

INDUSTRIALISATION STRATEGY CONSULTING SERVICES

1. INTRODUCTION AND BACKGROUND

NTCSA is a subsidiary of Eskom whose primary responsibility is generating approximately 90% of the electricity used in South Africa and approximately 30% of the electricity generated on the African continent. NTCSA provides a reliable and efficient transmission network, system operator and energy market services in South Africa and designated electricity markets.

NTCSA's strategic role remains to enable economic growth by providing a reliable and predictable electricity supply in an efficient and sustainable manner. It also contributes to job creation, skills development, transformation through broad-based black economic empowerment, in support of the National Development Plan (NDP) and other country initiatives. This is in line with SDL&I's key objective that is to create an enabling environment for Industrialisation and transformation that must materialise through NTCSA's procurement spend that support the NTCSA's business objectives.

Through industrialisation, NTCSA aims to strengthen the transmission network, support local economies, and promote sustainable energy practices. This will be achieved by focusing on innovation, local manufacturing, and workforce development. NTCSA can therefore play a pivotal role in South Africa's energy future while driving economic growth and local collaboration.

2. MANDATE

To implement the NTCSA Industrialisation Strategy (2024/25 – 2034/35), focusing on enhancing infrastructure, fostering innovation, and promoting sustainable practices. The implementation of the strategy will guide the NTCSA in becoming a leader in sustainable energy transmission, driving economic growth and further industrialisation in South Africa through innovative technologies and strategic partnerships.

3. PROBLEM STATEMENT

NTCSA's industrialisation strategy is crafted at a time when there are many challenges in the electricity sector in South Africa. These challenges include lack of capacity by local suppliers to scale their operations to meet NTCSA's demands, and the pricing and quality of local supplies. The South African government is on a drive to promote Industrialisation within the country with the objective of stimulating local economic growth thereby reducing unemployment and poverty. NTCSA is currently on an expansion program in terms of the Transmission Development Plan for the next ten years and play the vital role in the Industrialisation drive within the country. A strategy has been developed by NTCSA that supports the Industrialisation drive. The strategy identifies the plan that needs to be rolled out in the next ten years that supports not only the government socio economic initiatives, but ensures a local supplier base that enables NTCSA to achieve its objectives through the TDP.

4. OBJECTIVES

Appointment of a qualified and well experienced Industrialisation *Consultant* to:

- Execute and complete Stage 1 - Initial Phase of the Industrialisation Strategy by the end of FY27 (March 2027).

- Execute and complete Stage 2 – Execution Phase of the Industrialisation Strategy by the end of FY28 (March 2028).

5. MINIMUM REQUIREMENTS

Company experience:

- More than 2 years' experience in Industrialisation Consultancy.
- Industrialisation Strategy development and workshop facilitation.
- Track record working with large Corporates/Multinationals/SOEs.
- Track record working with Government Institutions and Legislative Bodies.
- Knowledge of Sector Development Plans.

6. STATEMENT OF WORK

The Consulting Firm need to have the necessary facilities, intellectual capability, technology, and embedded human capital to deliver against the objectives.

The *Consultant/s* performs the prime activities stated in Section 7.

The form of contract for the services is the NEC Professional Services contract with **option A as the Main Option**.

7. SCOPE OF SERVICES

This document defines the scope of *services* required from the *Consultant* to perform a variety of services which include the implementation of the NTCSA's Industrialisation Strategy.

Stage 1: Investigation

- Review Capabilities: Assess the potential of local suppliers to enter the industry.
- Identify Technology Needs: Determine the technological advancements required.
- Legislation Review: Examine supportive industry legislation.
- Stakeholder Engagement: Collaborate with relevant stakeholders to set objectives and timelines.

Stage 2: Execution

- Infrastructure Implementation: Establish necessary infrastructure, including funding, legislation, and technology, to support Industrialisation.
- Economic Active Zone: Develop zones that encourage economic activity.
- Manufacturing Plant Set-up: Establish manufacturing facilities.

Adhoc activities

- Set-up NTCSA Commodity Sub-committees and Workgroups
- Economic Analysis in respect of the Transmission Development Plan (TDP)
- Ad-hoc duties relating to Industrialisation

8. EMPLOYER'S OBJECTIVE

The *Employer's* objective is to contract the *services* of a suitably qualified consulting firm/s for the implementation of the Industrialisation Strategy with specific knowledge of:

B-BBEE compliance and sector codes;

Skills and experience in Supplier Development, Localisation & Industrialisation;

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Knowledge of State-Owned procurement processes and relevant legislation regarding industrialisation;
Delegations of Authority;
National Treasury Regulations on Procurement; and
Management of procurement activities in a project environment, project procurement management.

The purpose of the contract will be for the *Consultant* to fully own and drive implementation of Industrialisation Strategies aimed at NCTSA achieving its socio-economic objectives. The *Consultant* would be expected to provide specialist resources and tools to help drive certain initiatives in the Supplier Development, Localisation & Industrialisation space.

The firm needs to have the necessary facilities, intellectual capability, and embedded human capital to deliver against the objectives.

9. APPLICABLE DOCUMENTS

Applicable documents form an integral part of this document unless specifically otherwise stated.

9.1. Legislative Environment

The *Consultant* shall ensure personnel employed on this contract apply the most recent edition of the documents listed in the following paragraphs:

9.2. Normative

1. Public Finance Management Act 1 of 1999;
2. The Preferential Procurement Policy Framework Act 5 of 2000;
3. 240-62072907 The Eskom Delegation of Authority Policy;
4. The Broad-Based Black Economic Empowerment Act 53 of 2003, including the Broad-Based Black Economic Empowerment Regulations, 2016;
5. Preferential Procurement Regulations 2017;
6. National Treasury Regulations (to the extent as indicated in the regulations);
7. National Treasury Standard for Infrastructure Procurement and Delivery Management (NT prescription for Infrastructure Procurement);
8. National Treasury Instruction Notes and Guidelines;
9. National Treasury Regulations (Contract Management Framework);
10. Promotion of Access to Information Act 2 of 2000 (PAIA);
11. The Protection of Personal Information Act 4, 2013 (POPIA);
12. The Electronic Communications and Transactions Act, 2002 (ECTA);
13. The Companies Act, 2008 and including the Companies Regulations, 2011;
14. 32-1033 Eskom Procurement and Supply Chain Management Policy;

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15. 32-173 Conflict of Interest Policy;
16. 32-527 The Eskom Code of Ethics Standard;
17. 32-1112 Eskom Disciplinary Code Standard;
18. 240-62196227 The Eskom Life Saving Rules;
19. 32-727 Safety, Health, Environment and Quality (SHE) Policy;
20. 32-136 Construction Safety, Health and Environmental Management Procedure;
21. 32-726 SHE Requirements for Eskom Commercial Process;
22. 240-105658000 Supplier Quality Management Specification (QM58);
23. 32-202 Periods for Retention of Accounting and Other Records;
24. 32-10954 Foreign Exchange and Commodity Exposures Policy;
25. 32-1096 Foreign Exchange and Commodity Procedure for Importation and Exportation of Goods and Services;
26. 240-81328492 Eskom Value Standardisation and Cataloguing Procedure;
27. 240- 82441069 Materials and Services Cataloguing Procedure;
28. 32-644 Eskom Documentation Management Standard;
29. 240-51017584 Group Commercial Documentation Management Procedure;
30. 240-20167556 Execution of Probity Checks within the Procurement and Supply Chain Environment;
31. 240-116154037 Eskom Policy for Infrastructure Procurement and Delivery Management (Policy on NT prescription for Infrastructure Procurement);
32. Prevention and Combating of Corrupt Activities Act 12 of 2004;
33. 32-224 Eskom Interconnected Power System Emergency Response Procedure;
34. National Treasury Instruction Number 02 of 2016/2017: Cost Containment Measures;
35. B-BBEE Codes of Good Practice of 2013;
36. 240-113650212 Eskom Supplier Integrity Pact.

9.3. Informative

1. 240-53717262 Governance Secretariat Management Procedure;
2. 240-53717264 Tender Office Standard;
3. Eskom's Integrity Pact with Suppliers;
4. ISO 9001 Quality Management Systems;
5. ISO 10845-1:2010 – Construction Procurement;
6. ISO 8000-110:2009 Data quality -- Part 110: Master data: Exchange of characteristic data;

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7. ISO 22745-11:2010 Industrial automation systems and integration -- Open technical dictionaries and their application to master data;
8. ISO 14001 (Environment);
9. OHSAS 18001 (Health and Safety) Standard;
10. The Constitution of the Republic of South Africa Act 108 of 1996;
11. National Treasury Regulations (to the extent as indicated in the regulations);
12. General Procurement Guidelines (National Treasury, 2003:1-8);
13. National Treasury Regulations (Contract Management Guide);
14. The Construction Industry Development Board Act 38 of 2000;
15. Construction Industry Development Board Regulations and Standard for Uniformity;
16. Promotion of Administrative Justice Act 3 of 2000 (PAJA);
17. King III Report on Corporate Governance;
18. King IV Report on Corporate Governance;
19. Eskom Materiality and Significance Framework;
20. 240- 82441069 Materials and Services Cataloguing Procedure 20 March 2018 Rev 4;
21. Eskom Corporate Plan;
22. 240-124481999 Group Procurement and Supply Chain Management Business Plan;
23. 240-52381465 Group Commercial Management System Manual;
24. 32-1111 Eskom Disciplinary Procedure;
25. Customs and Excise Act 91 of 1964;
26. 32-391 Integrated Risk Management Standard.

9.4. Standards, Guidelines, Regulations and Acts

Document Title	Document Number	Revision
[1] Eskom Procurement and Supply Chain Management Policy	32-1033	
[2] Eskom Procurement and Supply Chain Management Procedure 32-1034	32-1034	Rev 5 and revisions thereafter
[3] National Treasury Regulations and Instructions	Various	
[4] Public Finance Management Act,	1999	
[5] Eskom's Delegation of Authority Framework.	2022	
[6] Preferential Procurement Policy Framework Act	2000	

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Document Title	Document Number	Revision
[7] BBBEE Act and regulations	2003 and 2016 regulations	
[8] Code of Ethics Policy	32-527	
[9] Code of Ethics Procedure	32-757	
[10] Conflict of Interest Policy	32-173	
[11] Declaration of interest Procedure	32-225	

The above documents are the minimum standards, regulations, and acts that govern the procurement and supply chain management environment. The *Consultant/s*, in executing the duties prescribed in this scope of *services*, is required to comply with the requirements of these documents.

10. DELIVERABLES

The *Consultant* will be required to adhere to the agreed deliverables with the *Employer*. Key performance indicators / milestones will be implemented to track deliverables.

11. REVIEW AND ACCEPTANCE OF DELIVERABLES

Acceptance of Deliverables by the Employer will generally follow the process outlined in **Error! Reference source not found..**

Ref.*	Task	Responsibility
a.	<i>Consultant</i> Prepares Deliverable and submits to its lead team for review	<i>Consultant</i>
b.	Internal review	<i>Consultant</i>
c.	<i>Consultant</i> submits deliverable to the Employer's team (NTCSA P&SCM project lead) for review	<i>Employer</i>
d.	NTCSA P&SCM project lead and <i>Consultant</i> review comments from the <i>Employer</i>	<i>Employer/ Consultant</i>
e.	Review Meeting	<i>Consultant and Employer</i>
f.	<i>Consultant</i> updates Deliverables report	<i>Consultant</i>
g.	Deliverable is issued to the <i>Employer</i> (NTCSA P&SCM project lead) for Acceptance	<i>Consultant</i>
h.	Report is submitted for Acceptance by the Chief Executive Officer	NTCSA P&SCM Project lead
i.	Report is presented to other NTCSA Structures.	NTCSA P&SCM Project lead supported by the <i>Consultant</i>

Table 1: Process for Review and Acceptance of Deliverables

* Refer paragraphs below.

- The *Consultant* prepares all Deliverables in accordance with his internal quality assurance procedures.
- The *Consultant* reviews all Deliverables in accordance with his internal quality assurance procedures. The reviewer is qualified in the process used to generate the Deliverable and is not the same individual who prepares the Deliverable, but may be from the same organisation. Reviewers have access to pertinent background information upon which they may base their review.
- The *Employer* reviews the Deliverables, using the requirements set in this document as a basis for review.
- The *Employer* forwards review comments to the *Consultant* within two (2) weeks after receipt of the Deliverables.
- The *Employer* and *Consultant* hold a review meeting to discuss and clarify the *Employer's* review comments. The *Consultant* minutes the changes to be incorporated as agreed between the Parties, as well as follow-up action.
- The *Consultant* updates/corrects the Deliverables as per the *Employer's* comments or as per the minutes of the review meeting.
- An authorized person within the *Consultant's* organization approves the revised Deliverables and submits the final deliverables to the NTCSA P&SCM project lead.

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- h. Deliverables are shared with the Chief Executive Officer for his acceptance.
- i. Report is presented to other NTCSA structures.

12. REVIEW MEETINGS

- a. The *Consultant* and the *Employer/End User* will review the Deliverables in meetings organised and scheduled by the *Employer/End User*.
- b. The *Consultant* ensures that all follow-up actions are carried out within the time stipulated.
- c. The *Employer/End User* may, in addition to the scheduled review meetings indicated, request additional reviews.
- d. The *Employer* may involve independent third parties in any of the review meetings.
- e. Review meeting may also include presentations to various NTCSA Structures. Where such is a requirement, the *Consultant* will prepare PowerPoint presentations in compliance with the requirements of those structures.

13. PROGRESS MEETINGS

The *Employer/End User* and the *Consultant* hold regular meetings to review the progress made with respect to project activities.

The *Consultant* agrees the frequency and venue of the progress meetings with the project lead from the NTCSA P&SCM team.

The *Consultant* agrees a schedule for the progress meetings with the project lead from the NTCSA P&SCM team.

The *Consultant* keeps minutes of these meetings.

Note: Minutes of meetings will not form any basis of variations or amendments to the contract. The Employer communicates contract variations or amendments formally and separately to the Consultant by means of compensation events.

14. RECEIVABLES

The *Employer* shall provide access to the *Employer's* premises and/or procurement sites where required. Everything provided by the *Employer* for the purpose of enabling the *Consultant* to carry out the services under this contract shall remain the property of the *Employer*.

The *Consultant* shall ensure all information stored on the laptops is not shared, removed, copied to environments external to the contract.

15. DOCUMENTS AND DRAWINGS

The *Consultant* is responsible for obtaining the documents referenced in section 6 and 7 of this document. The documents received from the *Employer* are for the sole use of the activities associated with this contract and shall not be transmitted or shared with others who are not part of the *Consultant's* team working under this contract.

16. INVOICING AND PAYMENT

All invoices shall be supported, where applicable, by a detailed breakdown of the manpower hours, and rates applicable. The Invoice shall be addressed to the Senior Manager: Procurement responsible for the service request.

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The *Consultant* shall address the tax invoice to NTCSA SOC Limited and include on it the following information:

- Name and address of the Consultant and the Senior Manager: Procurement;
- The contract number and title;
- The Purchase Order number
- *Contractor's* VAT registration number;
- The *Employer's* VAT registration number 4740101508;
- Total amount invoiced excluding VAT, the VAT and the invoiced amount including VAT.
- The invoice shall be submitted with the signed off breakdown on manpower costs (Proactive Assurance Work)

17. ABBREVIATIONS

Abbreviation	Explanation
NDP	National Development Plan
NTCSA	National Transmission Company South Africa
B-BBEE	Broad-Based Black Economic Empowerment
KPI's	Key Performance Indicators
SDL&I	Supplier Development, Localisation and Industrialisation
SOC	State Owned Company
TDP	Transmission Development Plan
SOE	State Owned Entity
NEC	New Engineering Contract

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Approved by:



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Date: 22/10/ 2025

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