo Mvuyana
15:15-15:30 – 15 mins	Tea Break		
15:30-16:30 – 60 mins	Safety, Health, Environment, Quality, Security Management Systems & Requirements	SHEQ Overview	Geoffrey Small
16:30-16:40 – 10 mins	Completion of Evaluation Forms	Evaluation of Day One	All
16:40	Closure		Shantal Ramkison

Commercial Process

Supplier Reconsideration Process
Vuyiwe Mbulawa



CONTENTS

- Overview
- Grounds for Reconsideration
- Procedure for Reconsideration
- Supplier Roles & Responsibilities

- ✓ Eskom Procurement upholds **the highest ethical standards** in its business dealings.
- ✓ In accordance with the legislative frameworks, namely **Section 23 of the PFMA** on General Conditions of Contract and **Section 6 of the PFMA SCM Instruction Note No. 03 of 2021/2022**, etc, Eskom has to ensure that the integrity of the Procurement and Supply Chain Management systems is not compromised
- ✓ Frameworks prescribe the process to employ in terms of **restriction of persons doing business with government including public entities**.
- ✓ To institutionalise these requirements, Eskom has established processes to ensure that the potential partners/ tenderers and existing suppliers uphold the same standard and **due process is followed should elements of unethical standards be identified**.
- ✓ Part of these processes is the **Supplier Reconsideration process** which focusses on issues **corruption, fraud, misconduct, fronting, and/or dishonesty**.
- ✓ There is a dedicated committee mandated to adjudicate on matters relating to **reconsideration of the supplier registration status**.
- ✓ This is informed by various processes ranging from **investigation triggered by Whistle-Blowing, bid rigging/collusion, corruption, fraudulent activities**, fronting, **SIU referrals**, etc.
- ✓ Once confirmed, the committee is mandated to implement **remedial action to mitigate** the recurrence of alleged transgression.
- ✓ The remedial actions include **notifying the transgressor of the alleged misconduct** and intention for restrict, **afford an opportunity for formal written representation**, impose sanctions, notify National Treasury, then have the transgressor restricted or blocked on the Eskom Vendor MasterData.
- ✓ Subsequently, **blacklisted** from doing business with any state owned company and government departments by being registered on the National Treasury defaulters list.

Eskom is entitled to reconsider the registration status of a supplier on the Eskom Supplier Database, on any one or more of the following grounds:-

- ✓ A contravention of, or a failure to comply with, or a breach of any of the terms, conditions or provisions of:-
 - the **Eskom Purchasing Pact for Suppliers**;
 - the Standard Conditions for Registration as Supplier;
 - the **Standard Conditions of Tender**;
 - the agreed conditions of contract, for the supply of assets, goods or services to Eskom
- ✓ Any conduct of the supplier, any of its employees, any person under its control, or any related person
 - ✓ being involved in **corruption, fraud, misconduct, fronting, and/or dishonesty**.
 - ✓ Portrays the **misrepresentation of facts** in order to influence a selection process or the execution of a contract and includes collusive practices among bidders/contractors
 - ✓ being the **direct or indirect cause of any disciplinary action taken against an employee** of Eskom for any misconduct that pertains to any aspect of procurement;
 - ✓ promoting or **inciting labour unrest**, other than a protected strike, at any site or premises under the control and supervision of Eskom,

- ✓ deliberately attempts to **frustrate or obstruct**, directly or indirectly, the ability of Eskom and/or of another supplier under a contract with or order from Eskom to carry out the obligations, duties or responsibilities in terms of any contract, order or legislation;
- ✓ making use of **any labour, material, transport, equipment, intellectual property or other assets**, belonging to or under the control and supervision of Eskom or which Eskom is entitled to use, **without the written consent of Eskom** and either for the benefit or gain by the supplier or by a person other than Eskom or to the prejudice or potential prejudice of Eskom;
- ✓ found in the **unauthorised possession of, or being engaged in removing without permission**, any property belonging to Eskom, any employee of Eskom or another supplier of Eskom;
- ✓ Any conduct by the supplier, any of its employees, any person under its control, or a related person resulting:
 - in that person being found guilty **by a court of any crime**;
 - in that person paying an **admission of guilt fine** in terms of chapter 8 of the Criminal Procedure Act;
 - in any adverse finding being made against that person **by any court, commission, tribunal, administrative body or regulatory institution** in any proceedings, matter or investigation before it;
 - The supplier, any of its employees, any person under its control, or a related person **disclosing any confidential information** of Eskom, including **any intellectual property of Eskom**, or confidential information of another supplier in the possession of or under the control of Eskom, to a **third party for any procurement-related** purpose where that confidential information was obtained in the course of or **incidental to carrying out the contractual obligations**

- ✓ If the supplier no longer meets the **general requirements for registration as a supplier**;
- ✓ The supplier having built up a **history of poor performance on one or more contracts** with or orders from Eskom, including poor performance on matters or aspects of **safety, health, quality control and/or environmental regulation**, or having committed a serious and gross breach of contract;
- ✓ **Prejudicial or potentially prejudicial for procurement** (in the broad sense, including the entire process prior to the acquisition of goods or services and the administration of any contract or order resulting from that process) by Eskom or for the procurement system of Eskom.

The procedure for the reconsideration of the registration of a person / entity as a supplier on the Eskom Supplier Database is as follows:

- ✓ **Suspicion of misconduct:**
 - ✓ Might be identified before or during tendering process, i.e. **bid rigging, collusion, Cover quoting, Bid Suppression, Bid Rotation, etc**
 - ✓ Raised through whistle-blowing channel, i.e. **corruption, fraudulent activities; money laundering, etc.**
 - ✓ Identified through **due diligence process, i.e. undisclosed conflict of interest,**
 - ✓ Subsequently, an **investigation will be instituted** to determine the validity of the allegations.
 - ✓ Depending on the nature of the allegations, **implicated parties will be engaged** in order to gather and verify facts.
 - ✓ If it is **of criminal conduct in nature**, the matter will be **reported to SAP** then follow a due process.
 - ✓ On completion of the investigation, the outcome will serve at the **Supplier Reconsideration Committee for adjudication.**

- ✓ **First notification:**
 - ✓ The committee will issue a notice of intention to restrict the person from doing business with Eskom.
 - ✓ Indicate the grounds for the intended restriction.

- ✓ Correspondence **will indicate the sanction/restriction period** which may not be exceeding 10 years.
- ✓ Afford the **alleged transgressor an opportunity to make representations** within 14 days stating or justifying as to why the supplier should not be restricted.
- ✓ Upon receipt of the written representation, the committee will consider the reasons provided by the tenderer/supplier on why the company should not be restricted.
- ✓ Should after considering the response deemed it justifiable to proceed with the intention to restrict, the **committee will consult National Treasury** by submitting the notification and reasons for restriction as well as the supporting documentation
- ✓ After reviewing the submission against the **regulatory prescripts**, National Treasury will within 14 days submit its view on the intended restriction.
- ✓ Then the committee will make its final determination to restrict and impose sanction.
- ✓ **Final Notification:**
 - ✓ The tenderer/supplier will be notified of the final decision subsequently blacklisted on the National Treasury database of defaulters in order not to do business with any organ of state.
 - ✓ The submission will entail the following:
 - ✓ Reasons for restriction;
 - ✓ Name and address of the person restricted.

- ✓ **Name and address** of the person restricted.
- ✓ **Identity or registration number** of the person;
- ✓ Period of restriction
- ✓ Then, National Treasury will publish the details on the database and inform the entity.
- ✓ The Eskom will inform the tenderer of the final decision
- ✓ Subsequently blocked on the Eskom Supplier Database;
 - ✓ **No award of any further contracts or placing of orders** with that supplier will be processed; and
 - ✓ Supplier will be **de-registered as a supplier on the Eskom Supplier Database** immediately after all outstanding matters with regard to that supplier are finalised; or
 - ✓ **Terminate all existing contracts or cancel all orders placed** with that person, with immediate effect.

- ✓ All suppliers/companies doing or intending to do business with Eskom Transmission should **uphold high ethical standard**.
- ✓ expected not to engage in **fraudulent, collusive, or corrupt practices or inappropriately influence** any procurement process.
- ✓ A supplier is expected not to **act inappropriately by attempting to interfere with the procurement process**.
- ✓ No supplier(s) shall contact, **unduly influence, or exert pressure on, any member of a committee or any other employee** of Eskom Transmission to take a particular action that favours or tends to favour it/them.
- ✓ Conduct themselves in a manner fully consistent and / or in accordance with the current **Eskom Supplier Integrity Pact**.
- ✓ Suppliers are expected to comply with **the professional standards of their industry** or of any professional body of which they are members.
- ✓ Where a supplier is a member of a professional body, that **supplier is expected to uphold the code of ethics** of the respective profession and be of good standing.
- ✓ Suppliers are expected to maintain the **highest standard of integrity and professionalism** in their operations.

Technical Process

Substations
Enderani Naicker & Pheny Mvuyana

Lines
Tebogo Bhulose



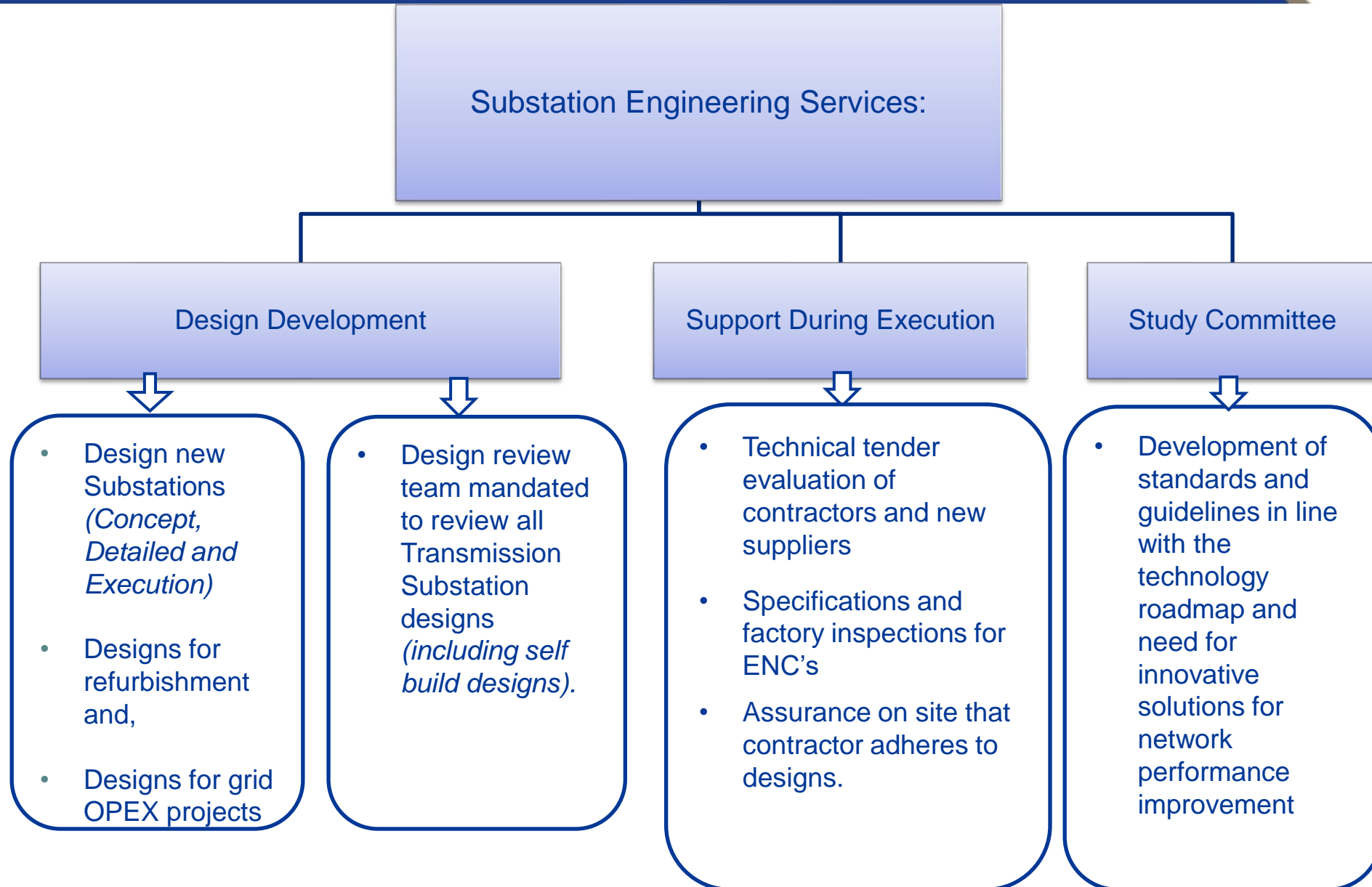
1. Substation Engineering Function:

2. Electrical Contracts:

- Stringing , Earthing and Erection of Equipment
- Supply of Tubular Conductors
- Installation of Tubular Conductor

3. Civil Contracts:

- Terrace & earthworks
- Civil works, foundations
- Installation of Steel Structures
- Erection of Buildings
- HVAC, lighting, fencing



Stringing & Cabling Contract

Stringing of Busbars, Stringers, Droppers & Jumpers

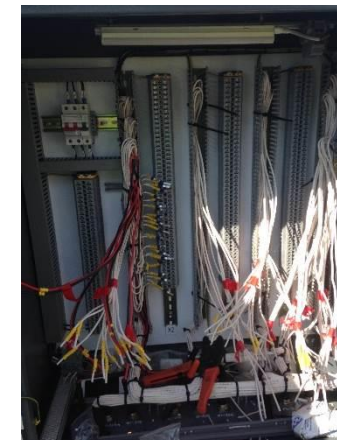
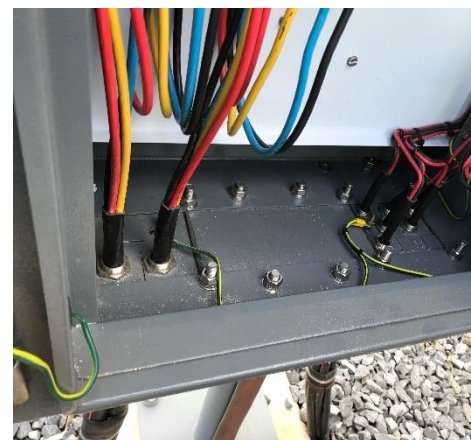
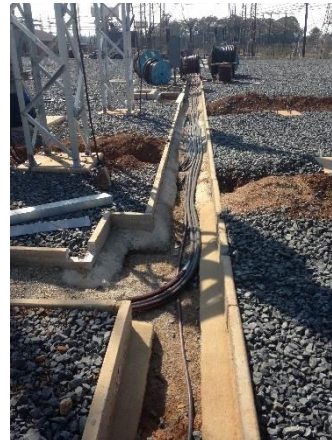
- Securing and termination of conductors on steelwork structures and equipment as per referenced drawings.



- Critical to understand design drawings and apply them correctly



- The drilling of gland plates, laying, terminating, ferruling, testing and tagging of cables as per cable diagram.
- The supply and fitting of glands, ferrules, lugs and brass or copper number tags for all cables.
- The removal, safe keeping and re-installation of trench cover slabs



Erection of equipment

- Involves the erection and making ready for cold commissioning the equipment on concrete foundations and/or steel support structures.



- Terminating surface earthtails (civil contract) on equipment structures as per earthing drawings.



- List of key personnel, their experiences (include CV detailing project-specific work experience for each employee) and academic qualifications. Also include total number of manpower to be dedicated to this project.
- List of relevant and comparable projects undertaken. The list shall include project scope, substation name, completion date, project value and client contact person and details. The contractor shall further include any concessions made during each project execution.
- List of all tools and equipment to be used.
- Test and measurements methods (procedures) for the various tests and measurements stated in this specification:
 - Earth resistance measurements.
 - Earth continuity measurements.
 - Insulation testing.

- Erection method statements (including detailed step-by-step procedures) for the following:
 - Stringing and termination of conductors.
 - Stringing and termination of earth-wire.
 - Installation of HV equipment.
 - Earthing.
 - Brazing of earth connections.
 - Crimping.
 - Procedure for compression of clamps.

- The following documents shall be submitted **upon** tender award, prior to starting with construction:
 - Proof of training of supervisor as responsible person in accordance with Eskom ORHVS. Copy of ORHVS certificate shall be attached.
 - Proof of qualification of rigger.
 - Proof of qualification of operator of machinery.
 - Calibration certificates of applicable tools and equipment.
 - Test certificates of lifting equipment.

Qualitative Criteria: Stringing, Earthing and Erection



Item	Description	Weight	Score (0-5)	Weighted	Criteria
B3.1	List of relevant and comparable projects undertaken	30%		1.50	
1.1	Number of projects	6%	5	0.30	>10 Projects - 5; 8 to 10 projects - 4; 5 to 7 projects - 3; 1 to 4
1.2	Project scope	6%	5	0.30	Relevancy of scope -5
1.3	Project value	6%	5	0.30	> R10m - 5, R5m to R10m - 4; R3m to R5m - 3; R1m to R2m - 2 ; less than R1m - 1
1.4	Substation name and completion date	6%	5	0.30	name and date provided - 5; not provided - 0
1.5	Client contact person and details	6%	5	0.30	Info provided - 5; not provided - 0
B3.2	List of key personnel	20%		1.00	
2.1	Academic qualifications	7%	5	0.35	B.Sc/B.Tech -5, Diploma - 4, Certificate -3, not specified/stated - 0
2.2	Project-specific work experience	7%	5	0.35	>15 Projects - 5; 10 to 15 projects - 4; 5 to 7 projects - 3; 1 to 4 projects - 2
2.3	Total number of manpower to be dedicated to this project	6%	5	0.30	>20 - 5; 10 to 20 - 4; 5 to 10 - 3, less than 5 - 2
B3.3	Construction/method statements	20%		1.00	
3.1	Relevancy of method statements	10%	5	0.50	Relevant to activities - 5; irrelevant -0
3.2	Adequacy of method statements	10%	5	0.50	Detailed procedures for all activities - 5
B3.4	Test procedures	10%		0.50	
4.1	Procedures relevant/comprehensive	10%	5	0.50	Relevant - 5; irrelevant - 0
B3.5	Tools and Equipment	10%		0.50	
5.1	Adequacy of tools and equipment	10%	5	0.50	Very detailed - 5; marginal - 3; deficient - 0
B3.6	Procedure for compression of clamps	10%		0.50	
6.1	Procedures relevant/comprehensive	10%	5	0.50	Relevant - 5; irrelevant - 0
	Total	100%		5.00	

Score	Description
5	COMPLIANT Meet technical requirement(s) AND; No foreseen technical risk(s) in meeting technical requirements.
4	COMPLIANT WITH ASSOCIATED QUALIFICATIONS Meet technical requirement(s) with; Acceptable technical risk(s) AND/OR; Acceptable exceptions AND/OR; Acceptable conditions.
2	NON-COMPLIANT Does not meet technical requirement(s) AND/OR; Unacceptable technical risk(s) AND/OR; Unacceptable exceptions AND/OR; Unacceptable conditions.
0	Totally deficient/non-responsive

- Method Statements :
 - ❖ Not comprehensive
 - ❖ In some cases, not relevant to scope
- Test and measurements methods (procedures) for the various tests and measurements stated in this specification:
 - Earth resistance measurements.
 - Earth continuity measurements.
 - Insulation testing.

- Not filing as per tender request (Tip: File using the same sequence as requirements are requested. This makes evaluation simpler and no information is not missed)
- Submitting previous work not related to activity
- Submitting CVs not related to the activity
- Evaluations are only completed on documents provided. Any omissions are given a zero scoring.

Tubular Busbars - Supply

Tubular Busbar installations



- Is all information supplied in English?
- Is customer reference list and confirmation of local technical support provided?
- Has completed technical schedule B per product been submitted?
- Has the technical deviations sheet been submitted and signed?

- NOTE:
- All type test certificates must be supplied prior to contract award. This is a mandatory requirement. Furthermore, all test reports must have a 100% pass rate.
- The type test certificates are:
 - • Material composition and temper test report
 - • Resistivity test
 - • Tensile Strength Test
 - • 0.2% Proof Strength Test
 - • Elongation Test

Criteria	Section	% Weight	Weighted Score
Material properties	B1	50	
Manufacturing method, shape, dimensions and dimensional tolerances	B2	50	
Total		100	

Threshold: The score that each tenderer receives will provide a numeric basis for tender comparison. The minimum weighted average score required for a busbar tubular conductor to be considered must be above 70%.

Tubular Busbars - Installation

- a) List of key personnel, their experiences (include CV detailing project-specific work experience for each employee) and academic qualifications. Also include total number of manpower to be dedicated to this project.

- b) List of relevant and comparable projects undertaken. The list shall include project scope, substation name, completion date, project value and client contact person and details. The contractor shall further include any concessions made during each project execution.

- c) List of all tools and equipment to be used.

d) Erection method statements (including detailed step-by-step procedures) for the following:

- I. Erection of post insulators
- II. Handling and transportation of tubes from storage to HV yard
- III. Cutting and trimming of tubes to specified sizes
- IV. Lifting and installation of tubular conductors
- V. Installation of end-caps
- VI. Installation and termination of damping conductors
- VII. Installation of clamps

The following documents shall be submitted upon tender award, prior to starting with construction:

- a) Proof of training of supervisor as responsible person in accordance with Eskom ORHVS. Copy of ORHVS certificate shall be attached.
- b) Calibration certificates of applicable tools and equipment
- c) Test certificates of lifting equipment
- d) Proof of qualification of rigger
- e) Proof of qualification of operator of machinery
- f) Quality, inspection and test plans(QITP)

Qualitative Criteria: Installation of Tubular Busbars

Item	Description	Weight	Score (0-5)	Weighted	Criteria
A3.1	List of relevant and comparable projects undertaken	30%		1.50	
1.1	Number of projects	6%	5	0.30	>10 Projects - 5; 8 to 10 projects - 4; 5 to 7 projects - 3; 1 to 4 -0
1.2	Project scope	6%	5	0.30	Relevancy of scope -5
1.3	Project value	6%	5	0.30	> R10m - 5, R5m to R10m - 4; R3m to R5m - 3; R1m to R2m - 2 ; less than R1m - 1
1.4	Substation name and completion date	6%	5	0.30	name and date provided - 5; not provided - 0
1.5	Client contact person and details	6%	5	0.30	Info provided - 5; not provided - 0
A3.2	List of key personnel	30%		1.50	
2.1	Academic qualifications	12%	5	0.60	B.Sc/B.Tech -5, Diploma - 4, Certificate -3, not specified/stated - 0
2.2	Project-specific work experience	12%	5	0.60	>15 Projects - 5; 10 to 15 projects - 4; 5 to 7 projects - 3; 1 to 4 projects - 2
2.3	Total number of manpower to be dedicated to this project	6%	5	0.30	>20 - 5; 10 to 20 - 4; 5 to 10 - 3, less than 5 - 2
A3.3	Construction/method statements	30%		1.50	
3.1	Relevancy of method statements	15%	5	0.75	Relevant to activities - 5; irrelevant -0
3.2	Adequacy of method statements	15%	5	0.75	Detailed procedures for all activities - 5
A3.4	Tools and Equipment	10%		0.50	
4.1	Adequacy of tools and equipment	10%	5	0.50	Very detailed - 5; marginal - 4; deficient - 0
Total		100%		5.00	

Score	Description
5	COMPLIANT Meet technical requirement(s) AND; No foreseen technical risk(s) in meeting technical requirements.
4	COMPLIANT WITH ASSOCIATED QUALIFICATIONS Meet technical requirement(s) with; Acceptable technical risk(s) AND/OR; Acceptable exceptions AND/OR; Acceptable conditions.
2	NON-COMPLIANT Does not meet technical requirement(s) AND/OR; Unacceptable technical risk(s) AND/OR; Unacceptable exceptions AND/OR; Unacceptable conditions.
0	Totally deficient/non-responsive

- Method Statements :
 - ❖ Not comprehensive
 - ❖ In some cases, not relevant

Earthworks & Civils Contract

The civil infrastructure consist of the following

- The modification of the natural terrain to create a flat platform
- The stormwater control
- Security fence and access gates system
- The access road from the main road to the substation
- The roads on the substation to transport heavy transformers to its position
- The transformer plinths to host up to 500Mva transformers with 13000 litre of oil
- The fire protection measures to control the oil in case of a fire
- Main steel columns and beams with high voltage bays equipment structures
- Cable trenches
- Drainage system
- Control building to host the secondary plant panels and DC backup batteries.
- Storage yard buildings.
- Access control building at the gate.
- Water supply and reticulation
- Sewer system

It also considers:

- Soil conditions for stable structures
- Climatic conditions like severe rust at the coast, Wind, Rainfall, Sun & UV

- The terrain of Thuso substation before construction and the levelled platform



- Earthworks, foundations and Steelwork
- Main earthmat and earthtails to surface



We have multiple triangulated lattice structure that are used in a substation to carry and support electrical equipment.





The stormwater must be controlled to prevent erosion and be dispersed off the platform. This is done by a network of underground subsoil trenches filled with rock that flow into manholes connected to large concrete pipes with an outlet on the lower part of the platform.



Embankment erosion control and a typical stormwater outlet

Security fence and access gate

The security fence consist of three fences, 5m apart

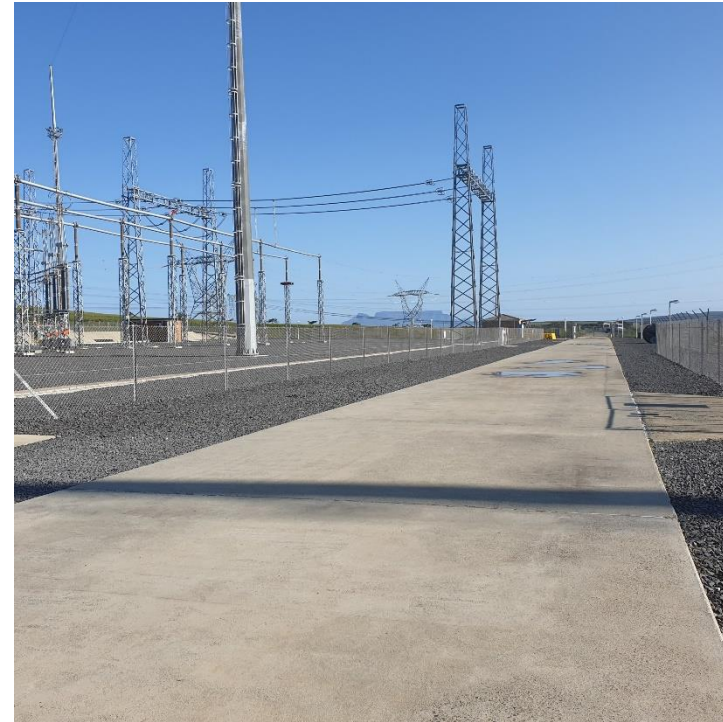
1. The outer high risk weldmesh fence or a concrete wall.
2. The middle non-lethal electrical fence
3. The inner weldmesh fence.

All fences is 2,4m high with anti-tunneling measures and wired overhangs



Access road from the provincial road to the substation and the concrete road on the substation

The access road can be tarmac or gravel. It depends on the distance.



- The transformers is placed on a mass concrete block with a depth of 900mm. The off-loading platform on the road is 600mm deep.
- The transformer have a brick bundwall around the plinth to host thousands litres of oil
- The oil during a fire or leak is transported via. 300mm dia. concrete pipes to an oil dam where it is contained to be removed.
- The oildam size is determined to host the oil of the largest transformer which will be 10 000 litres plus.

Transformer plinths



The access control building at the main access gate for the guards and to host all the energisers and gate control



The control building



- The storage yard consisting of the cladded store, consumable store and workshop.





The oildam

- The oildam is designed to contain any oil and discharge clean water at the outlet.



- Tender evaluation strategy is designed to check the technical competency of the contractor with the following
 - a) A construction program indicating the total scope of work with start and finish dates. This is a good indication if the contractor understand the scope of work and his construction experience to determine the duration of the work
 - b) Method statements to test the contractor construction experience of how he will perform the task
 - c) List of his suppliers to test if the contractor is sure where he will get his materials from.
 - d) List of plant and tools to test if the contractor know what he need to perform all the work.

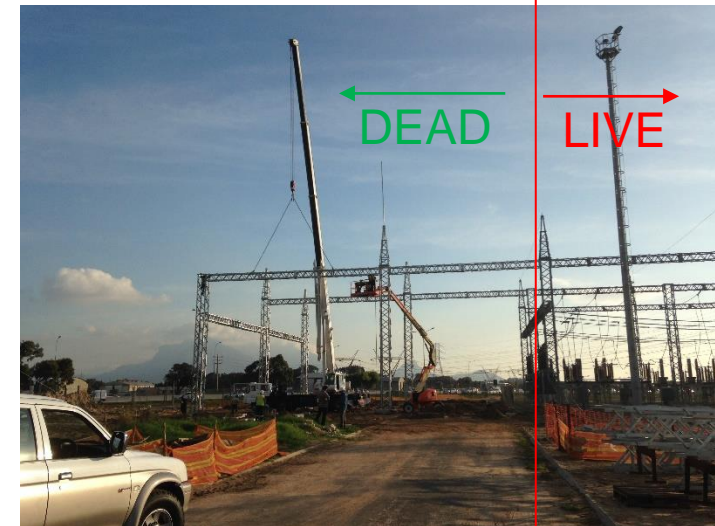
- e) List of his main personell with their qualifications, experience and cv's attached to ensure the correct skills is on site during construction.
 - CV's of construction manager/project manager, site supervisor,
 - CV's to include academic qualification and experience of key personnel,
 - Proof/copies of academic qualification.
- f) List of similar previous work performed to ensure the contractor is capable to perform the type of work. Including project scope, completion date and client contact person and details
- g) List of subcontractors to ensure the correct subcontractor will perform the work and it is in place before construction starts.

- Construction Method Statement cover the following where applicable.

Foundations	Trenches	Earthworks / Roads
Drainage	Yardstone	Buildings
Fencing	Steelworks	Security Lighting
Buildings	HVAC	Method of Concreting
Method of Steel Erection		

- The contractor fails his technical part of the tender for the following reasons.
 1. He does not understand the work because he does not scrutinize the drawings submitted and only pay attention to the bill of quantities.
 2. He submit a tender without finalizing his suppliers and subcontractors.
 3. The director or owner does not check the technical submission and does not see that the compiler cut and paste parts of a previous tender that is not all relevant.

- Green fields:
 - ❖ Allow for work in a dead yard
 - ❖ No grid specific authorization required
- Brown fields: (Especially older stations)
 - ❖ Dependent on outages
 - ❖ Risk of proximity to live connections
 - ❖ Access issues due to equipment
 - ❖ Existing services are not always documented



Working at heights





**Suggestions from our
contractors and suppliers are
welcome.**



Safety, Health, Environment, Quality, Security Management Systems & Requirements SHEQ Overview

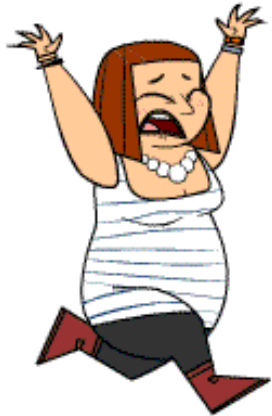
Geoffrey Small



Safety Evacuation

SHEQS Contact

SHEQS Themes – March 2024



Working from home

- Keep walkways clear of obstacles.
- Ensure that your computer or laptop cords are away from the walkway.
- Remember to conduct regular at home hazards assessment (both physical and chemical hazards).
- Ensure that house keys or garage remote controls are kept at a visible spot.
- Familiarize yourself with safe exit points in and around your household.
- If possible have a fire extinguisher nearby, ensure that everyone knows how to use it.
- Display emergency contact details (e.g. Ambulance, SAPS, Fire brigade etc.).
- Calmly evacuate the house and call emergency services if necessary.

Working from the office

- Ensure that you are familiar with the office emergency plans.
- In case of emergency alarm, take your essentials and proceed to the emergency routes.
- Cooperate with site emergency team and security guards.
- Proceed to the assembly point where a roll-call will be done.
- Do not go back to the building until you have been instructed to do so by the evacuation team.

- Transmission is committed to ensuring the health, safety, and welfare of its employees and contractors who may be affected by Eskom's operations.
- This presentation is to enlightening the contractors/suppliers in terms Safety, Health, Environment, Quality and Security (SHEQS) during the enquiry, contract award and execution stages of the project/service by maintaining compliance and conformance.
- Communicate and collaborate with contractors/suppliers, and all stakeholders by entrenching Eskom's value of Zero Harm.
- Reduce contractor-related incidents by 30% with more focus on minimising the level of risk exposure from the current performance.
- Ensure that all contractors/suppliers understand and proactively and effectively develop and implement control measures, thereby building a good safety culture in the organisation.

High Risk

Works, which may include but not limited to the following:

- Installation of equipment, for example transformers
- Outage work, Line construction
- All work conducted at heights
- Demolition work, Excavation work
- Blasting, Scaffolding
- Building and modification of infrastructure
- Lifting equipment, Support work
- Rigging, Tunnelling work, Batch plant
- Explosive power tools, Civil work
- Modification of plant or similar structures
- Construction of roads, Using mobile plant
- Construction of storage facilities for waste, fuel, oil, vehicles and hazardous substances



Medium Risk

Maintenance, which may include but not limited to the following:

- Vehicle maintenance
- Disconnection and reconnection of customers

Transportation, which may include but not limited to the following:

- Transportation of goods (low-risk loads)

Services, which may include but not limited to the following:

- Fire and emergency equipment maintenance
- Technical consulting (done on any of the Eskom sites)
- Consultants installing electronic equipment in the office and at sites (phones, computers, screens)



Low Risk

E.g., Administrative works, which may include but not limited to the following:

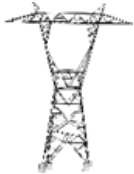
- Labour broking or providing staff (admin/office-based/ professional services)
- Cleaning services (not conducted at heights)
- Gardening or landscaping
- Supply, delivery and maintenance of electronic equipment (iPads, phones, computers, laptops, screens)
- Waste disposal

Other services, which may include but not limited to the following:

- Consumables and other miscellaneous items
- Stationery and printing, Catering

Note: Only if the commodity/goods/products are being delivered to Eskom premises or sites.

Enquiry Stage



- The Safety Advisor/Officer is a member on the procurement cross functional team.
- The OH&S requirements issued with the procurement enquiry is “contractual requirements”. The supplier/contractor is given the opportunity to submit outstanding documentation during negotiations but prior to contract award.
- Enquiry Stage – Eskom & Legal Requirements
 - The Eskom & legal requirements are as listed but not limited to:
 - ✓ The Occupational Health and Safety Act and Regulations, No. 85 of 1993
 - ✓ Baseline Risk Assessment (BRA) as per Scope of Work
 - ✓ Form 74 – Specific H&S Specification as per Scope of Work
 - ✓ Contract and Contractor Health and Safety Requirements Standard, 32-726 (Internal Eskom Document)
 - ✓ Annexure H&S Tender Evaluation Template
 - ✓ Acknowledgement Form B
 - ✓ Site Readiness Evaluation Construction Regulations Audit Checklist, 240-75248969
- Enquiry Stage – Minimum Requirements
 - Acknowledgment Form – Annexure B, 240-77471499
 - Tender Evaluation C4 – Construction Work, 240-106084699



Acknowledgement
Form Annexure B.doc



Tender Evaluation C4
Construction Work.doc

Contractor Award Requirements



- Site Specific documents must be submitted.
- Site Readiness evaluation will be conducted as per site specific documents submitted.
- Site Readiness Construction Regulations, 240-75248969



Site Readiness
Checklist.doc

Note:

- The supplier/contractor must not assume that because they have submitted documents during the enquiry stage then they must not submit on contract award.
- Approval made by Eskom centrally (Head Office) does not provide suppliers/contractors with automatic approval to site.
- The National Contracts and specific contract awarded are not exempted to submit site specific documentation for Site Specific Readiness Evaluation.

Contractor Award Requirements

- International Companies appointed in terms of Design, Manufacture, Deliver and installation.
 - Installation being implemented by local company (SA based).
- International company where applicable to appoint the local company as per Construction Regulations - Duties of Client, sub-regulations 5 (5) or 5 (6)
 - Local company must comply with OHS Act and applicable regulations.
 - Comply with Construction Regulations requirements.
 - Comply with Client (Eskom) requirements.

Construction Work Permit (CWP)

Client & Contractor

Client

- Annexure I – Completed Application Form
- Baseline Risk Assessment
- Health and Safety Specifications
- Proof of Spec in Tender Doc.
- CHSA appointment
- Proof that the designer has considered the H&S Spec.
- Proof that the designer has been appointed.
- Proof that the designer is registered (ECSA etc.)

Contractor

- Health & Safety Plan
- Letter of Good Standing
- Proof of adequate cost for H&S.
- Proof of competent person CR8(1) and CR8(5).
- Appointment letter CR5(1)k and Agreement OHS Act 37(2)
- Business Profile
- Temporary Works Designer

Principal Contractor

Principal Contractor

- Submission of site-specific H&S File.
- Ensuring that all critical issues are in the file and submitted (Letter of Good Standing, H&S Plan, appointments etc.)
- Resubmitting any outstanding information where it exist to the Client.

Client

Client

- Evaluation of the submitted site specific H&S file.
- Evaluating and approval of H&S Plan.
- Assessing resources in terms of meeting requirements CR8(1) and CR8(2); CR8(5)
- Indicating any outstanding info where it exist to the contractor.
- Submission of the H&S File to Provincial The Department of Employment and Labour (The Department).
- Liaise with The Department in terms of CWP.
- Submission of CWP to the Contractor.

Health & Safety Plan

- Visible Felt Leadership Inspections by Contractor's Managing Director and Senior Managers and submit report to Project Manager monthly
- Policy and program of HIV & Aids shall be submitted to the client
- H&S surveillance, measurements and monitoring
- Operational control procedures
- Management of personal protective equipment (PPE)
- Handle/Control of dangerous and hazardous substances
- High Risk activities



Health & Safety Plan

- Compliance to the life-saving rules (Implementation, monitoring, Enforcement, and disciplinary processes etc.)
- Risk Assessment (Define process/method to be followed)
- Fall Protection Plan
- Incident Management procedure (WCL templates)
- Smoking policy
- Transportation of employees to and, from site.
- Project Organogram to include Health and Safety personnel
- NB! Sample of the H&S (SHE) Plan from Eskom Rotek Industries (ERI)



ERI SHE Plan.pdf

Health & Safety File

Minimum not limited to:

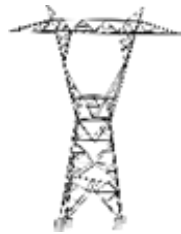
- Appointments (all legal appointments)
 - Construction Manager, Professional Registration, SACPCMP
 - H&S Officer, Professional Registration, SACPCMP
- Past Health and Safety Performance (12 months progressive)
- Valid Letter of Good Standing
- Inspections and Audits programme (templates)
- Safe Work Procedures (For all critical task/activities)
- Baseline Risk Assessment

Health & Safety File

- Programme of Compliance to Life Saving Rules
- Safe Work Procedures and Method Statements
- Fall Protection plan
- Fire Safety plan
- Health and Safety Performance
- Notification of construction

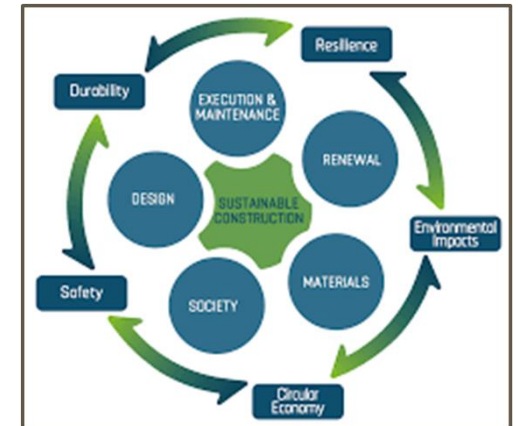
NB! We have a guideline in terms of H&S File requirements and Records/Documents to be handed-over on project completion/progressively.

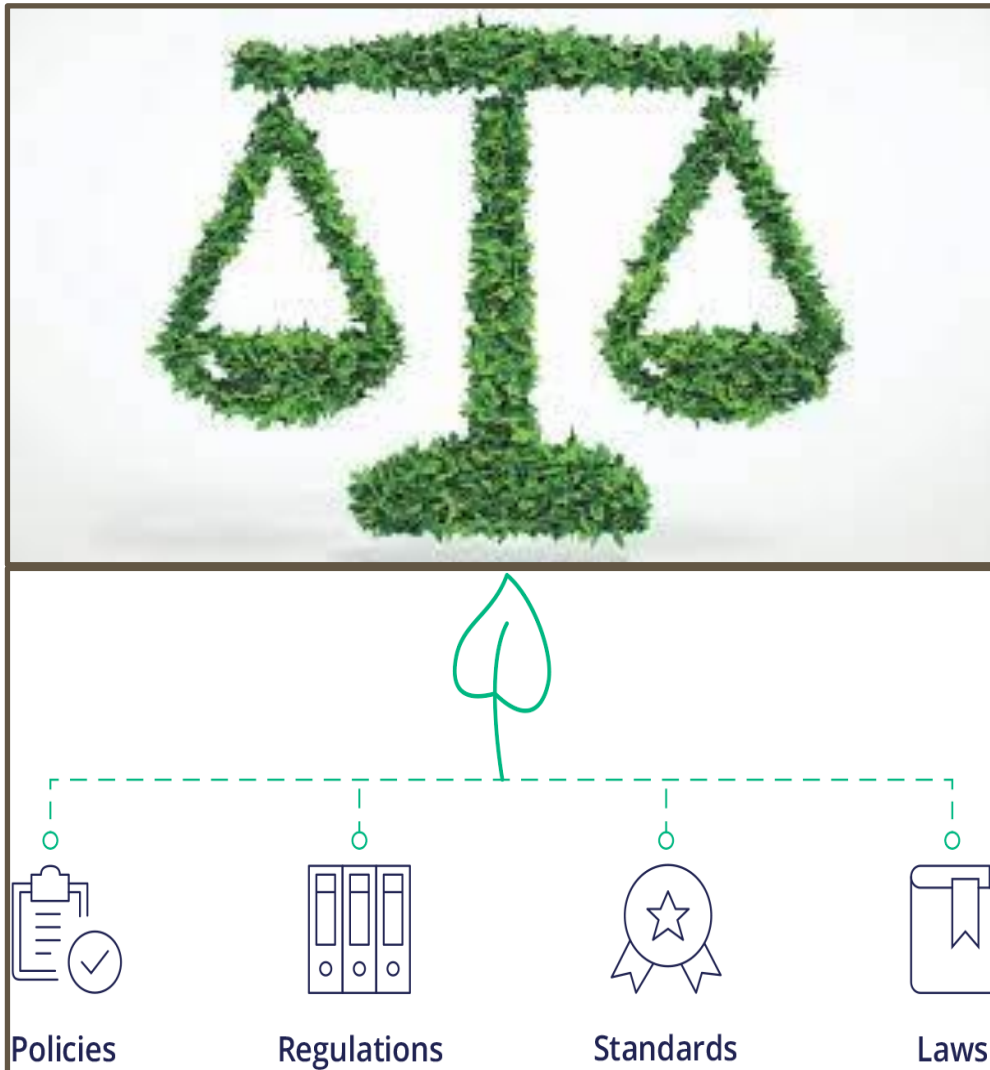
Enquiry Stage



- The Environmental Advisor/Officer is a member on the procurement cross functional team.
- The EMS requirements issued with the procurement enquiry is “contractual requirements”. The supplier/contractor is given the opportunity to submit outstanding documentation during negotiations but prior to contract award.
- Enquiry Stage – Eskom & Legal Requirements

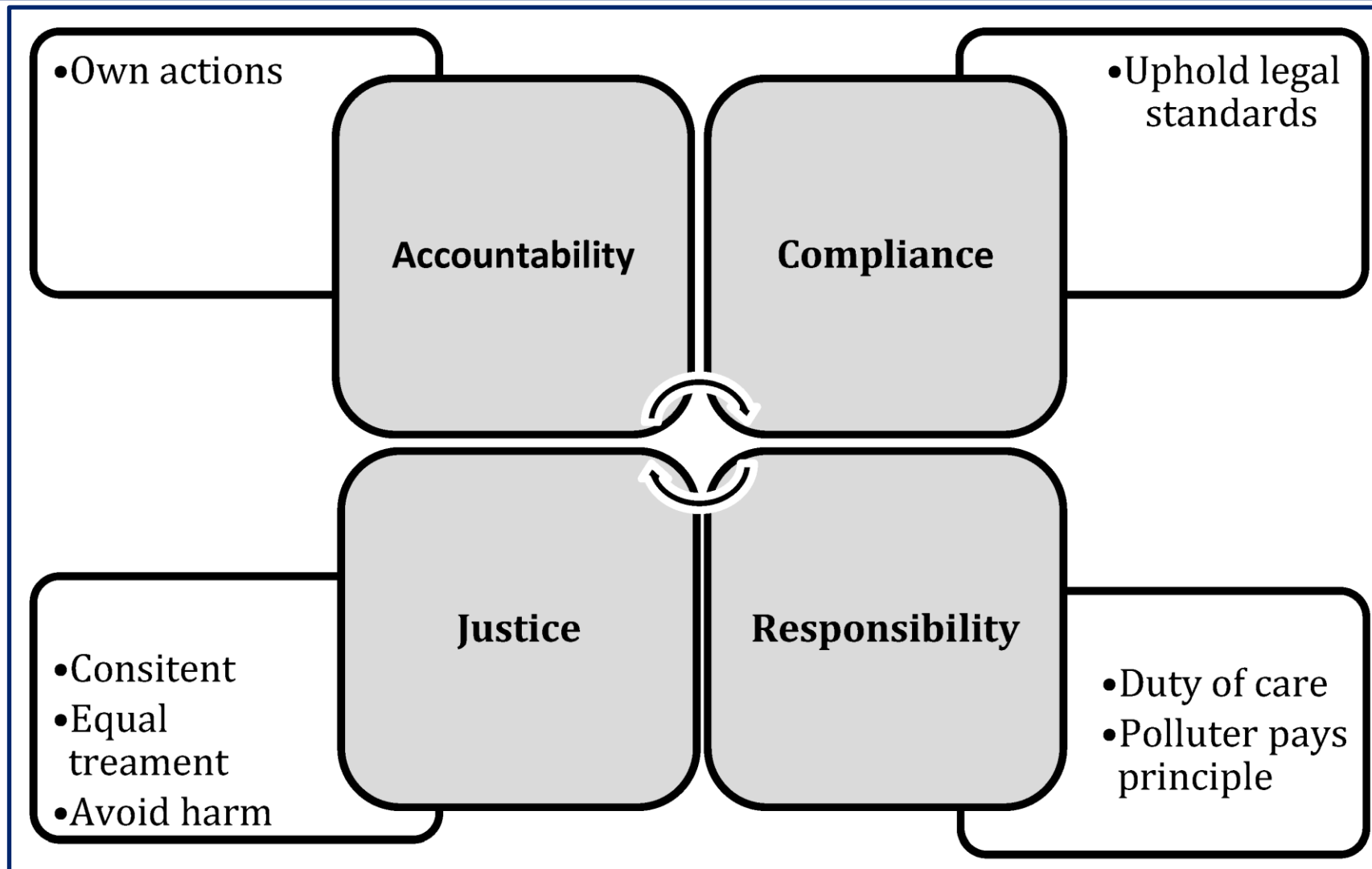
Criterion	Minimum Environmental Management Requirements
Section A: ISO14001:2015 Environmental Management System	<ul style="list-style-type: none"> • Option 1: Management Systems Documentation • Option 2: Certified Management Systems (Valid and relevant to the Scope)
Section B: Environmental Management Programme	<ul style="list-style-type: none"> • Determination of Scope significant impacts (e.g. Hazardous chemical substances, access control, incidents management, awareness, vegetation, water management etc..) • Description of such impacts and measures to be implemented
Section C: Waste Management Plan / Method Statement	<ul style="list-style-type: none"> • Submitted plan • Potential Waste Streams, Minimisation and Segregation of waste, Waste handling & disposal on site, and Waste Reporting Template
Section D: Aspects and Impacts Register – Scope related	<ul style="list-style-type: none"> • Draft Environmental Aspects and Impact Register in line with the Scope of Work
Section E: Environmental Bill of Quantities TPDMAN-FM-57	<ul style="list-style-type: none"> • Shall include aspects such as waste management, pollution control, water management, land management, human resources. • Signed: Contractor Environmental requirements Proforma





COMMON ENVIRONMENTAL LIABILITIES

- **Compliance obligations:** regulations that guide manufacture, use, and disposal of chemicals & other harmful substances in the environment.
- **Remediation obligations:** obligations to address the current or potential detrimental effects of existing pollution
- **Fines and penalties:** these may be imposed by national, provincial & local authorities
- **Compensation obligations:** Offending parties can be required to clean up and provide compensation for their role in damaging the environment (Sec 28 of NEMA)
- **Punitive damages:** payment that a defendant found guilty of committing a wrong or offense is ordered to pay on top of compensatory damages.





9001:2015



Enquiry Stage

- The Quality Advisor is a member on the procurement cross functional team.
- The quality requirements issued with the procurement enquiry is “contractual requirements”. The supplier/contractor is given the opportunity to submit outstanding documentation during negotiations but prior to contract award.
- Based on the strategy, scope of work and duration of the contract, the Quality Advisor will nominate the category to be issued with the procurement enquiry.
- The Quality Advisor can further nominate to remove specific requirements from the chosen category. (Section C can be removed from Category 3 for a civil contract that is up to 9 months. This is because of many factors like duration and free issue material from Eskom)
- All enquiries are issued with 2 forms and the Quality Specification:

240-105658000 QM58 - Supplier Quality Management Specification

240-12248652 Category 1- 4

240-68099512 Form A 2020 Cat- 1 to 4

- 240-105658000 QM58 – Supplier Quality Management Specification
- List of Tender Returnables
- 240-12248652 – Scorecard



Supplier Quality Management Specification



List Of Tender Returnables



Scorecard

240-12248652 Category 1

List of Tender Returnable Documents

- Issued for commodities that have stringent technical requirements
- Mostly used for commodities that are manufactured offshore
- 240-68099512 Form A 2020 Cat- (1 to 4) Rev 8



Form A -
Category 1

240-12248652 Category 2

List of Tender Returnable Documents

- Issued for commodities that have stringent technical requirements that are manufactured in SA.
- This allows for more suppliers to be eligible to participate in the enquiry
- 240-68099512 Form A 2020 Cat- (1 to 4) Rev 8



Form A Cat-2

240-12248652 Category 3

List of Tender Returnable Documents

- Issued for services provided within Tx.
- Companies that have a certificate should still send through their documentation for Eskom to refer to in case of a discrepancy during contraction phase.
- 240-68099512 Form A 2020 Cat- (1 to 4) Rev 8



Form A Cat-3

240-12248652 Category 4

List of Tender Returnable Documents

- Issued for off the shelf products that you cannot add value in the manufacturing process.
- 240-68099512 Form A 2020 Cat- (1 to 4) Rev 8



Form A Cat-4

Form A are issued with the respective Category 1 - 4. The supplier is required to complete the relevant information, sign the document and return the document with the quality returnable. The signed Form A indicates that the supplier/contractor agrees to Eskom quality requirements stipulated the document 240-105658000.

Documents required during contracting phase

- Quality Assurance
- Quality control

**240-109253698
CQP Template**



CQP Template

**20170524_240 -
109253302 ITP
Template**



QITP

**240-126469599
Method Statement**



Method
statement

**240-109254710
Concession**



Concession

- The documents above are example templates for contractors to reference
- These templates are used internally in Eskom.
- The supplier/contractors are provided these templates as a reference to create their own forms.
- The ITP (Inspection and Test Plan) is a requirement for category 1, 2 & 3. It important for supplier/contractors to note and return their form with the detailed information completed.

- **Site Inspection**
- **Non-Conformances**
- **Contract Monitoring – Commodities**



Site Inspection

Eskom Quality is required to visit site periodically or as per QITP hold/witness requirements.

Site Inspection Report Template



Example Of a Report

Non-Conformances

If Eskom quality inspections are conducted and the product/Service provided is non-compliant to the Eskom Specification, an NCR is raised for the contractor/supplier to respond with proposed correction.

NCR Template – External NCR's



NCR Template

Contract Monitoring - Commodities

During the contractual period, the supplier will have to get their QITP (Quality Inspection and Test Plan) approved before any work commences. Eskom indicates Hold and Witness points on the QITP. The attached Inspection Notification Form must be completed 7 days prior to the hold point or witness point. This applies to products being supplied to Eskom. Eskom reserves the right to also apply Hold and Witness points to Sub-Supplier as per 240-105658000 QM58 - Supplier Quality Management Specification

Inspection Notification Form



Inspection Notification



Enquiry Stage

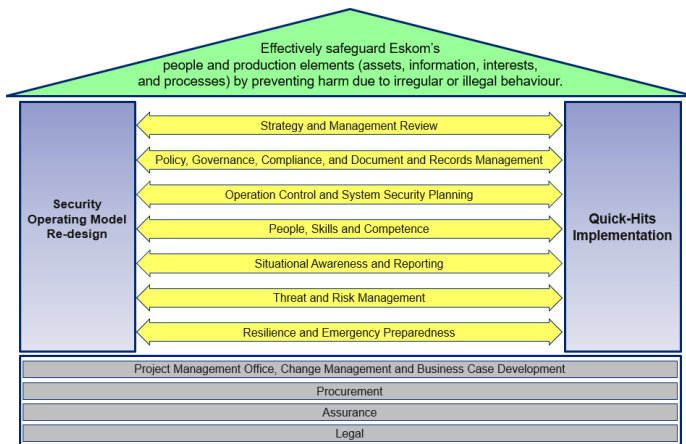
- The Security Advisor/Officer is a member on the procurement cross functional team.
- The security requirements issued with the procurement enquiry is “contractual requirements”. The supplier/contractor is given the opportunity to submit outstanding documentation during negotiations but prior to contract award.
- Based on the strategy, scope of work and duration of the contract, the Security Advisor/Officer will issue Security Mandatory Requirements with the procurement enquiry.

Stage 1: Functionality Analysis – Technical Evaluation

- Tenders will be evaluated according to the tender evaluation criteria: Mandatory Tender Returnables; Contractual Returnables, Desktop and On-site Technical evaluation. Responses that do not meet the minimum functionality threshold score of 75 points will be disqualified and may not be considered for further evaluation. All supporting documents must be submitted at time of tender submission closing date, the evaluation team will score each tender on the information provided.
- Elements marked as mandatory tender returnable requirements. Tenderers not meeting the mandatory requirements will be disqualified and may not be considered for further evaluation.
- Shortlisted security service providers will be visited for on-sites technical evaluate at their premises.

Stage 2: Site Inspection

- Service providers who have passes the mandatory evaluation and met the minimum scoring for the desktop evaluations proceed to this stage.
- The aim of this inspection is to verify that the tenderer does exist and have the equipment he/she will need to provide the service, in line with the tender specific requirements



Mandatory Desktop Technical Evaluation

Service Provider:		XXX		
	Requirement	Returnables	Condition	Legislative requirement
1	Registration of Company as PSIRA Certificate issued by PSIRA.	Certified copy of valid company PSIRA certificate issued by PSIRA. Check & validate: <ul style="list-style-type: none"> • PSIRA registration number • Date of issue 	<ul style="list-style-type: none"> • Certificate must be certified and valid at the time of tender closing date. 	<ul style="list-style-type: none"> • Section 20 (1)(b): A Security Service contemplated in section 199 of the Constitution may use persons employed by them and who are not registered as security service providers to render a security service.
REASON/S FOR FAILING:		<ul style="list-style-type: none"> • Document certified / expired certificate. 		
2	PSIRA Certificates of Company Directors.	<ul style="list-style-type: none"> • Certified copy of valid Psira Certificates of all directors - Minimum Grade-B date. Check & validate <ul style="list-style-type: none"> • PSIRA registration number • Date of issue 	<ul style="list-style-type: none"> • Certificate must be certified and valid at the time of tender closing date • Minimum Grade - B 	PSIRA Act, 56 of 2001
REASON/S FOR FAILING:		<ul style="list-style-type: none"> • Document not certified / expired certificate. 		

	Requirement	Returnables	Condition	Legislative requirement
3	PSIRA Letter of Good standing.	<ul style="list-style-type: none"> Certified copy of valid PSIRA Letter of Good Standing in the company name. 	Letter must be certified and valid at the time of tender closing date	PSIRA Act, 56 of 2001
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Certificate expired or not certified 		
4	Company accreditation with Central Firearm Registry (CFR) by Juristic person.	<ul style="list-style-type: none"> Letter from CFR verified and verified against Firearm register. Valid and in company name. SAPS Confirmation letter on licenced firearms available for the company not older than 90 days. 	<ul style="list-style-type: none"> Letter must be certified and in the company name. Letter must be less than 90 days old at the time of tender closing date. 	Section 119: Presumption to take reasonable steps
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Letter from CFR older then 90 days or not included in submission. 		
5	Proof of Provident Fund (PSSPF)	<ul style="list-style-type: none"> Valid Proof of Provident Fund confirmation letter 	<ul style="list-style-type: none"> Letter must be certified and in company name. Letter must be less than 90 days old at the time of tender closing date. 	MEMBERSHIP 3.1. Employer Participation 3.1.1. Subject to RULE 3.2.8 below, every EMPLOYER in the PRIVATE SECURITY SECTOR shall participate in the FUND.....
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Certificate from PSSPF not submitted, incorrect certificate/letter submitted. 		

	Requirement	Returnables	Condition	Legislative requirement
6	Provide Proof of UIF	<ul style="list-style-type: none"> Certified copy of valid UIF compliance certificate in the name of the company. 	<ul style="list-style-type: none"> Certificate must be certified at the time of submission. Certificate must be valid at the time of submission. 	Unemployment Insurance Act 63 of 2001. Labour Relations Act, 66 of 1995
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Certificate not submitted. 		
7	Public Liability insurance	<ul style="list-style-type: none"> Valid letter from the Insurance company in good standing not older than 90 days OR, Valid letter from Insurance company stipulating that the company would have immediate cover from start of contract award, not older than 60 days 	<ul style="list-style-type: none"> Letter must be certified and issued less than 90 days at the time of submission. OR Letter must be certified and issued less than 60 days at the time of submission if it is a letter of intention. 	Eskom requirement
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Submission of expired letter or liability insurance cover not meeting the 15 Mil threshold. 		

Security Mandatory Requirements: Reasons for Submission Failure



	Requirement	Returnables	Condition	Legislative requirement
8	Provide Proof of COIDA	<ul style="list-style-type: none"> Proofs of registration and valid letters of good standing with the compensation fund or a licensed compensation insurer. The Letter of Good Standing shall reflect the names of the Principal Contractor and contractor/s. 	<ul style="list-style-type: none"> Certificate must be certified at the time of submission. Certificate must be valid at the time of submission. 	The Compensation for Occupational Injuries and Diseases Act, No 130 of 1993 (COIDA)
REASON/S FOR FAILING:		<ul style="list-style-type: none"> Certificate not submitted. 		
9	Police clearance certificates	<ul style="list-style-type: none"> Signed contractual agreement requiring the provision of valid police clearance certificates of employees before deployment. <p>Note: A Police Clearance Certificate issued by the South African Police Service Criminal Record Centre or the criminal record certificates are issued by a service provider (E.g., MIE) accredited by the South African Police Services. Clearance results valid for 12 months.</p>	<ul style="list-style-type: none"> On company letterhead, the Company/Supplier agrees to conduct criminal background checks on all security personnel before deployment. The Company/Supplier's signed agreement must be no more than 30 days old. 	All site entry requirements established by the Employer/Client, particularly those outlined in the Critical Infrastructure Protection Act 8 of 2019. Eskom requirement i.t.o. the Critical Infrastructure Protection Act 8 of 2019. (previously NKP)
REASON/S FOR FAILING:		<ul style="list-style-type: none"> No contractual agreement. No signed agreement in place. 		

Commercial Process Vendor Master Data Management & Registration

Felicia Stellenberg & Inno Lebere



-
- 1 | The objective is to adhere to the CARAT principles and standards i.e., management information needs to be Complete, Accurate, Reliable, Accessible and Timely.
 - 2 | Vendor Master Data Management empowers organizations to manage 100% of their suppliers and gain complete visibility. It helps to guarantee the quality of the data and removes the risk of storing inaccurate or inconsistent information. This ensures there are no risks to the company when entering a business relationship with a supplier

Main Activities

Create Vendor

- Conclusion of a commercial process

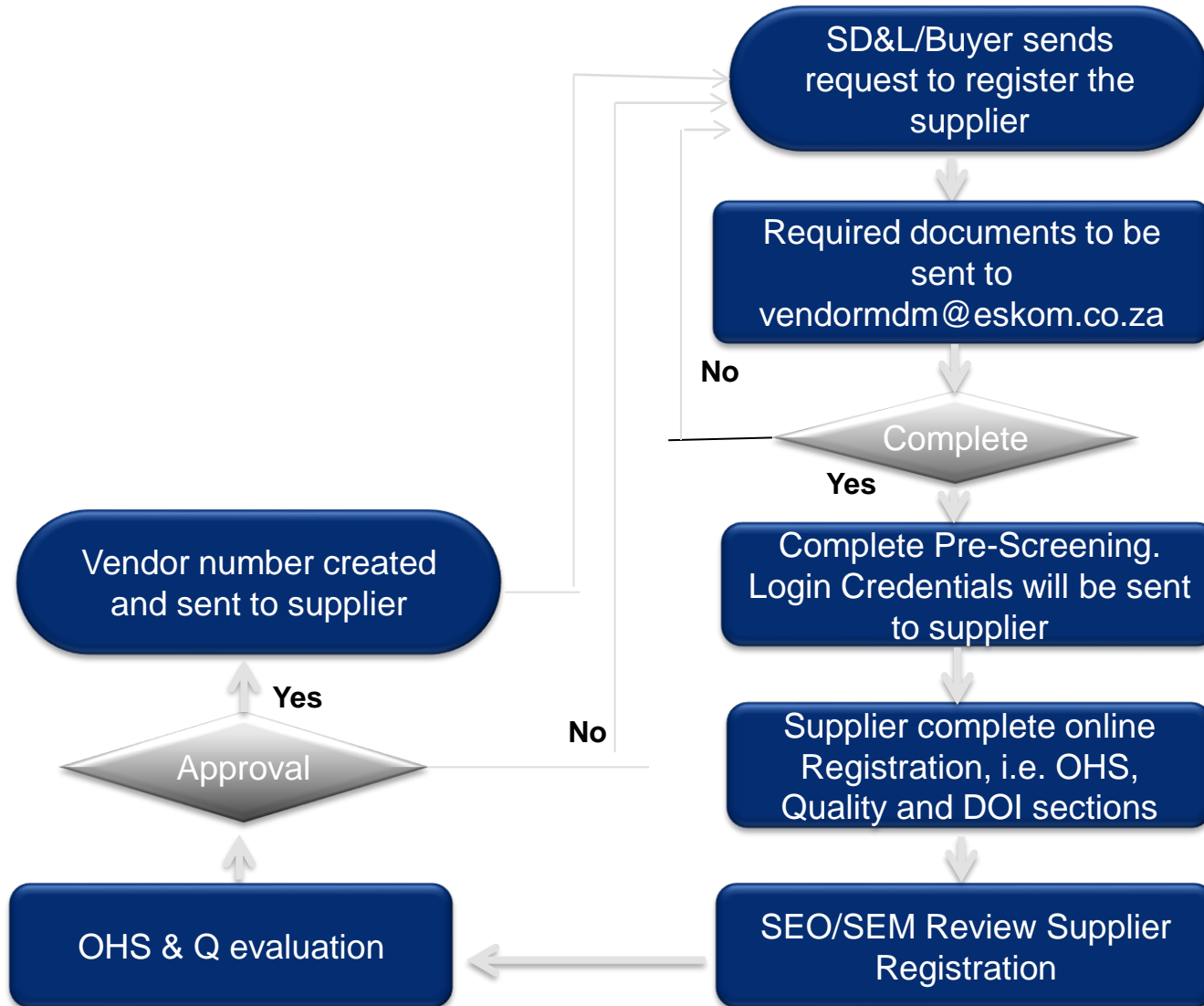
Update Vendor

- Banking information
- Address and contact information
- Update annual documents

De-limit Vendor

- Liquidation
- Review committee outcome
- De-registration

- **Supplier Development Localization & Industrialization (SDL&I)**
- **Procurement**
- **Contracts Managers**
- **Legal**
- **Assurance & Forensics**
- **Auditors (Internal and External)**
- **Legal entities**



- Required documents:**
1. Motivation to register the Supplier
 2. CSD number/Report
 3. Valid Letter of Good standing/COID
 4. Valid BBBEE certificate/ Sworn affidavit
 5. OHS report
 6. Quality report

- ❑ **Supplier Compliance Maintenance**

- Reactive supplier management – timeous submission of Supplier returnable documents

- ❑ **Changes in Ownership and impact on Suppliers**

- ❑ **Irregular compliance documents, i.e. Letter of Good-standing, BBBEE certificates**

- ❑ **BBBEE affidavits**

- ❑ **Tax Compliance**

- ❑ **VAT registration**

- ❑ **Preferred contact information on CSD**

Accountability on Supplier to ensure:

CSD Profile:

- Company information on CSD is updates and compliant, including **tax compliant** with SARS
- Latest company contact information (preferred contact to be an accountable person)
- Business status must show “In business”
- Ownership information must be as per the BBBEE affidavit/BBBEE certificate
- Bank details must indicate “successfully verified”

Annual Returnable commercial documents:

- Valid Letters of Good-standing and BBBEE certificate/affidavit must be submitted in partnership with Supplier Development Localization and Industrializing (SDL&I), on time to VendorMDM@eskom.co.za
- Suppliers must ensure that these annual returnable documents are verified and authenticated against the issuing regulatory bodies

Changes to the legal persona:

- The Supplier must inform Eskom timely who in turn will facilitate the due diligence assessment led by Procurement department

All the following fields must be completed:

- Supplier also indicate which financial information was used to determine turnover, either “**Audited Financial Statements**” or “**Financial Statements**”
- **Designation:** Deponent to indicate designation (no.2) on the template **Member/Director/ Owner** that is duly authorised to act on behalf of the said company
- **Enterprise Name:** To be completed in full as per naming convention on CSD report
- **Trading Name:** To be completed if applicable as per CSD report
- **Company Registration number:** Must be completed
- **Physical Address:** To be completed in full
- **Entity Type:** cc, Pty Ltd, Sole Prop. Etc.
- **Deponent Signature and Date:** To be completed
- **Commissioner of Oaths to Stamp and Sign:** Date must be the same as the Deponent’s signature date
- Point 3 on template:
 - To be completed in full based on ownership details of the company as per CSD report.
 - **Level to be ticked** based on ownership (i.e., level 1, 2, etc.)
 - The sworn affidavits must indicate **financial year end DD/MM/YYYY**

The following documents are required:

- Bank Account confirmation letter with a bank stamp not older than 3 months.
- Requesting of the change/update of banking details on the company letterhead.
- The letter must be dated and signed by director/s of the company (If 2, then both must sign, if more than 2 directors, then majority must sign).
- The letter must contain the supplier's vendor number.
- The letter must state the request to Eskom to change/update company banking details, provide the old account number and new account number to be changed/updated
- Bank details must be verifiable with the respective bank and in the name of the company registered with Eskom

Background:

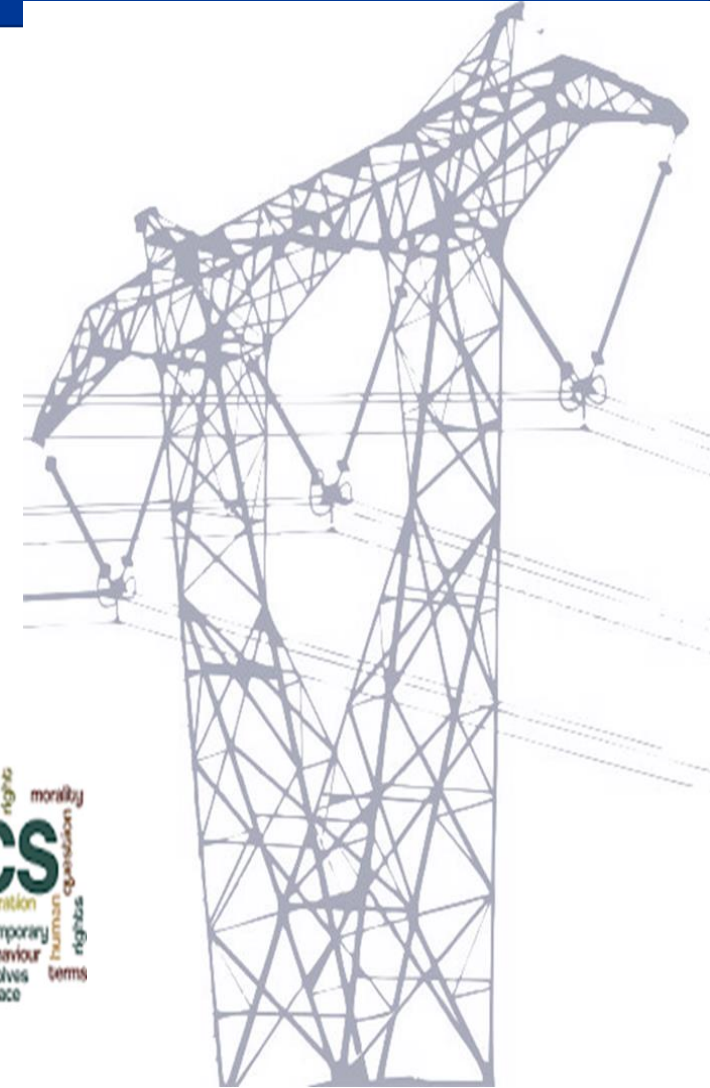
Non-VAT vendors >Vat Vendors

Required from Supplier:

- Non-VAT vendors at registration of the company and/or contracting stage with Eskom must inform the company if the VAT status changes in compliance to the VAT Act No 89,1991.
- Suppliers to submit an updated CSD report that indicate the VAT status of the company.

- ✓ Relationship building between vendor and contracts manager/buyer
- ✓ Accountability of Contracts Managers doing business with compliant vendors and hold vendors accountable
- ✓ Suppliers and business to ensure documentation submitted to Vendor Management is complete and correct including authenticated for validity with regulatory bodies
- ✓ Suppliers submitting documentation to vendor management encouraged to copy the respective contracts manager/procurement officer/buyer in the request to ensure correspondence from Vendor Management is directed to all impacted parties.

- ❑ Ethics @ Eskom
- ❑ Fraud and corruption activities
- ❑ Whistle blowing
- ❑ What is expected of suppliers?



The Code of Ethics

“The Way”



- We recognise that one way of building effective relationships with our stakeholders is through ethical business conduct.
 - We are committed to the highest ethical standards and principles in all our business dealings, especially when there are no rules.
 - Our Code of Ethics describes how we as employees and directors should treat each other, our customers, suppliers, and other stakeholders .
 - It also establishes the foundation for the interaction with our stakeholders.
 - It describes the acceptable behaviour and attitudes that are essential in living the Eskom values: **ZIISCE**.
-
- **Zero Harm:** safe and healthy environment for employees and suppliers.
 - **Integrity:** honesty, trustworthiness, fairness and transparency.
 - **Innovation:** Ethical ways to improve service delivery and satisfying our stakeholder’s needs.
 - **Sinobuntu:** showing care, leading by example, no sexual harassment, discrimination and favouritism.
 - **Customer Satisfaction:** high standard service delivery, understand Eskom’s needs and provide timely, reliable and quality service.
 - **Excellence:** care and dedication, take responsibility, be accountable, protect our assets in your care. Report unethical behaviour.

- Eskom's employees are prohibited from having an interest in a contract with Eskom under any circumstances, including as a supplier, advisor, a director or owner of a business. They cannot do business with Eskom.
- Employees' businesses cannot sub-contract to Eskom suppliers under any circumstances.
- Relatives of employees cannot do business with Eskom within the employee's area of responsibility.
- Eskom's employees are prohibited from engaging in private work, particularly where there is a conflict.

Specific ethics issues: Gifts

- Business courtesies or gifts are used to build good business relationships, and are offered as a kind gesture and to show courteousness or respect.



- Must not negatively affect Eskom's image and reputation.



- It must not create a sense of obligation.



- No gratuities, facilitation payments, bribes, kickbacks, vouchers or money.

- It must not exceed R1 500



Definition	Example
<p>Fraud</p> <p>Unlawful and intentional making of a misrepresentation which causes actual or potential prejudice to another person. Misrepresentation, including a failure to disclose a fact which must be disclosed.</p>	<ul style="list-style-type: none"> • Claiming for work not done. • Inflated invoice • Fraudulent BBBE certificates.
<p>Irregularity</p> <p>Any conduct that violates any of Eskom’s directive, policy, procedure without any reasonable justification</p>	<p>Failure to disclose that your close relative works for Eskom when completing tender documents, Failure to comply with terms and conditions of the contract</p>

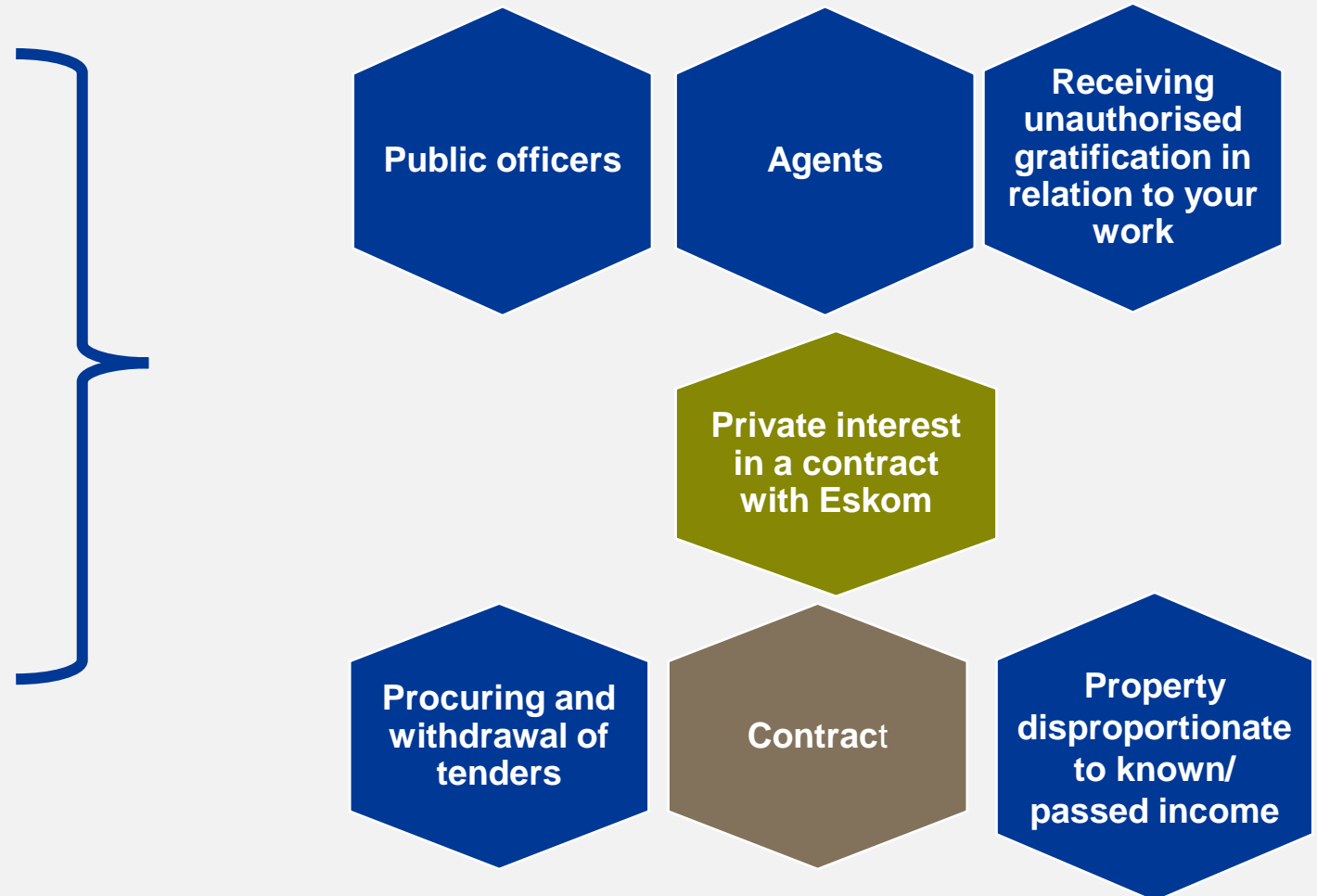
THE CRIME OF CORRUPTION

- Accepting or agreeing or offering to accept
- Giving or agreeing or offering to give any gratification for one's or another person's benefit
 - in order to **act**, personally or by influencing another person to **act**
 - ✓ abuse of position of authority
 - ✓ breach of trust or
 - ✓ the violation of a legal duty
 - To achieve unjustified or that amounts to any other unauthorised or improper inducement to do or not to do anything.

Examples

Giving cash, gifts
kickbacks to an employee in order to gain favour from them at the expense of other suppliers.

CORRUPT ACTIVITIES



Corruption/corrupt activities: “to “act”

Voting at meetings

Performing or not adequately performing any official function

Expediting, delaying hindering or preventing the performance

Exerting any improper influence over the decision making

Favour or disfavour to any person

Diverting property to another person

Aiding, assisting in procuring, preventing passing of any vote, granting of any contract or advantage in favour of any person

Aiding assisting or favouring any particular person

- Misrepresentation by a supplier regarding satisfying specific tender requirements,
- Undeclared conflict of interest - corruption (collusion between suppliers and employee),
- Collusive tendering, bid-rigging and fronting,
- Soliciting confidential information from employees,
- Bribery and extortion,
- Collusion with employees and other stakeholders to circumvent processes and controls,
- Payment for services not rendered,
- Price inflation,
- Theft of material, and
- Procurement scam (fraudulent orders).





Politically – represents an obstacle to democracy and the rule of law

Economically – depletes the country's wealth, often diverting it to corrupt officials' pockets. It also puts imbalance in the way that business is done, enabling those who corrupt to win.

The effects seem **remote**, resulting in some individuals even considering it harmless. Corruption is however not a victimless crime.

Example: contracts are awarded because of kickbacks, not because of the value they will add to the organisation.

- The law support for the **concept of whistle blowing** (the Protected Disclosures Act, 26 of 2000 also dubbed the Whistle Blowers Act.)
- Requires reporting in **good faith**,
- You need to have a **reason to believe that there** is a problem of some sort, including the law being broken, the health or safety of people being endangered, or discrimination taking place (evidence is not required).
- We will take the disclosure seriously and respond appropriately.

**HELP FIGHT
FRAUD.
WASTE.
ABUSE.**



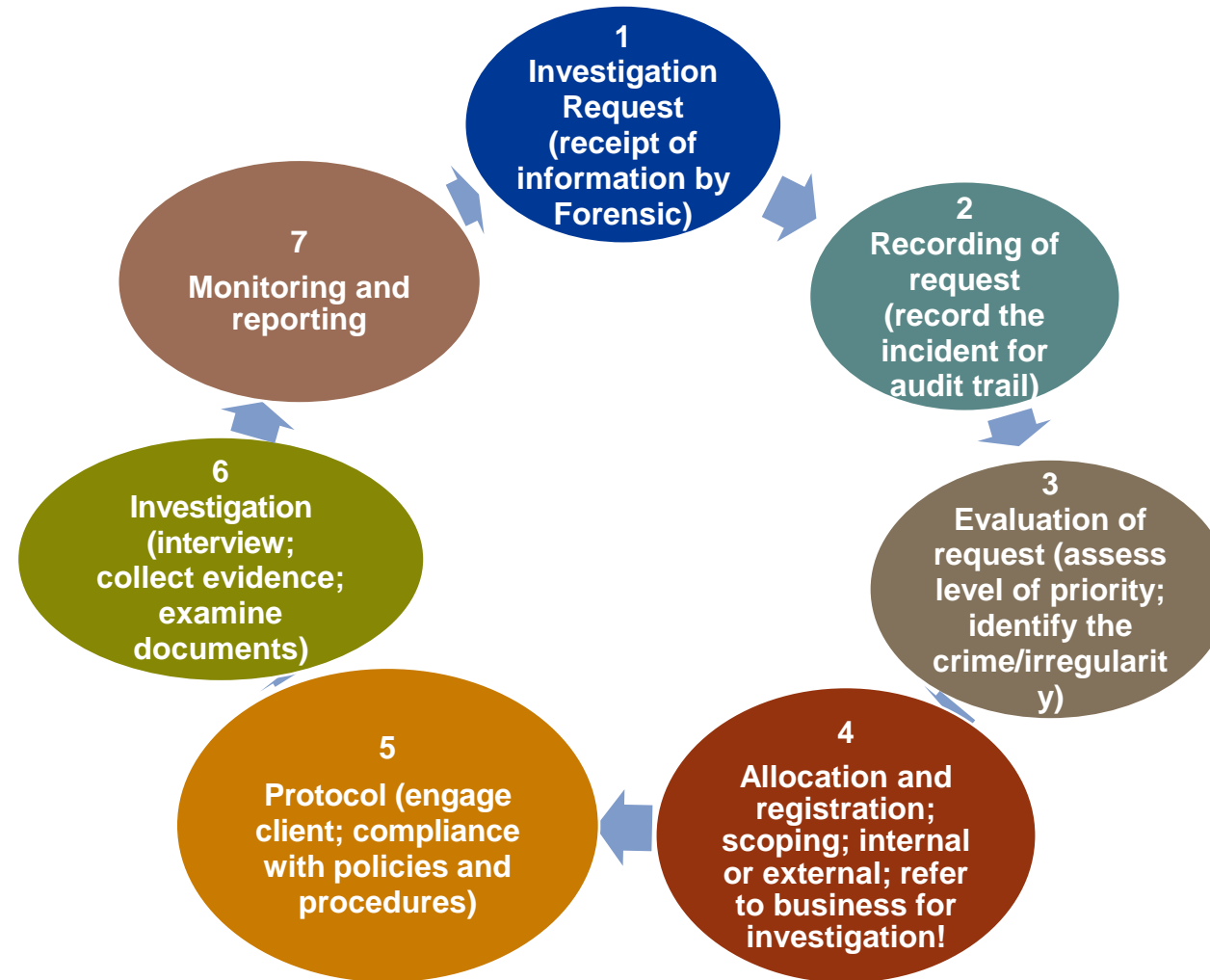
- **What** happened?
- **Who** did what?
- **When** did it happen?
- Additional information: **how**, **why**, etc.



To report any unethical behaviour, crime and irregularities an employee or any other person may use any of the following mechanisms:

- Toll-free line:** 0800 112 722 (Hotline)
- Direct e-mail to Forensic:** forensic@eskom.co.za
- Forensic's fax line:** 086 568 2969
- Ethics office:** 011 800 2725
- Ethics@eskom.co.za
- Security channels





- Supplier status reconsideration, currently the status of **274** suppliers to be considered.
 - Suspension as a supplier (blocked)
 - Notification to National Treasury (unable to do business with government)
- Recovery (civil action)
- Criminal prosecution supported by Forensic, currently
- Contractual remedies

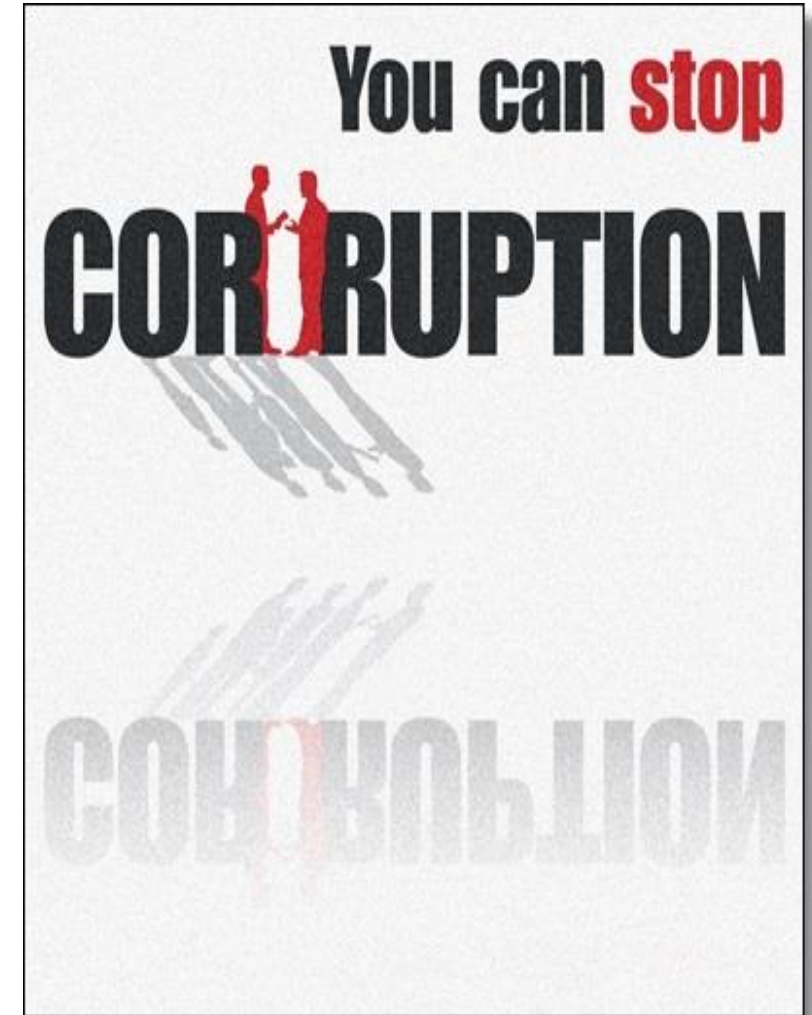


- Apply and uphold the values in your business dealings with Eskom and strive to achieve and preserve the desired mutual relationship.
- Adhere to Eskom's Procurement and Supply chain management policy. This includes but not limited to
 - Declare conflicts of interest throughout the contract period
 - Ensure adherence to the contractual terms and conditions of the contract.
- **Report crime and any unethical behaviour.**

Questions



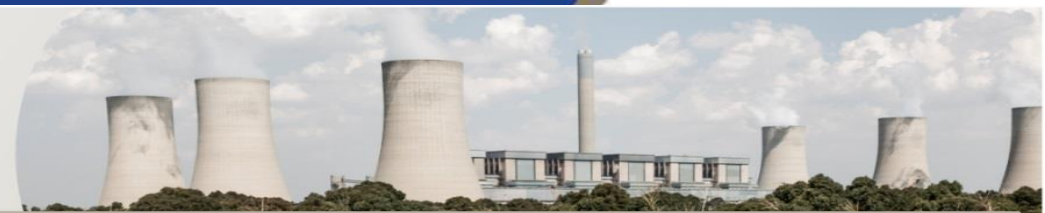
Daphne Morwalle
011 800 3700/0839508516
Ramekgmd@eskom.co.za
Forensic@eskom.co.za



Stakeholder Management & Project Stability

Musa Langa





**SA is experiencing a socio-economic landscape that is characterised by high unemployment and poverty
This challenge is resulting to unrealistic expectations when infrastructure projects are
executed across the country**

**Eskom's infrastructure programme has seen numerous acts of instability from the
communities it operates from which has put the safety of personnel and equipment at risk**



CAUSE

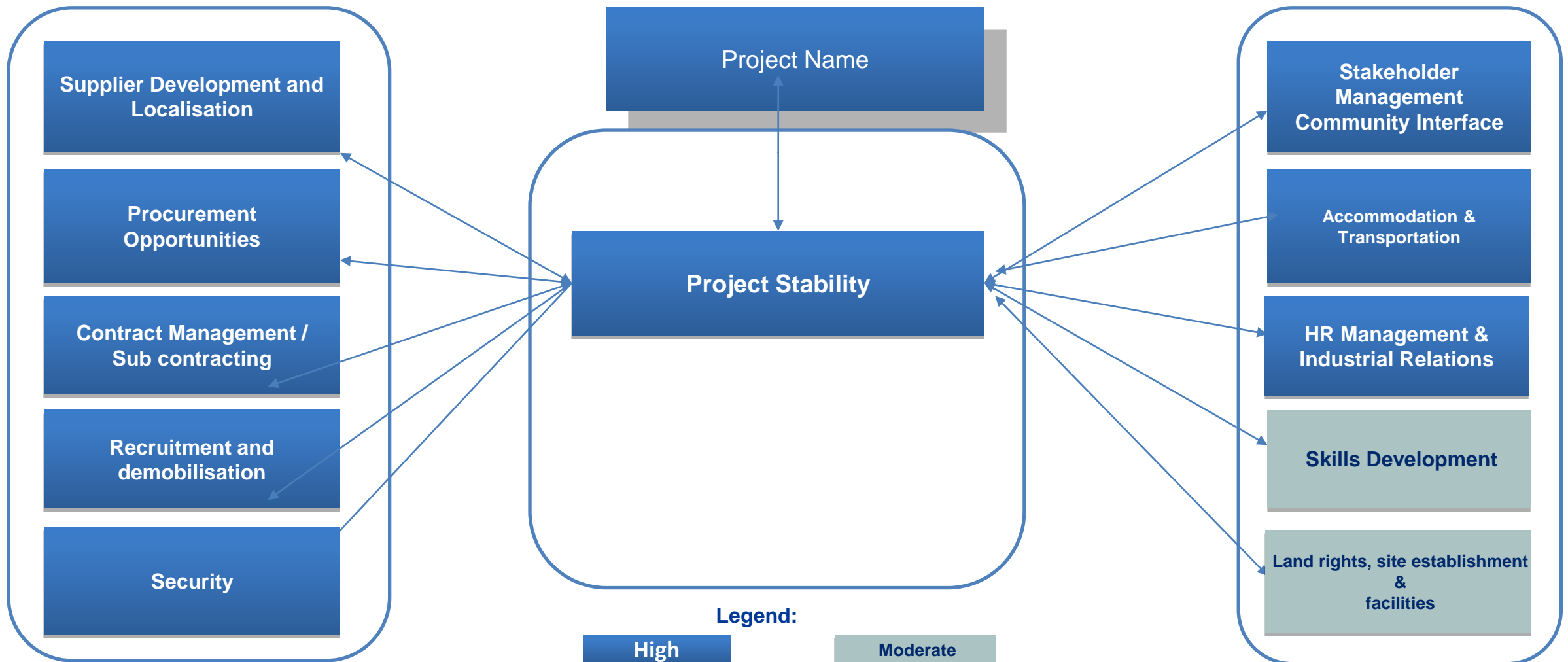
- Misalignment on expectations (Eskom/Contractor/Community)
- Lack of integration on interdependent Stability initiatives and accountability



CAUSE

- Delayed projects completion.
- Failure to complete projects
- Cost Escalations

Key Stability Issues



- The key deliverables are:
- Pro-actively disclose clear, comprehensive and timely information on project stability activities aimed at achieving business objectives
 - Being responsive to project interests and concerns & maintain on-going communications & guidance to enhance project stability

Mandate

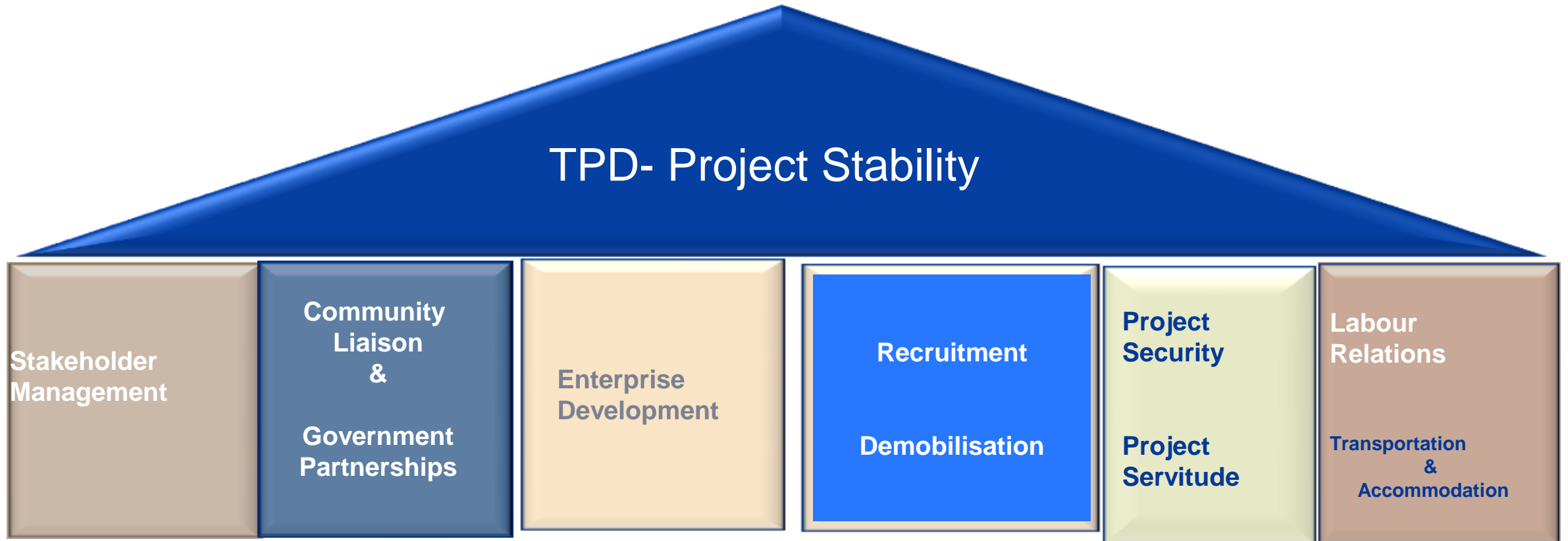
To facilitate variables that enable the Eskom projects to have an ability to absorb and be resistant to disruptions without hindrances to project outcomes, resulting to project resistance and balance

To forge strategic partnerships and establish an Effective Stakeholder management programme that inculcates, trust with different role players aimed at Designing and implementing an Effective and Holistic Risk Management Strategy to manage the Stability Risks on the project.



Stability Guideline

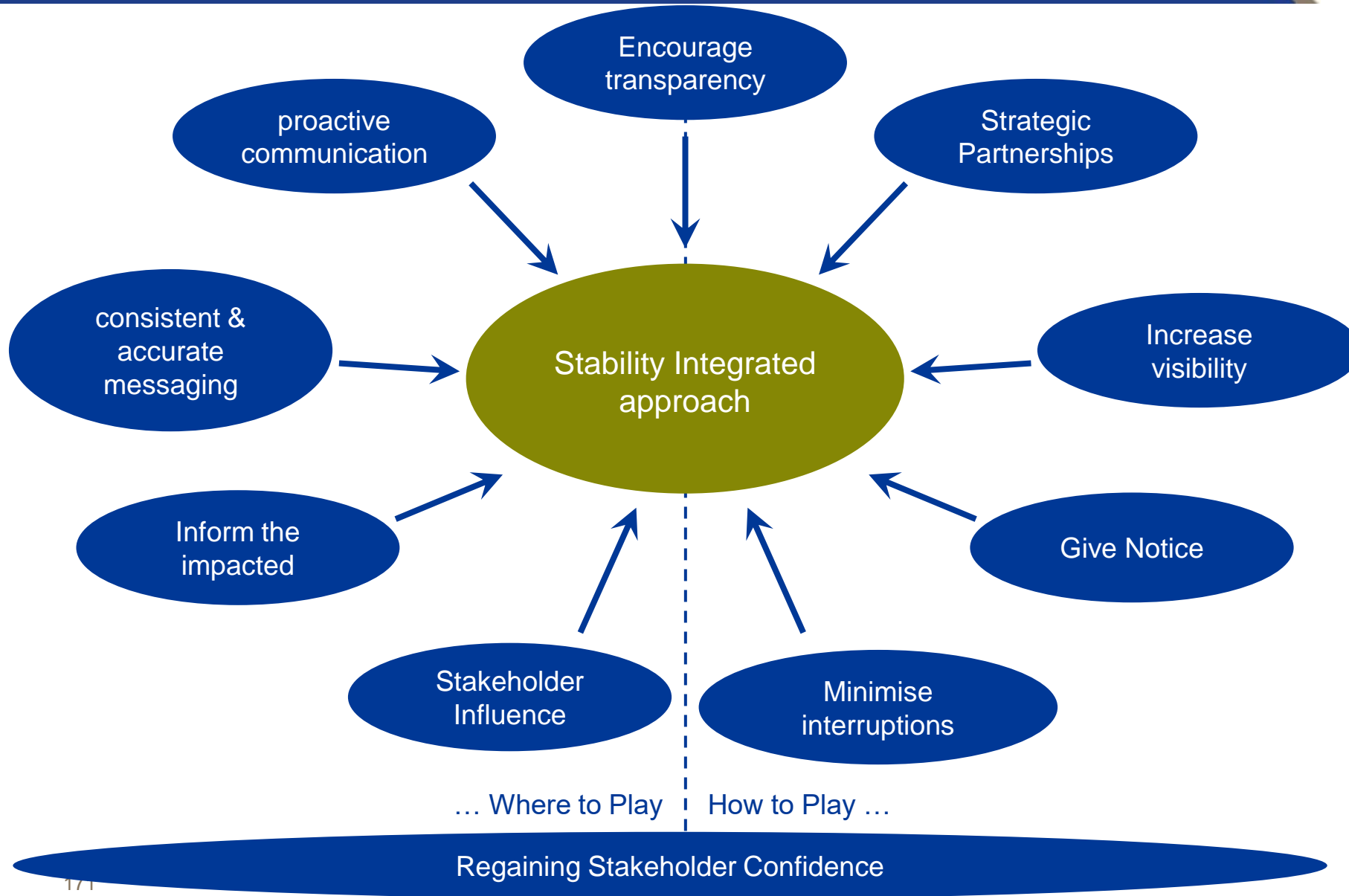
The establishment and maintenance of a Labour Relations Framework containing pertinent labour relations aspects that the contractors are required to establish and implement to regulate and facilitate fair and sound labour relations practices on the project.



Reputation and Risk Management

Project Location

Province
Municipality
Towns
Ward
Villages/ Township



PROJECTS STABILITY IMPROVEMENTS BUSINESS MODEL

Project Security

- Strategy of deterrence, detection and response
- A hybrid model of an in-house, contracted security work force & partnership with SAPS
- Conclusive Security risk assessment with continuous environmental scanning (Physical guarding, tactical response and threat management)
- Local Security Management System (LSMS) develop local solutions
- Security awareness inculcating a pro-security culture

Stakeholder Management

- Establishment of Strategic partnerships to drive the project agenda
- Stable labour relationships
- Stakeholder Collaboration & relationship building for risk management
- Manage industrial action and community unrest
- Stakeholder Collaboration
- Environmental scanning, intelligence gathering & analysis
- Strategic Campsite Site location,
- Social facilitation for buy-in,
- Manage political interference
- Lobby leaders & Communities
- Special interest groups

Socio Economic Intervention

- Community partnership by leveraging on project benefits of socio-economic contribution of job creation and local SMME development
- Inclusion and development of local SMME's.
- Communication of available subcontracting opportunities and compliance
- Approach that encourages procurement according to local to site definition.
- Workshop on Expression of Interest and how to do business with Eskom/Contractor to be conducted
- Use visible & agreed communication tools

Support of operational requirements

- Establish & Alignment of participative structures to influence positive attitude and lobby for project activity support
- Avoidance of employees and infrastructure vulnerability

Responsive to project stoppages

- Approach on emergency preparedness
- Establishment of response team
- Timeous tracking & resolution of prevailing issues

Project Stability Set up

Stability Requirements	Contractor Employment System	Conditions of service	Employee Management
Stakeholder management guideline & Community Liaison protocol	Employers Policies or Procedures for employee	Contractor Resource Plan	Contractor Industrial Relations Policies, Procedures and Standards
Methodology for issue and incident management	A guideline on recruitment & demobilisation	A clear indication on which bargaining council(s) will have jurisdiction over the contractor and its subcontractors	Required stability personnel appointment
Project Communication Protocol	Termination of Contract and Removal from Site,	Employment alignments process of employee rates with subcontractor's within the same site	Contractor Induction Programme which includes project stability
Media Management, Spokesperson guideline,	Use of Temporary Employment Services	Pro Forma of Limited Duration Contract	Engagement Forum the Contract Plans to implement
Project Branding Protocols that include project Signage, Uniform and Vehicles	Industrial Action Management Procedure	Inclusion of suitably licensed transportation to and from the Project Site employees, incorporating localisation and empowerment of local transport associations/industry	Employees issue management process

Tenders should, at the tender award stage, be required to submit the following undertakings:

- a) The tenderer undertakes to facilitate and participate in the project stakeholder management platforms as per the stability schedule given agreed upon with Eskom.
- b) The tenderer is undertaking to show its commitment to the social upliftment of communities where the project is executed through job creation, skills transfer, local (EME 1/2 / QSE 1/2) inclusion, and execution of the allocated project budget to Corporate Social investment initiatives and will co-operate with the Eskom project stability practitioner in this regard.
- c) If successful, the tenderer undertakes to conduct an “expression of interest workshop” aimed at introducing the project to local businesses, outlining project commodities for subcontracting and (EME 1/2 / QSE 1/2) onboarding before site establishment
- d) The tenderer undertakes to use local taxi association to transport their employees to site as part of localization. It is thus recommended to use the local taxi association rates when pricing for the contract employee’s transportation, as the Employer will not re-imburse the Contractor any additional moneys should a need arise during works implementation.

Project Stability undertakings, and commitments will form part of contractual obligations

STABILITY REQUIREMENTS AT CONTRACTING



Documents	Tick
Contractor Resource Plan	
Stakeholder management guideline & Community Liaison protocol	
Methodology for issue and incident management	
A signed copy of the Project Communication Protocol reflective of Media Management, Spokesperson guideline, Project Branding Protocols that include project Signage, Uniform and Vehicles	
Media Management, Spokesperson guideline,	
A signed copy of Employers Policies or Procedures for employee recruitment & demobilisation reflecting, Termination of Contract and Removal from Site, Use of Temporary Employment Services, Employment Bargaining council used and alignments process of employee rates with subcontractors within a site, Recruitment advertisements	
Industrial Action Management Procedure	
Project social upliftment strategy that reflects job creation, skills transfer, local (EME 1/2 / QSE 1/2) inclusion, and execution of the allocated project budget to Corporate Social investment initiatives and expression of interest workshop.	

The following is required:

- a) The suppliers shall submit report to Eskom as per the weekly and monthly report template to ensure their compliance with the Project Stability Obligations described above.
- b) Eskom shall review the Project Stability reports submitted by the suppliers on receipt of the reports and notify the suppliers in writing if their Project Stability obligations have not been met.
- c) Upon notification by Eskom that the suppliers have not met their Project Stability obligations, the suppliers shall be required to implement corrective measures to meet those obligations before the commencement of the following report, failing which Retention clauses shall be invoked.
- d) Every contract shall be accompanied by the Project Stability Implementation Schedule, which must be completed by the suppliers and returned to Project Stability Representative for acceptance 28 days after contract award.

Supplier Development Localisation and Industrialisation SDL&I

Zwelethu Xundu



Mandate

Our 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 in order to accommodate **government local development initiatives and policies**



SD&L measures impact along 5 key performance areas

Key performance areas	Definition
Skills development	Increasing the skill base (number and skill level) of South African workers in areas relevant to the energy sector and where there is a national scarcity of skills
Local content	Utilisation of Transmission spend to develop South African based manufacturers/suppliers by ensuring that local content in line with DTI designated commodities is adhered to and advanced
Industrialisation	Utilisation of Eskom and suppliers' spend to foster the establishment of new competitive industries in the Transmission sector
Employment and job creation	Creation of <u>new</u> jobs by suppliers as a direct result of Transmission business
Supplier development	Providing a platform to develop emerging suppliers, and further contribution to local developmental opportunities for national and international suppliers

A number of **challenges** have been identified whereby suppliers fail to meet the following **SD&L tender requirements**:

- Local Content Declarations
- B-BBEE Certificate/Affidavit
- Key elements on affidavits
- Subcontracting requirements



To leverage **public expenditure** (both CAPEX and OPEX) made by **organs of state** to:

- **Develop and enhance** local manufacturing capability and capacity
- Support industrial **innovation** and technological **developments**
- Create **employment** and sustain jobs
- Boost **exports** and ensure suppliers are integrated into OEM's global value chains
- Support broader **economic empowerment** through the creation of black industrialists

In terms of the tendering process, tenderers are required to fill in the following documents to meet local content:

- 1 SBD 6.2
- 2 Annexure C
- 3 Annexure D
- 4 Annexure E

All forms must be filled in detail and signed (DTI presentation will elaborate and clarify further)

**LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)**

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):
.....
NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of (name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

Annex D											SATS 1286.2011	
Imported Content Declaration - Supporting Schedule to Annex C												
(D1) Tender No.											Note: VAT to be excluded from all calculations	
(D2) Tender description:												
(D3) Designated Products:												
(D4) Tender Authority:												
(D5) Tendering Entity name:												
(D6) Tender Exchange Rate:		Pula		EU	R 9.00	GBP	R 12.00					
A. Exempted imported content				Calculation of imported content						Summary		
Tender item no's	Description of imported content	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted imported value	
(D7)	(D8)	(D9)	(D10)	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)	
										(D19) Total exempt imported value R 0		
											This total must correspond with Annex C - C 21	
B. Imported directly by the Tenderer				Calculation of imported content						Summary		
Tender item no's	Description of imported content	Unit of measure	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Total imported value	
(D20)	(D21)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(D30)	(D31)	
										(D32) Total imported value by tenderer R 0		
C. Imported by a 3rd party and supplied to the Tenderer				Calculation of imported content						Summary		
Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported value	
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)	
										(D45) Total imported value by 3rd party R 0		
D. Other foreign currency payments			Calculation of foreign currency payments				Summary of payments					
Type of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange			Local value of payments					
(D46)	(D47)	(D48)	(D49)	(D50)			(D51)					
								(D52) Total of foreign currency payments declared by tenderer and/or 3rd party				
										(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above R 0		
Signature of tenderer from Annex B											This total must correspond with Annex C - C 23	
Date:												

SATS 1286.2011				
Annex E				
Local Content Declaration - Supporting Schedule to Annex C				
<i>(E1)</i>	Tender No.		Note: VAT to be excluded from all calculations	
<i>(E2)</i>	Tender description:			
<i>(E3)</i>	Designated products:			
<i>(E4)</i>	Tender Authority:			
<i>(E5)</i>	Tendering Entity name:			
	Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
		<i>(E6)</i>	<i>(E7)</i>	<i>(E8)</i>
		<i>(E9)</i> Total local products (Goods, Services and Works)		R 0
<i>(E10)</i>	Manpower costs	(Tenderer's manpower cost)		R 0
<i>(E11)</i>	Factory overheads	(Rental, depreciation & amortisation, utility costs, consumables etc.)		R 0
<i>(E12)</i>	Administration overheads and mark-up	(Marketing, insurance, financing, interest etc.)		R 0
		<i>(E13)</i> Total local content		R 0
		This total must correspond with Annex C - C24		
Signature of tenderer from Annex B				
Date:				

In term of the B-BBEE Codes of Good Practice and the BEE Commission guidelines:

“It is illegal for a measured entity to trade with an invalid/inconclusive or incorrect B-BBEE Verification Certificate. The procurement spend as a result of such an invalid document cannot be recognised during B-BBEE measurement, therefore, it is critical to determine the validity of B-BBEE certificates measured entities present in order to access an economic opportunity”.

- Valid B-BBEE Certificate or an Affidavit
- Joint Ventures must submit a consolidated B-BBEE certificates



Problems Identified with submission of invalid B-BBEE Certificates/Affidavits:

- **B-BBEE Certificates**

- Some tenderers still submit B-BBEE Certificates which are issued by Auditors or Accounts
- In terms of the communication of 31 December 2016, issued by both DTI and IRBA, No auditor/accountant is allowed to issue B-BBEE certificates unless accredited by SANAS

- **Affidavits**

- The legal dictionary (<https://legal-dictionary.thefreedictionary.com/Affadavit>) defines a sworn affidavit as a written statement of facts voluntarily made by a person under an oath or affirmation administered by a person authorized to do so by law
- REGULATIONS GOVERNING THE ADMINISTERING OF AN OATH OR AFFIRMATION under clause:
 - ❑ 3 (1), state that “The deponent shall sign the declaration in presence of the Commissioner of Oath”.
 - ❑ 4 (1) Below the deponent's signature or mark the commissioner of oaths shall certify that the deponent has acknowledged that he knows and understands the contents of the declaration and he shall state the manner, place and date of taking the declaration

Tenderers submitting B-BBEE Sworn Affidavits must ensure that the affidavits meet the following key pointers to ensure their validity:

- a) Name/s of deponent as they appear in the identity document and the identity number.
- b) Designation of the deponent as the director, owner or member must be indicated in order to know that person is duly authorized to depose of an affidavit. (Underline or circle Whichever is applicable).**
- c) Name of enterprise as per enterprise registration documents issued by the CIPC, where applicable, and enterprise business address.
- d) 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).**
- e) Indicate total revenue for the year under review and whether it is based on audited financial statements or management account. (Underline the applicable option).**
- f) 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).**
- g) B-BBEE Status level. An enterprise can only have one status level.
- h) Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for the empowering supplier status.
- i) 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).**
- j) 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
- K) Sworn Affidavits attested / signed by a Commissioner of Oaths as a true copy **stamp** will not be accepted

If an organ of state applies subcontracting as contemplated in sub regulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to:

- (a) an EME or QSE;
- (b) an EME or QSE which is at least 51% owned by black people;
- (c) an EME or QSE which is at least 51% owned by black people who are youth;
- (d) an EME or QSE which is at least 51% owned by black people who are women;
- (e) an EME or QSE which is at least 51% owned by black people with disabilities;
- (f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- (g) a cooperative which is at least 51% owned by black people;
- (h) an EME or QSE which is at least 51% owned by black people who are military veterans; or
- (i) more than one of the categories referred to in paragraphs (a) to (h).

Non Compliant with subcontracting

- Tenderers tend to not submit the following documents as part of their tender submissions:
 - Subcontracting agreement or a letter of intent to subcontract to the designated groups as stipulated under PPPFA regulations
 - Proof of the subcontractor being an EME/QSE Affidavit or B-BBEE Certificate
 - Proof of the subcontractor being registered with the National Treasury database(CSD)
 - Some tenderers, subcontract to their own subsidiary companies or companies related to owners/directors of the company, thus sabotaging the noble idea of spreading broader economic participation to deserving designated groups as espoused by the PPPFA

Department of Trade, Industry and Competition (dtic) Designated Sectors

Cathrine Matidza



LOCAL CONTENT POLICY

APPLICATION OF LOCAL CONTENT IN PUBLIC PROCUREMENT SYSTEM

DATE: 27 March 2024

PRESENTATION TO ESKOM TRANSMISSION SMME WORKSHOP



the dtic

Department
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



PRESENTATION OUTLINE

- ❑ LOCAL CONTENT AND PRODUCTION POLICY
- ❑ RATIONALE FOR LOCAL CONTENT
- ❑ IMPLEMENTATION OF LOCAL CONTENT AS A SPECIFIC GOAL



WHAT IS LOCAL CONTENT AND PRODUCTION

- It is estimated that public procurement accounts for 15 - 25% of the gross domestic product (GDP) in both developed and developing countries.
- Given its significant financial scope, public procurement has the potential to stimulate economic development, transform public services and fast-track service delivery.
- In South Africa, the public sector spends about R1 trillion on goods, services and construction works annually.
- Hence, public procurement is also deployed as a policy instrument to leverage public expenditure for socio-economic development, particularly industrialisation and economic transformation. Under localisation, there are two procurement levers i.e. Local Content and production policy referred to as “*designations*” and the National Industrial Participation Programme (*NIPP*).

OTHER INDUSTRIAL POLICY INSTRUMENTS TO DEEPEN LOCALISATION

- Industrial Finance
- Tax Incentives
- Tariffs
- Non-tariff instruments (e.g. environmental standards)
- Technological Transfer
- Research & Development
- Design & Innovation
- **Local Procurement (Local Content)**
- Technical standards (SABS, NRCS, SANAS)
- Water and Electricity Prices
- Skills Development
- Transformation & Empowerment

DTIC POLICY AND REGULATORY CONTEXT

Severe decline in
Manufacturing Sector
and employment levels

This can be attributed to the **importation** of high value-added products into the country.

In line with NDP and the Industrial Development Plan (the Re-Imagined Industrial Strategy) government has designated specific sectors for local production with stipulated minimum thresholds local content.

Public procurement
as key policy
intervention

An important strategic approach in South Africa's industrial policy is to use government's leveraging muscle as a "**large buyer**" that can influence how much is locally manufactured.

Review of PPPFA
Regulations

The Regulations to Public Procurement Preferential Framework Act (PPPFA) were reviewed in order to designate certain sectors/products for preferential procurement by government.

WHAT IS LOCAL CONTENT AND PRODUCTION

- Goods made in South Africa (SA) from local raw materials
- Only goods that are made within the borders of SA can be claimed to be local content
- Local Content is based on local manufacturing, there must be value addition to the product
- Assembly of products is considered to be local content
- Local content percentage is determined based on the availability of materials
- Example: where 100% local content is required, no imports are allowed all materials must be local
- If local content is less than 100%: imported raw materials can be used without any exemption
- # South Africa first #Proudly South African #Local is lekker
- The policy is intended to protect local industry, create jobs and contribute to the economic growth in South Africa

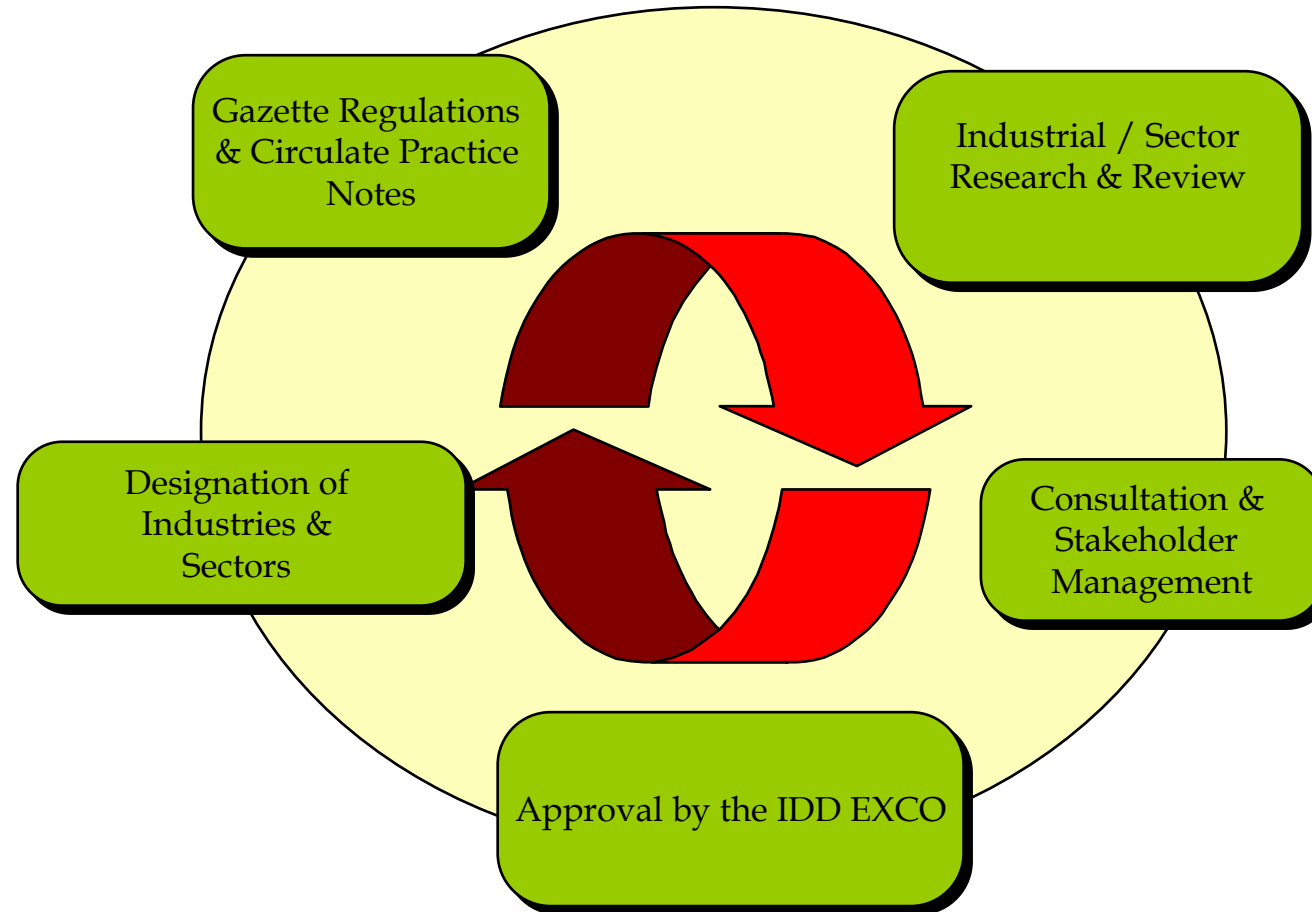
WHAT IS LOCAL PROCUREMENT

- Goods and services purchased locally irrespective of where they were made or produced
- It is based on geographical area, may be a region/district/province
- Local procurement is based on the location of the business
- Imported goods are considered as well
- Using local resources to stimulate growth and development

OBJECTIVES OF LOCAL CONTENT POLICY

- **Leverage public expenditure, both CAPEX and OPEX, made by organs of state (all spheres of government and SOCs) to:**
 - Develop and enhance local manufacturing capacity and capabilities
 - Support industrial innovation and technological developments
 - Create employment and sustain jobs
 - Boost exports and ensure suppliers are integrated into OEMs global value chains
 - Support broader economic empowerment

DESIGNATION PROCESS FLOW



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

LOCAL CONTENT AS A SPECIFIC GOAL

- The Preferential Procurement Regulations (PPRs), which came into effect on the 7 December 2011 and amended in April 2017 empowered **the dtic** to designate sectors and products for local production at a specified level of local content.
- 2022 PPRs replaced the 2017 PPRs as at 16 January 2023. The new regulations allow organs of state to use specific goals and the Reconstruction and Development Programme (RDP) goals in line with regulation 3(1) to support the procurement of locally manufactured products in RFQs and tenders
- In February 2022, the Constitution Court in a matter between the *Minister of Finance vs Afribusiness NPC, now Sakeliga*, declared the 2017 Preferential Procurement Regulations (PPRs) to be invalid and set them aside in totality. The essence of the judgment is that the Minister of Finance cannot impose a preferential procurement regime that is not underpinned by the primary procurement law (i.e. PPPFA), and that the power resides with organs of state (i.e. national and provincial government departments, municipalities, state owned companies and public entities).
- The challenge with the current regulations is that they only prescribe the 90/10 and 80/20 price preference system and there is no mention of local content requirements. Many have interpreted this to be saying that local content is no longer a requirement and that is not the case.

LOCAL CONTENT AS A SPECIFIC GOAL

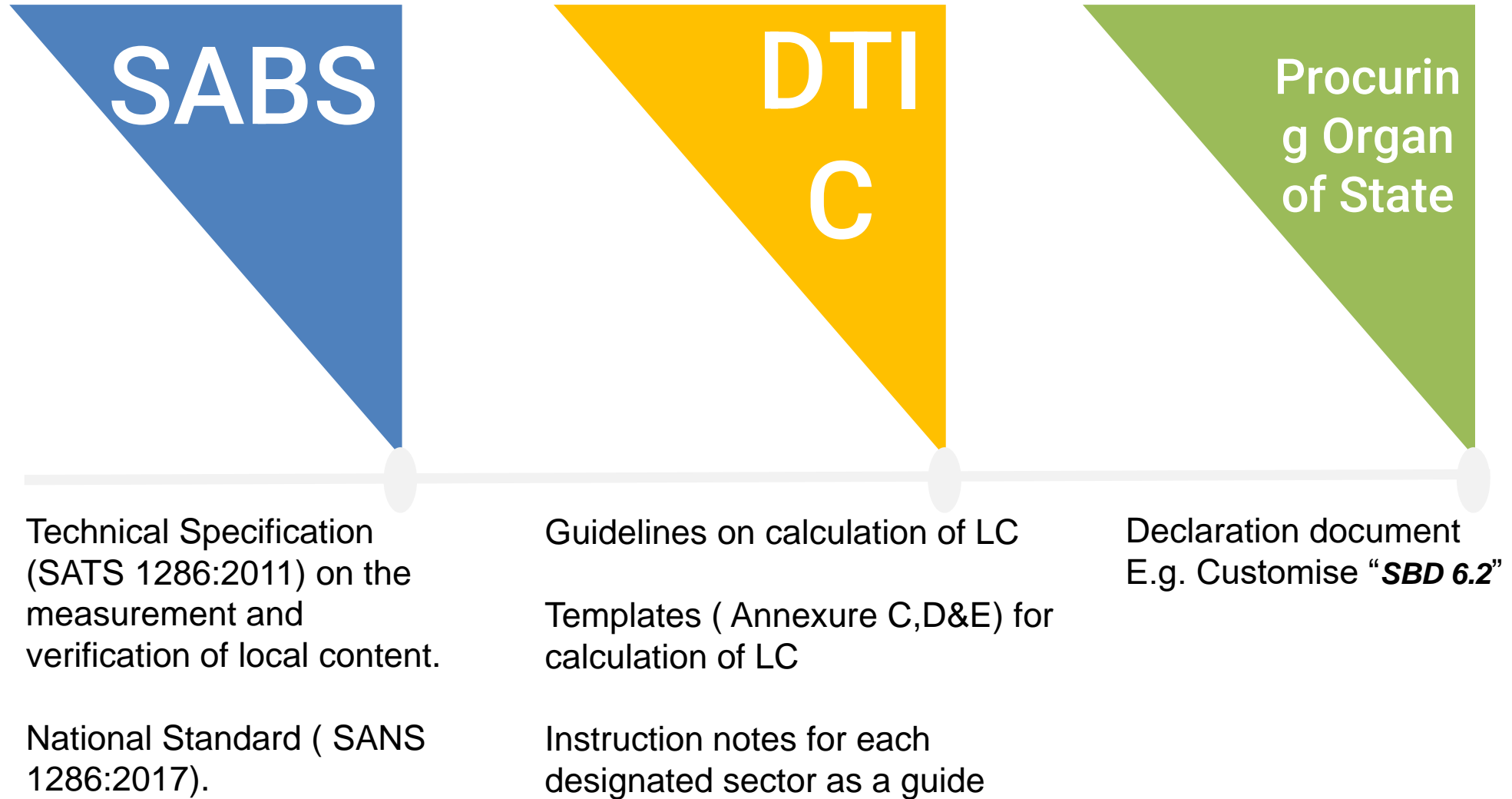
- The 2022 PPRs leave it completely up to the organs of state to determine their preference procurement policies.
- In the absence of regulations on Local Content, organs of state will have to invoke S. 2(1)(d) of the PPPFA dealing with the RDP goals to support localisation together with other specific goals in line with 3.1(b) of the 2022 PPRs.
- Local Content, local procurement or local manufacturing can be included as a specific goal for designated products and points be allocated within the parameters created by the 2022 PPR.
- **Local content is no longer a compulsory requirement in the 2022 PPRs but can be included as a specific goal and allocated points, or as Objective Criteria.**
- A total of 28 products/sectors have been designated for local content in the public procurement system.

DESIGNATED PRODUCTS AND LOCAL CONTENT THRESHOLDS

Designated Products	LC Threshold	Date
1. Rail Rolling Stock	65%	16-07-2012
2. Power Pylons	100%	16-07-2012
3. Bus Bodies	80%	16-07-2012
4. Canned/Processed Vegetables	80%	16-07-2012
5. Textile, Clothing, Leather and Footwear Sector	100%	16-07-2012
6. Solar Water Heaters	70%	19-07-2012
7. Set-top Boxes	30%	26-09-2012
8. Certain Pharmaceutical Products	Per Tender	07-11-2012
9. Furniture Products	85%	15-11-2012
10. Electrical and Telecom Cables	90%	08-05-2013
11. Solar Water Heaters	70%	19-07-2013
12. Valves Products and Actuators	70%	06-02-2014
13. Working Vessels	60%	01-08-2014
14. Residential Electricity and Water Meters	70%	01-08-2014
15. Transformers and Shunt Reactors	90%	28-09-2015

Designated Products	LC Threshold	Date
16. Two Way Radio Terminals	60%	30-06-2016
17. Solar PV Components	70%	30-06-2016
18. Rail Signalling System	65%	30-06-2016
19. Wheelie Bins	100%	18-08-2016
20. Fire Fighting Vehicles	30%	21-11-2016
21. Steel Products and Components for Construction	100%	13-01-2017
22. Rail Perway (Track) Infrastructure	90%	13-11-2017
23. Pumps & Medium Voltage Motors	70%	12-12-2017
24. Plastic Pipes & Fittings	100%	16-08-2019
25. Air insulated MV Switchgear	50%	20-12-2019
26. Bulk Material Handling	85%	20-12-2019
27. Industrial Lead Acid Batteries	50%	20-12-2019
28. Cement	100%	4-11-2021

LOCAL CONTENT DOCUMENTS



REGULATORY AND ECONOMIC IMPACTS OF THE LACK OF PREFERENCE IN PUBLIC PROCUREMENT

- Too much emphasis on the price more than other procurement objectives will facilitate the importation of goods from low cost producing countries.
- That will create a number of economic challenges such as negative sectoral trade balances and balance of payment challenges. A balanced approach is, therefore, needed.
- Data from Industry Insight & StatsSA shows that **cement imports** grew by 18.7% year-on-year to 1.1Mt in the first 11 months of 2021. Imports increased by 51% to 749 671t with a value of R445 million in the first eight months, hitting a monthly high of 162,000t in November 2021. The majority of the imports came from Vietnam followed by Pakistan.
- The South African **clothing, textiles, footwear and leather (CTFL)** industry is concentrated in the WC and KZN regions. The industry continues to be pivotal to socio-economic development in those provinces. The lack of preference to support local CTFL manufacturers will undermine the implementation and development of the industry's Masterplan.

POST AWARD REPORTING: BIDS REPORTED FROM MARCH 2015 TO MARCH 2022

Designated Products	Signed Standard Bidding Documents Submitted to the dti	Total Value per Sector R'000	No. of Companies Verified	Tender Value Verified R'000	% Verified: (total verified/ total value)
Textiles & Clothing Products	620	2 960 826,87	21	1 259 322,00	43%
Furniture Products	287	220 796,07	13	27 832,00	13%
Electrical & Telecom Cables	100	2 076 131,38	8	263 810,00	13%
Canned & Processed Veges	23	697 950,41	4	2 269,00	0%
Valves & Actuators	29	300 825,57	8	26 417,00	9%
Rail Rolling Stock	6	49 547 474,46	4	49 547 727,00	100%
Set top boxes*	1	4 300 000,00	3	600 000,00	14%
Power Pylons	11	2 253 000,00	3	1 146 212,00	51%
Solar Water Heaters	15	456 931,72	12	303 055,00	66%
Steel Products	48	820 504,18	5	337,00	0%
Busses	3	806 600,00	1	132 481,36	16%
Working Boats & Vessels	3	4 299 195,00	2	-	0%
Transformers	43	4 492 045,66	3	14 000,00	0%
Construction	38	3 389 382,00	-	-	0%
Prepaid Meter	1	145,50	-	-	0%
Two-way Radio	2	19,28	-	-	0%
Wheelie Bibs	1	790,00	-	-	0%
PPE	62	283 734,10	-	-	0%
Others (HVAC & Water Tanks)	201	124 256,00	-	-	0%
Total	1 494	77 030 608,20	87	53 323 462,36	69%

* One tender but different suppliers appointed as a panel by USAASA

Source: Dept of Trade & Industry & SABS: Local Content databases, 2018

Rolling Stock: Verification has been done on part-delivery and the summary of the activities is provided below.

Vessel: The two vessels projects are at scoping stage.

HIGHLIGHTS ON THE POSITIVE IMPACTS OF LOCAL CONTENT IN SOUTH AFRICA

- Through local content, significant domestic and foreign direct investments have been attracted, new capacity and capabilities have been created, collaborative platforms with global Original Equipment Manufacturers (OEMs) through inter alia technology and skills transfer programmes have been realised.
- **Sandock Austral Shipyards (SA Shipyards)** won the R1.7 billion contract to build a world-class hydrographic vessel for the SA Navy and is also manufacturing a cutting-edge LNG barge which will strengthen South Africa's position in servicing the offshore oil and gas markets.
- Similarly, **Damen Shipyards Cape Town** has been awarded the R2.4 billion contract to manufacture 3 in-shore patrol vessels. These vessels are the first Damen Sea Axe vessels to be manufactured and operated in South Africa.
- **Mercedes-Benz SA** has been manufacturing busses locally for the **Rea Vaya** rapid bus system. In Cape Town, **Volvo** manufactured busses for the extended **MyCiti** rapid bus routes at an estimated cost of R180m. **Tshwane Municipality** awarded **MAN Automotive** the tender to supply 120 'Lion's City' buses, with 80% local content.

- The **Gibela Rail Transport Consortium's** manufacturing factory in Dunnottar - Nigel was opened by the President in October 2018. This state-of-the-art factory represents a R1 billion vote of confidence in the South African economy with 1,500 new jobs created. A further 700 jobs have been created in the adjacent supplier park. At the peak of construction, approximately 1,900 temporary, construction jobs were created.
- **Bombardier Transportation** invested about R50 million in a facility for manufacture and assembly Propulsion and Controls Production in Elandsfontein. In partnership with local supply chain, created over 500 jobs, 300 working directly for Bombardier Transportation South Africa.
- On the back of the designation of valves, **AVK Holdings a Danish company**, launched a R200 million state-of-the-art valve manufacturing facility in Alberton, Gauteng in partnership with Premier Valves. The company also has established a training academy that provides skills development programmes to over 1,000 workers – to the benefit of the entire industry.
- The designation of textile and clothing products led to **Da Gama Textiles** investing over R100m to increase weaving, dyeing and printing capacity so as to serve the needs of the South African Police Services, Correctional Services, the army, and hospitals. This investment has saved 727 jobs in King William Town in the Eastern Cape.

CONCLUDING REMARKS

- **the dtic** continue engagements with organs of state and suppliers. Guidelines for Implementation of Local Content under 2022 PPRs are developed to assist organs of state with the interpretation and implementation of local content.
- Parliament is currently processing the Public Procurement Bill, which will make local content compulsory again. The Public Procurement Bill is at its final stages, was passed by the National Assembly in December 2023. Purpose of the Procurement Bill is to replace the PPPFA once it is enacted into law
- We will have to wait until the Bill is enacted, hopefully sometime this year. In the meantime, **the dtic** continues to engage organs of state to include local content in their tenders in line with the requirements of the 2022 PPRs.



the dtic Incentive Programme
BLACK INDUSTRIALIST SCHEME
Eskom Transmission SMME Workshop

26 – 27 March 2024

David Molefe



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

the dtic - together, growing the economy

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: www.thedtic.gov.za



Contents



1. Description
2. Objectives of BIS
3. Definition of BI
4. Targeted Sectors
5. Eligibility Criteria
6. Economic Benefit Criteria
7. Grant offering
8. Qualifying Costs
9. Grant Calculation
10. Important Notice
11. Contact Details



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BLACK INDUSTRIALISTS SCHEME (BIS)

FINANCE

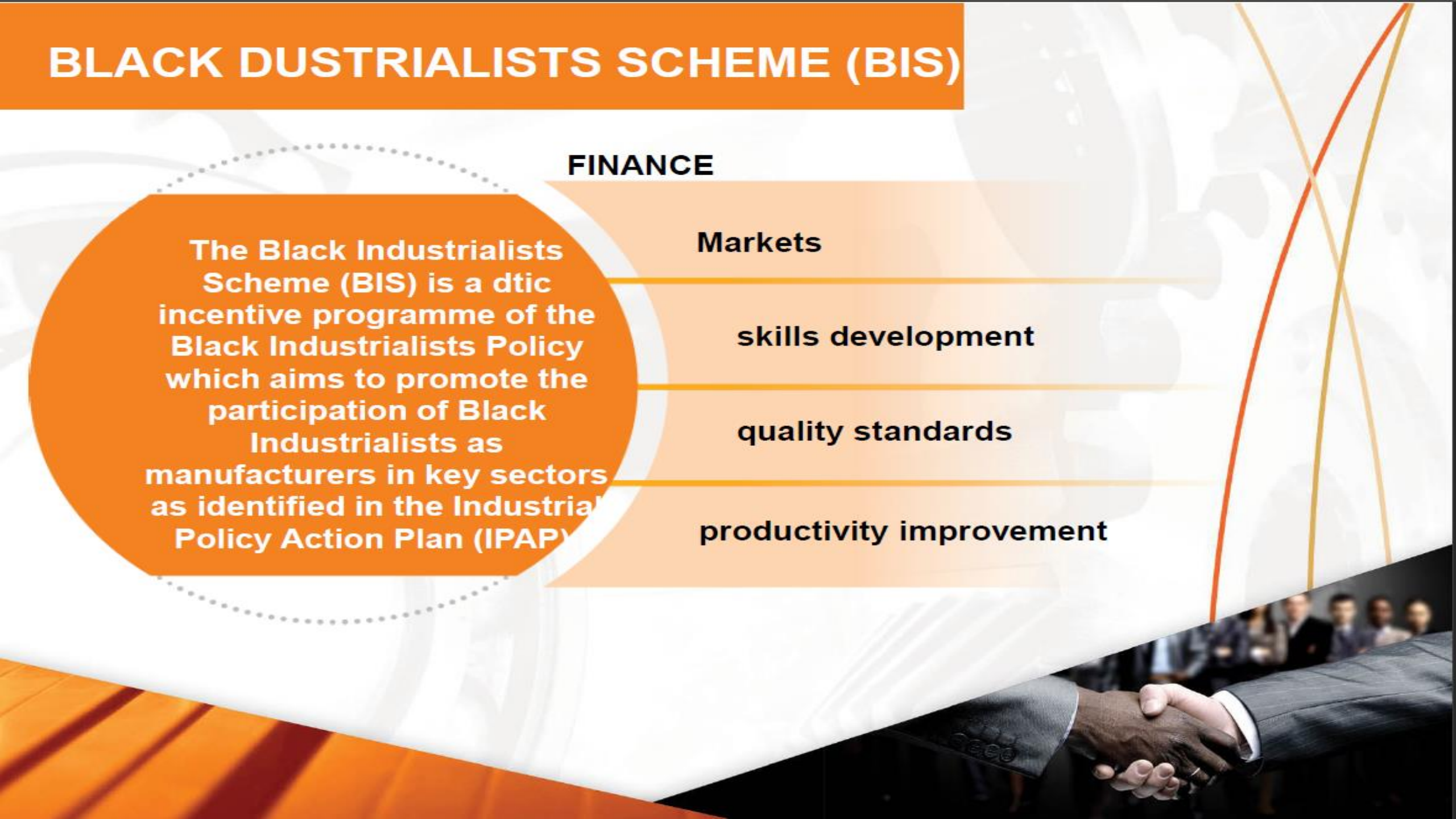
The Black Industrialists Scheme (BIS) is a direct incentive programme of the Black Industrialists Policy which aims to promote the participation of Black Industrialists as manufacturers in key sectors as identified in the Industrial Policy Action Plan (IPAP)

Markets

skills development

quality standards

productivity improvement



THE OBJECTIVES OF THE BIS

OBJECTIVES OF THE BIS

Broadening
Participation

Strategic
Sectors

Economic
Transformation



DEFINATION OF BI

- **Black Industrialists as defined by the policy with >50% black shareholding and management control**

Provides strategic & operational leadeership

Takes personal risks in the business

The BIS targets entities that have extensive experience, operations and track record.



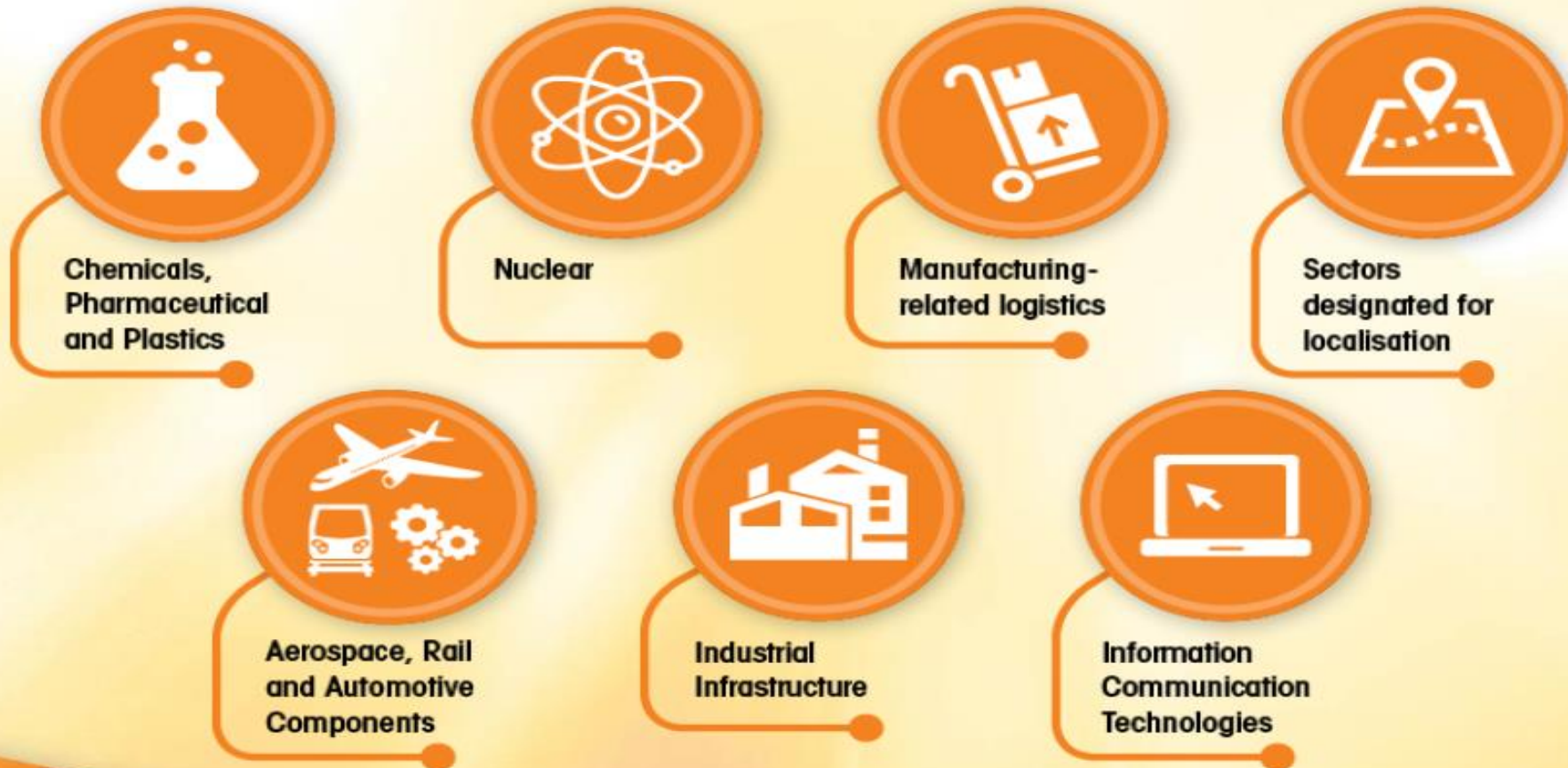
TARGETED SECTORS

Such entities should be operating in the manufacturing sectors in line with the IPAP industrialisation path as follows:



TARGETED SECTORS *...continued*

Such entities should be operating in the manufacturing sectors in line with the IPAP industrialisation path as follows:



ELIGIBILITY CRITERIA

- Have greater than fifty percent (>50%) shareholding and management control.
- Have a valid B-BBEE certificate of compliance.
- Be directly involved in the day-to-day running of the operation and must have requisite expertise in the sector.
- Have a project with a minimum investment of (R30m).
- Undertake a project which should result in securing or increasing direct employment.
- Requisite skills, expertise and knowledge in operation

ECONOMIC BENEFIT CRITERIA

Criteria:	Description	Points
A. Employment	Securing/retaining or increasing direct employment	1
B. Market Share	<u>New business/operations</u> : Securing market share for the entity; or	1
	<u>Existing business/operations</u> : Increase market share for the entity	
C. Quality Improvement	Reduction of relative prices and/or increasing the quality of products to consumers	1
D. Green Technology and Resource Efficiency Improvements	Savings or better utilisation of energy or materials and/or cleaner production improvement and/or waste management improvement and/or water usage improvement and/or use of renewable energy	1
E. Localisation	Increasing the localisation of production activities (diversification and exports)	1
F. Regional Spread	Projects should be located in rural areas or areas with unemployment higher than twenty five percent (25%)	1
G. Personal Risk	Demonstrate own financial and/or non-financial contribution to the business	1
H. Empowerment	Achieve at least a level Four (4) B-BBEE contributor status as per revised B-BBEE codes of good practice published in October 2013 (as amended)	1



GRANT OFFERING

The Black Industrialists Scheme offers a cost sharing grant ranging from 30% to 50% to approved entities to a maximum of R50 million. The quantum of the grant will depend on the level of black ownership and management control, the economic benefit of the project and the project value.

WHAT DOES THE R50 MILLION GRANT COVER

Capital investment costs

Feasibility studies towards a bankable business plan (to the maximum of R3M)

Post-investment support (to the maximum of R500 000); and

Business Development Services (to the maximum of R2 million)



QUALIFYING COSTS

Capital Investment

- ***Machinery and Equipment*** (owned or capitalised financial lease), tools, jigs and dies and forklifts, at cost and will also include green technology, energy and resource efficiency equipment.
- Owned and leased (capitalised lease) ***factory buildings***, at cost. The investment in qualifying buildings must either constitute newly acquired buildings or the acquisition of an existing building at cost.
- ***Commercial vehicles*** (owned or capitalised financial lease) are only eligible if such vehicles are to be used for commercial purposes linked to the production process. This includes vehicles such as for collection, delivery and distribution of goods.

QUALIFYING COSTS

Investment Support

- **Feasibility Studies**
- The objective of this component is to offer support for **project feasibility studies** and related assessments that have a positive impact on the developmental aspects including job creation, skills development, as well as black business empowerment.
- The feasibility studies will include licences, quality assurance, conformity assessments and standards.
 - The appointed service provider(s) for the feasibility studies must be sourced from the DFI's list of accredited service providers following due procurement processes and procedures.

Post Investment Support

- Specialised **technical training** will be supported in selected areas identified by the BI with the assistance of the DFI's
- **Mentorship guidance** will include financial management, operations and production planning, human resource development, administration, marketing and business continuity services.

QUALIFYING COSTS (BDS)

Focus areas	Categories	Consulting fees and expenses
Product Development	Product design	Pattern-making, prototyping, grading, sizing and counter-sampling
	Product development	Introducing product ranges and product adaptations for new markets
	Conformity assessment of products e.g. testing, inspection, certification	Costs for conformity assessment of products
	Consumer acceptability studies	Marketing new products to focus groups before product launch to market
	Packaging design	Consultancy and design costs
Conformity assessment certification	Quality management improvement, Environmental management improvement, process capability improvement and Product quality improvement	<ul style="list-style-type: none"> - Cost of Installing or improving quality management systems; - Costs for preparations for certification and pre/initial assessment costs
	Accreditation	Costs for preparations for accreditation and pre-/initial assessment
Information technology systems	Acquisition and deployment of systems	Acquisition software for integrated production management information systems
Procurement process improvement	Introducing improved and efficient procurement processes	Cost of introducing new procurement processes
Patents Costs	Registration of Patents	Registration costs

GRANT CALCULATION

Quantum of grant – Depends on level of black ownership and points achieved on the economic benefit criteria

Points on Economic Benefit Criteria	Percentage Black ownership		
	50% to 75%	> 75% to 90%	> 90% to 100%
4 to 6 Points	30%	35%	40%
7 Points	40%	45%	50%

IMPORTANT NOTICE

- All potential applicants are required to engage with the Strategic Partnership and Customer Care for guidance on completing the application form
- An applicant will be allocated an enquiry number only after all the requirements are met (as per the BIS application checklist)
- No applications received without an enquiry number will be accepted by **the dtic**.

ACCESS TO THE DTI BLACK INDUSTRIALISTS SUPPORT

Contact details:

Enquiries:

bienquiries@thedtic.gov.za

Applications Submissions:

biapplications@thedtic.gov.za



Eskom Transmission SMME Workshop 27 March 2024

Vision

A transformed construction industry that is **inclusive, ethical** and contributes to a prosperous South Africa and the World

Mission

We exist in order to **develop** the construction industry through **regulatory support, strategic interventions** and **partnerships**

Values

Responsive, efficient, effective ,
innovative, ethical, accessible, agile

LEGISLATIVE MANDATE

Summary of the cidb's Legislative Mandate

1. Provide **strategic leadership** to construction industry stakeholders
2. Promote sustainable growth of the construction industry and the participation of the emerging sector in the industry
3. Promote improved performance **and best practice of public and private sector clients**, contractors and other participants in the construction delivery process
4. Promote **uniform application of policy** throughout all spheres of government and **promote uniform and ethical standards, construction procurement reform, and improved procurement and delivery management**—including a code of conduct
5. **Monitoring and regulating** the performance of the industry and its stakeholders, including the registration of projects and contractors

Mandate – Registers of Contractors

- Support **risk management** in the tendering process
- Reduce the **administrative burden**
- To facilitate sustainable **growth and transformation** of contractors, enable effective access by the **emerging sector**
- Promote minimum standards and contractor **best practice**
- Enable access by the **private sector**
- Provide **information** on the size, distribution, nature and development of contractors

Classes of Construction Works

GB = General Building

CE = Civil Engineering

ME = Mechanical Engineering

EB = Electrical Engineering (Building)

EP = Electrical Engineering (In)

Specialist works (SB to SQ)



Classes of Specialist Works

- SB - Asphalt works (supply and lay)
- SC - Building excavations, shaft sinking & lateral earth support
- SD - Corrosion protection (cathodic, anodic and electrolytic)
- SE - Demolition and blasting
- SF - Fire prevention and protection systems
- SG - Glazing, curtain walls and shop fronts
- SH - Landscaping, irrigation and horticultural works
- SI - Lifts, escalators and travellators
- SJ - Piling and specialized foundations for buildings & structures
- SK - Road markings and signage
- SL - Structural steelwork fabrication and erection
- SM - Timber buildings and structures
- SN - Waterproofing using specialist systems.
- SO - Water supply and drainage for buildings (wet services)
- SQ - Precast concrete or steel fencing
(All other types of fencing, walls and boundaries fall under GB.)

Grading Method

Grading is based on:

Works capability is determined by :

the largest completed track record within the five years immediately preceding the application

Financial capability is determined by :

the best annual turnover the available capital (calculated from the financial statements for the two years immediately preceding the application)

Determining Financial Capability

Grade	Upper limit of tender value range.	Best Annual Turnover (R)	Largest Contract (R)	Available Capital (R)
1	500 000	0	0	0
2	1 000 000	0	130 000	0
3	3 000 000	1 000 000	450 000	100 000
4	6 000 000	2 000 000	900 000	200 000
5	10 000 000	3 250 000	1 500 000	650 000
6	20 000 000	6 500 000	3 000 000	1 300 000
7	60 000 000	20 000 000	9 000 000	4 000 000
8	200 000 000	65 000 000	30 000 000	13 000 000
9	No limit	200 000 000	90 000 000	40 000 000

Potentially Emerging Enterprises

- The Act defines an “emerging enterprise” as:
 - *an enterprise which is owned, managed and controlled*
 - *by previously disadvantaged persons and*
 - *which is overcoming business impediments arising from the legacy of apartheid.*
- Contractors may **apply** to the Board to be registered as potentially emerging enterprise
- Potentially emerging enterprises may be awarded contracts in one contractor grading designation level higher than what they are registered in **provided that the employer:**
 - is **satisfied** that such a contractor
 - **has the potential to develop**
 - **ensures** that financial, management or other **support is provided** to that contractor to enable the contractor to successfully execute that contract.

Online applications are now open for:

Grade 1

- New Applications (All Classes of works)
- Additions
- 3 Year renewals

Grade 2-9

- New Applications
- All Upgrades
- Annual Renewals
- Additions

Moratorium Applications

Email process for contractors on higher grades, retaining their grades

Online Process and Requirements

REQUIREMENTS

- CSD NUMBER (MAAA.....)
- ACTIVE BANK ACCOUNT
- ACTIVE EMAIL ACCOUNT

Online portal link - <https://eroc.cidb.org.za/sign-in>

Registration Process

GRADES 2-9 (New Applications and upgrades from Grade 1)

Requirements

- Application form (2-9) (for physical submission)**
- Company Registration Document (CK, COR 14.3, CM 29)**
- Originally certified Share Certificates of Directors/ Shareholders**
- Originally certified Id copies of Directors**
- Tax Clearance pin status document**
- Fees applicable**

Track Record

Appointment, Completion, payment certificate, subcontractor agreement, JV agreement, bank statements for project payment

12 Months bank statements or Vat Returns

Financial Statements (Audited/ Registered Accountant)

Registration Process

Upgrades between Higher grades(Via email)

Application form and applicable payment plus

- Track Record and Financial Statements

TRACK RECORD

- Appointment Letter
- Subcontractor Agreement
- JV agreement
- Completion Certificate
- Payment Certificate/ Bank Statements (project payment)
- 12 Months bank statements or Vat returns and Statement of Account

FINANCIAL STATEMENTS

- Financial Statements for 2 years
- CC – Registered Accounting Officer
- PTY – Certified Auditor

Calculating Fees Payable

Grading Designation	Administration Fee	Annual Fees
1	450 (Valid for 3yrs)	
2	450	250
3	750	350
4	750	900
5	750	1 750
6	750	3 500
7	750	9 000
8	750	29 000
9	750	55 000

THANK YOU

QUESTIONS?

ANDISWA NDLOVU

email: Andiswan@cidb.org.za

website: www.cidb.org.za

Small Enterprise Development Agency SEDA

Sipho Ngcai





seda 
SMALL ENTERPRISE DEVELOPMENT AGENCY
an agency of the dsbd

OVERVIEW OF SEDA 27 March 2024

“Together Advancing Small Enterprise Development”



SEDA BACKGROUND

- ❑ **In 2004:** The National Small Business Amendment Act- Act 29 of 2004- establishes Seda as an agency under the DTI by merging: Ntsika Enterprise Promotion Agency, National Manufacturing Advisory Centre (NAMAC) and Community Public Private Partnership (CPPP) Programme;
- ❑ **In 2006:** The Seda Technology Programme (STP) is established by merging the GODISA Trust and the National Technology Transfer centre;
- ❑ **In 2008:** The small enterprise support function of the South African Quality Institute (SAQI) and the technology related activities of the Technology for Women in Business (TWIB) were incorporated with STP;
- ❑ **In 2009:** STP was fully integrated into Seda structure; and
- ❑ **In 2014:** Seda's mandate and functions were transferred from the DTI to the DSBD in tandem with the establishment of the Ministry for Small Business Development.



VISION, MISSION AND VALUES OF THE ORGANIZATION

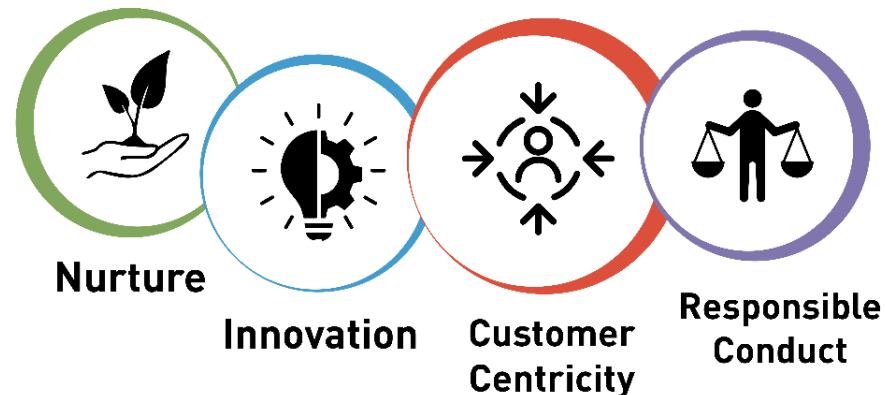
Seda Vision

- ❑ To be the centre of excellence for small enterprise development in South Africa.

Seda Mission

- ❑ To promote entrepreneurship and develop small enterprises by providing customised non-financial business support services that results in business growth and sustainability, in collaboration with other role players, including global partners who make international best practices available to local entrepreneurs.

Seda Values





Branch Network

No.	Provinces	Branches	Colocation Points	Total Access Points
1	Eastern Cape	5	7	12
2	Free State	5	10	16
3	Gauteng	3	9	12
4	Kwa-Zulu Natal	6	8	15
5	Limpopo	5	5	10
6	Mpumalanga	5	13	18
7	Northern Cape	5	4	9
8	North West	4	4	9
9	Western Cape	14	0	13
	Total	52	60	114



Incubation Network

No.	Provinces	Incubation Centres & Rapid Incubators
1	Eastern Cape	16
2	Free State	6
3	Gauteng	30
4	Kwa-Zulu Natal	16
5	Limpopo	8
6	Mpumalanga	10
7	Northern Cape	4
8	North West	6
9	Western Cape	14
	Total	110

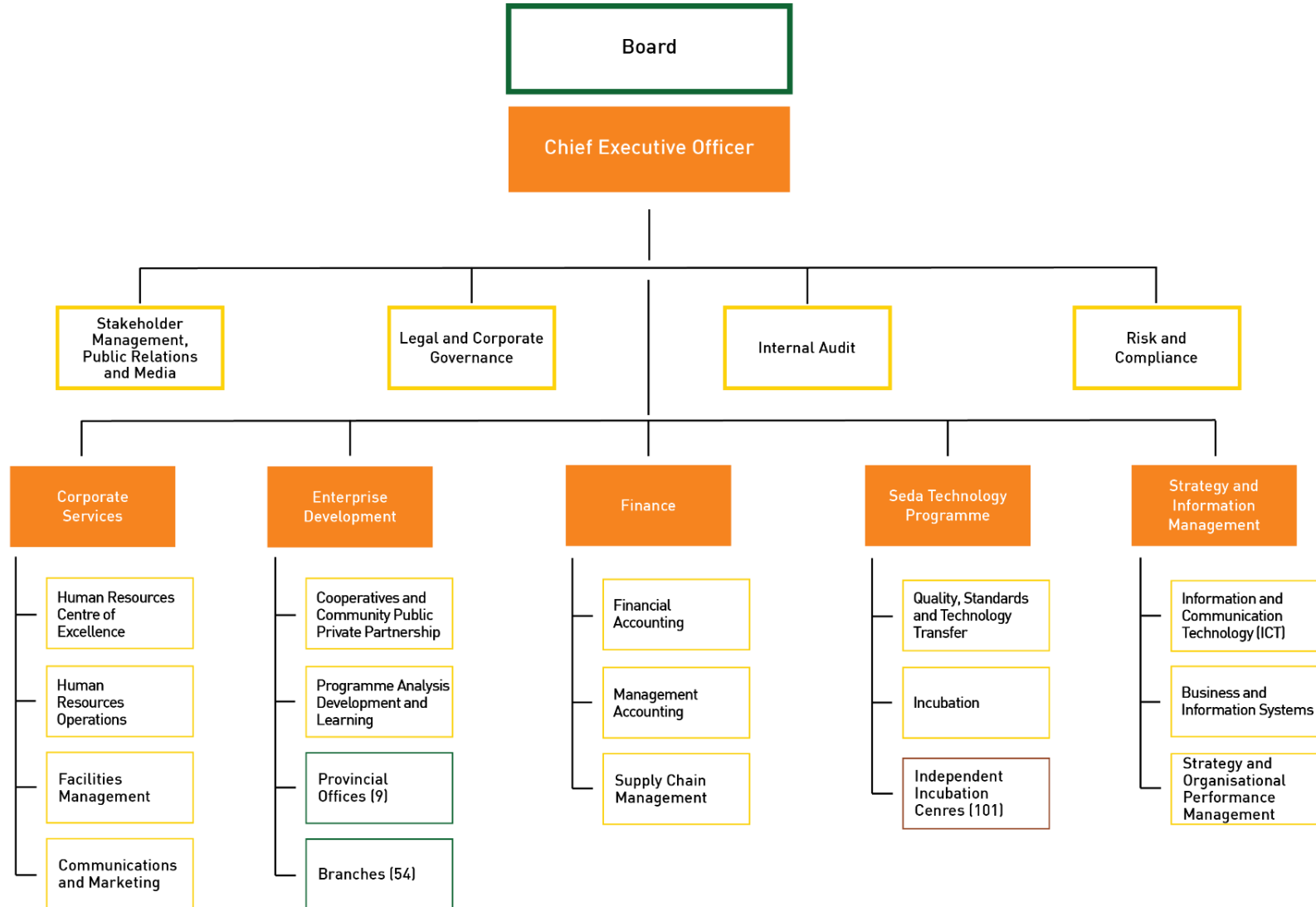


Seda Executive Management

No.	Name	Designation	Responsible Division
1	Mr Nkosikhona Mbatha	Acting Seda CEO	Seda
2	Mr Elias Maabane	Acting CFO	Finance Division
3	Ms Ntokozo Majola	EDD Executive Manager	Enterprise Development Division
4	Mr Sipho Ngcai	STP Executive Manager	Seda Technology Programme Division
5	Mr Sandile Ndaba	CSIO	Strategy and Information Management
6	Ms Thabang Serapelo	Acting Corporate Services Executive	Corporate Services



Seda Organogram



“Together Advancing Small Enterprise Development”



Seda's ROLE AS AN SMME ECOSYSTEM FACILITATOR

- ❑ Alignment to the District Development Model of government at each district;
- ❑ Developed National Business Incubation & Acceleration Standards;
- ❑ Developed Business Advisory Standards;
- ❑ Currently mapping & developing an ecosystem database in 44 districts & 8 metros;
- ❑ Rolling out incubators and digital hubs in townships and rural areas;
- ❑ Planning to roll-out an online District Information Management System [DIMS] at district level.



Thank You

This is the IDC

Partnering you. Growing the economy. Developing Africa.

Presentation to Eskom Transmission SMME Workshop

27 March 2024





IDC Overview



Industrial Development Corporation

Who we are

- South Africa's largest development finance institution.
- Builds industrial capacity to fuel the country's economic growth, by funding viable businesses.
- Focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.
- Proactively identifies new industries and looks to grow existing pivotal sectors.





Value Proposition

The IDC combines industry insights and partnerships to provide customised, value adding funding and advisory solutions, enabling innovative entrepreneurship that advances inclusive industrial development.



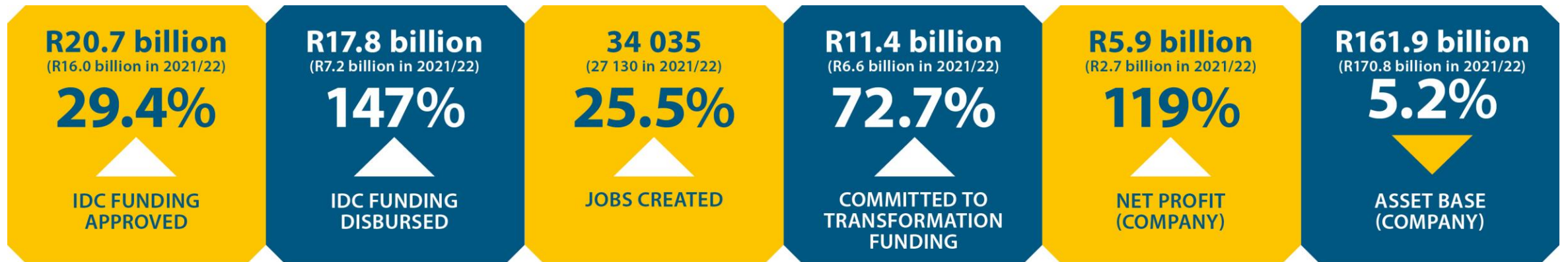
Partnering you.
Growing the economy.
Developing Africa.





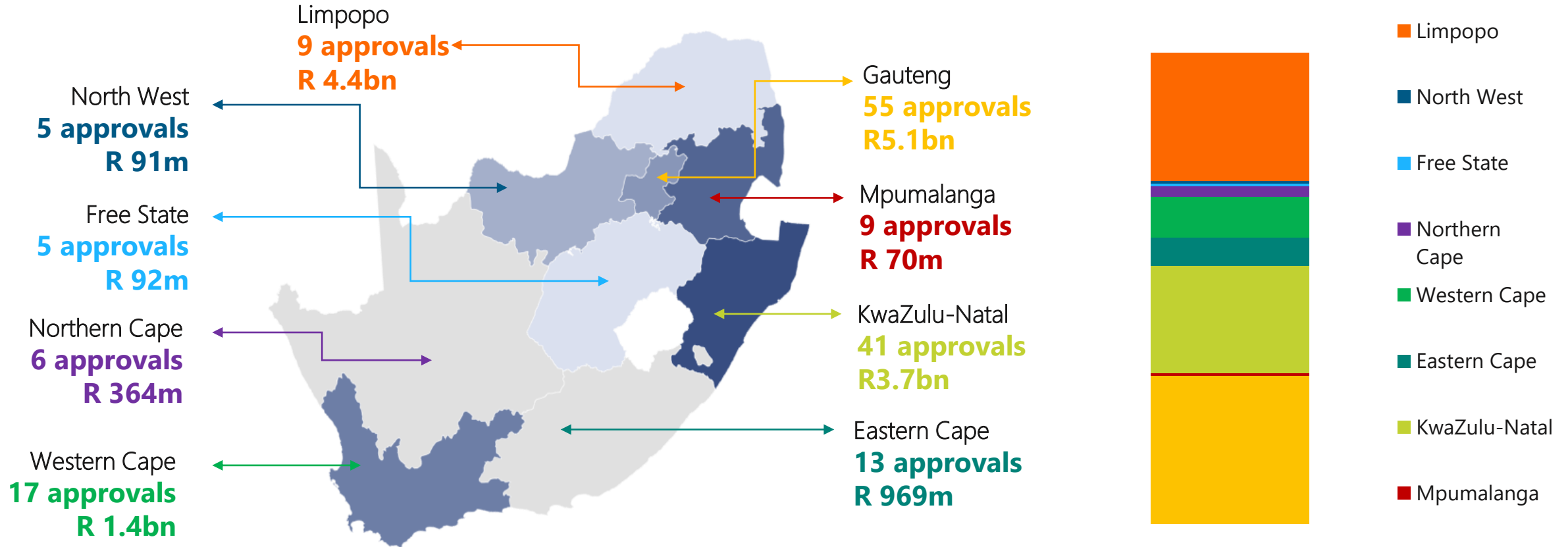
Performance Highlights & Impact

2023 HIGHLIGHTS





Spatial Distribution of IDC Funding





Supporting Small Business

R510 m

investment approvals

 **26% higher**
than in the previous
financial year
(2021/22: R404.5 m)

R305 m

Funds disbursed

 **50% higher**
than in the previous
financial year
(2021/22: R203 m)

Small business development unlocks entrepreneurial spirit in the economy and supports decentralised job creation





Commercial Funding

We provide funding to:

- Maximise the (mandated) developmental goals of the IDC
- Enhance and grow industrial capacity and capabilities of South Africa
- Boost economic growth (country and continent)
- Boost industrial development

We fund:

- Entrepreneurs starting new enterprises
- Companies that want to extend existing operations

How our funding model works:

Funded through:

- Divestment of mature investment
- Internal profits
- Borrowing in domestic and international markets

We use capital to provide funding to your business in the form of:

LOAN FUNDING

Interest payments

Capital repayments
(loans are eventually repaid in full)

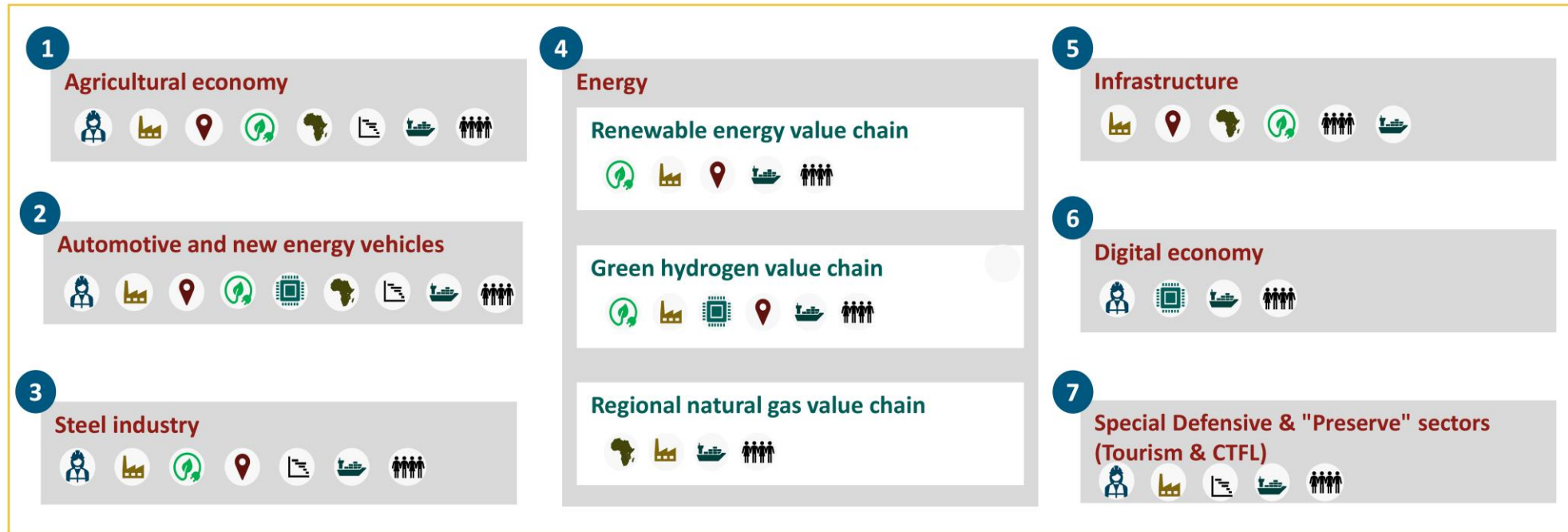
EQUITY FUNDING

Dividend receipts

Capital growth and realisation



Value chains



Sectors

We provide funding across a number of pivotal industry sectors. These include:

Agro-Processing
& Agriculture



Automotive and
Transport Equipment



Chemicals, Medical &
Industrial Products



Energy



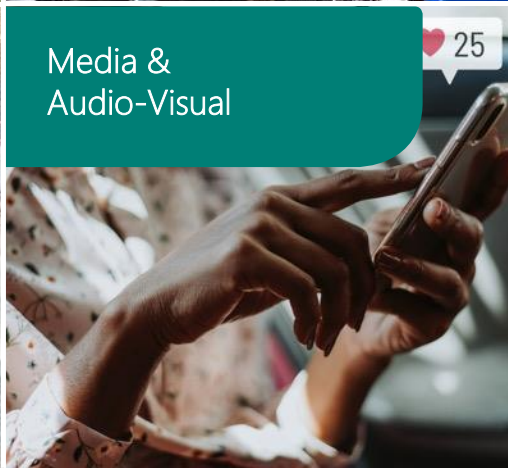
Infrastructure



Machinery, Equipment
& Electronics



Media &
Audio-Visual



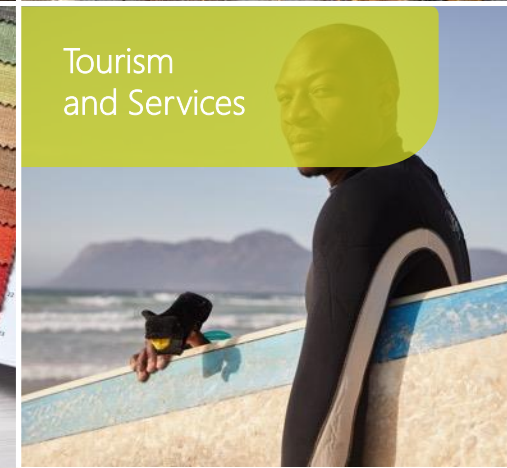
Mining
and Metals



Textiles and
Wood Products



Tourism
and Services



Small Business Finance & Regions





How to apply?

1 **Make an appointment.** Call or email the IDC office for an appointment to discuss your funding need. Applications can also be done online on www.idc.co.za.

2 **Information required existing businesses.** Business plan with 5-year financial forecast, **two years annual financial statements, latest management accounts**, any customer contracts, any other key contracts, key business relationships, quotations for capex, facilities with other shareholders, statutory and identity documents.

3 **Information required start-ups.** Business plan with 5-year forecast, relevant market information and technical information, **any off-take agreements or verifiable letters of intent**, key business relationships, quotations for capex, statutory and identity documents.

OTHER REQUIREMENTS

SECURITY

The form and nature of which will relate to your specific circumstances

COMPLIANCE

With FICA, AML and national or international environmental standards

SHAREHOLDERS / OWNERS

Are expected to make some financial contribution - The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the Corporation will be prepared to extend finance in excess of the owner's contribution

SUSTAINABILITY

The project or business must exhibit economic merit in terms of profitability and sustainability

REFINANCE

We do not refinance fixed assets, since our aim is to expand the industrial base

BLACK ECONOMIC EMPOWERMENT

We also focus on broad-based and expansionary black economic empowerment and black industrialists





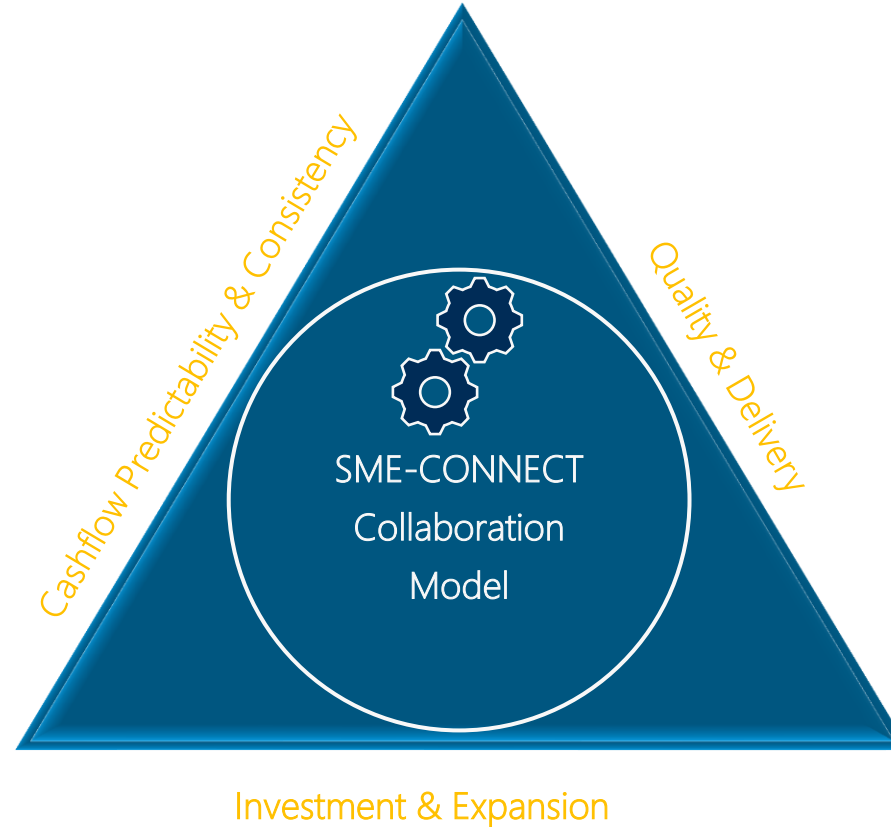
SME-CONNECT



Industrial Development Corporation

Access to Markets:

Collaborate with **influential firms and SOEs** to facilitate access to high buyer commitment markets to ensure cashflow predictability and consistency.




Access to Finance:

- Fund Management ability.
- Collaborate with **funders, financiers and ESD initiatives** to deliver appropriate and timely finance aligned to the investment and expansion needs of SMEs.

Business Development Support:

- Compliance Support; and,
- Technical Support. Collaborate with **supporting technical institutions and experts** to provide focused business and technical support aimed at delivering customer value and building market share.





We consider ourselves a fundamental solution to driving economic development and look forward to working with you in growing our economy and developing Africa.





Thank you



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www.idc.co.za



End