

Annexure C

SPECIAL CONDITIONS

FOR THE PURCHASE, REMOVAL AND DISPOSAL OF FERROUS OR NON-FERROUS SCRAP METAL FROM TRANSNET SITES

1 SPECIAL CONDITIONS APPLICABLE TO THE FUTURE SALE OF SCRAP METAL BY TRANSNET

- 1.1 All transport companies, subcontractors and/or agents (collectively referred to as "authorised third parties") of a Contractor must be approved by Transnet prior to such authorised third parties being allowed access to Transnet sites and/or to remove materials from a Transnet site. All conditions, instructions, procedures applicable to the Contractor will apply equally to all authorised third parties.
- 1.2 The Contractor will be subject to an undertaking that under no circumstances will it accept any Transnet-related scrap from any other source except Transnet and such acceptance from Transnet shall be in accordance with the provisions of an awarded contract only.
- 1.3 Transnet sites are to be regarded as operational at all times. Working on these sites must be done within the required Transnet SHE Rules.
- 1.4 The Contractor must undertake to destruct from its original form and to granulate all ferrous or non-ferrous material collected from Transnet. Scrap bought from Transnet cannot be on-sold to another dealer without prior total destruction of the scrap material. Respondents are to confirm that they have the correct equipment to perform this operation and must submit a list of such equipment together with their Proposal.
- 1.5 The onus will be on Respondents who intend to export the scrap to establish from the Director General, Industries, Commerce and Tourism, Pretoria, prior to the submission of their RFP, whether or not an export permit will be granted for the scrap to be purchased against this RFP.
- 1.6 Under no circumstance will an exporter be permitted to export Transnet material in its original form. The Contractor will adhere at all times to Government policies and regulatory frameworks applicable for this type of material.

2 CONTRACTUAL SAFETY CLAUSES WHICH WILL FORM PART OF ANY RESULTING CONTRACT

The parties agree on the following arrangements according to clause 37 (2) of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) ("the Act") to ensure compliance with the mandatory provisions of the Act.

- 2.1 That the Contractor is an "employer" in its own right as defined in clause 1 of Act 85 of 1993 and that it must fulfil all its obligations as an employer in terms of the Act.
- 2.2 The Contractor shall comply with the requirements of Act 85 of 1993 in its entirety.
- 2.3 Where special permits are required, such as electrical switching, hot work permits, etc. the Contractor shall obtain them from a person designated by Transnet for this purpose, and all requirements of the Contractor must rigidly comply with such permits.
- 2.4 The Contractor shall conduct a risk assessment of the work to be performed by a competent person prior to the commencement of work, to identify risks and hazards that persons may be exposed to, and to analyse and evaluate such hazards so identified.
- 2.5 The Contractor shall have a documented Health and Safety Plan based on the risks and hazards identified before commencement of work.

- 2.6 The Health and Safety Plan shall include the following:
- (i) the safety management structure to be instituted with all appointments in terms of the Act and Regulations;
 - (ii) the safe working methods and procedures to be implemented to ensure work is performed in compliance to the Act;
 - (iii) the safety equipment, devices and clothing to be made available by the Contractor to its employees;
 - (iv) the site access control measures pertaining to health and safety to be implemented; and
 - (v) control measures for ensuring that the Health and Safety Plan is maintained and monitored for the duration of the contract.
- 2.7 The Contractor shall ensure that all work is performed under the close supervision of a person trained to understand the hazards associated with the work performed and who has authority to ensure that the necessary precautionary measures are implemented.
- 2.8 The Contractor must appoint a Health and Safety Coordinator to liaise with Transnet on matters pertaining to occupational health and safety.
- 2.9 The appointed Safety Coordinator must liaise at least once a week with Transnet's * Health and Safety Section / Risk Manager / Occupational Risk Manager.
- 2.10 The Contractor shall furnish Transnet's * Health and Safety Section / Risk Manager / Occupational Risk Manager immediately with full particulars of any sub-contractor which it may involve in the contract in order that the sub-contractor itself can be made aware of all the clauses in this contract pertaining to health and safety.
- 2.11 The Contractor shall stop any sub-contractor from executing work which is not in accordance with the Health and Safety Plan or which poses a threat to health and safety of persons.
- 2.12 The Contractor shall ensure that all its employees and visitors undergo health and safety induction pertaining to the hazards prevalent. Proof of such training must be kept on file.
- 2.13 In the event where the risk assessment reveals the risk relating to working from an elevated position the Contractor shall cause the designation of a competent person, responsible for the preparation of a Fall Protection Plan.
- 2.14 The Fall Protection Plan shall include:
- (i) a risk assessment of all work carried out from an elevated position;
 - (ii) procedures and methods to address all the identified risks per location;
 - (iii) evaluation of employees' physical and psychological fitness necessary to work at elevated position;
 - (iv) the training of employees working from an elevated position; and
 - (v) procedure addressing the inspection, testing and maintenance of all fall protection equipment.
- 2.15 The Contractor shall advise Transnet's * Health and Safety Section / Risk Manager / Occupational Risk Manager of any hazardous situations which may arise from work being performed either by the Contractor or its sub-contractor.
- 2.16 Copies of all appointments required by the act must be given to Transnet's * Health and Safety Section / Risk Manager / Occupational Risk Manager.
- 2.17 The Contractor shall ensure that a Health and Safety File is available which shall include all documentation as required by the Act, together with a copy of its and its sub-contractors Risk Assessment and Health and Safety Plan.
- 2.18 All incidents referred to in Section 24 of the Act, involving the Contractor and its sub-contractor on Transnet's premises, shall be reported as prescribed. Transnet SOC Limited hereby obtains an interest in the issue of any investigation and the formal inquiry conducted in terms of Section 31

and 32 of the Act into any incident involving the Contractor, or its sub-contractor, or any person or machinery under its control, on Transnet's premises.

- 2.19 No alcohol or any other intoxicating substance shall be allowed on Transnet's premises. The Contractor shall not allow anyone under or suspected to be under the influence of alcohol or any other intoxicating substance on Transnet's premises.
- 2.20 The Contractor must ensure its employees undergo medical surveillance as required by legislation.
- 2.21 The Contractor will be required to provide monthly safety performance reports and statistics.
- 2.22 A letter of good standing in terms of Section 80 (Employer to register with the Compensation Commissioner) of the Compensation for Occupational Injuries and Disease Act 1993 (Act 130 of 1993) must be furnished to Transnet.
- 2.23 All clauses in the contract pertaining health and safety will form an integral part of the contract and if not complied with may be construed as breach of contract.

*As applicable

3 ACCESS CONTROL CLAUSES PERTAINING TO TRANSNET PORT TERMINALS ("TPT")

- 3.1 In respect of security services provided on the property (Sites) of TPT that has been declared as National Key point by the Minister of Defence, the Contractor shall at all times comply and enforce the provisions of the National Key Points Act, 102 of 1980, and its directive, as well as the provisions of the Control of Access to Public Premises and Vehicles Act, 53 of 1985, as amended, and all other applicable legislation.
- 3.2 Where security services are provided on the property of TPT that has been declared as a port in terms of the National Ports Act, 12 of 2005, the Contractor shall at all times comply and enforce the provisions of the Port Rules as well as the provisions of the Merchant Shipping (Maritime Security) Regulations, 2004 or any legislation that may replace it.
- 3.3 The Contractor must ensure that no person shall, without the permission of the Authorised Officer, enter any premises or any vehicle in respect of which a directive has been issued by TPT in terms of subsection (2)(b) of the Control of Access to Public Premises and Vehicles Act, 53 of 1985, as amended.
- 3.4 For the purpose of the granting of that permission an Authorised Officer may require that the person concerned shall:
 - (i) furnish his name, address and any other relevant information required by the Authorised Officer;
 - (ii) produce proof of his identity to the satisfaction of the Authorised Officer;
 - (iii) declare whether he has a firearm or any potential dangerous object in his possession, custody or under his control;
 - (iv) declare what the contents are of any vehicle, suitcase, attaché case, bag, handbag, folder, envelope, parcel or container of any nature which he has in his possession or custody or under his control, and show those contents to the Authorised Officer;
 - (v) subject himself and anything which he has in his possession or custody or under his control to an examination by an electronic or other apparatus in order to determine the presence of any potential dangerous object; and
 - (vi) in the case of premises or a vehicle or a class of premises or vehicles determined by the Minister of Safety and Security by Gazette, be searched by an Authorised Officer.
- 3.5 Where an Authorised Officer grants permission in terms of this clause, he may do so subject to conditions regarding the carrying or displaying of proof that the necessary permission has been

granted to visit a specific person, office or area, the duration of his presence on or in the premises or vehicle, the escorting of the person concerned while he is on or in the premises or vehicle, and such other requirements as the Authorised Officer may consider necessary.

- 3.6 Subject to the provisions of the Trespass Act, 6 of 1959, an Authorised Officer shall at any time remove any person from any premises or vehicle if:
- (i) that person enters or enters upon the premises or vehicle concerned without the permission contemplated in this clause;
 - (ii) that person refuses or fails to observe a condition contemplated in this clause; or
 - (iii) the Authorised Officer considers it necessary for the safeguarding of the premises or vehicle concerned or the contents thereof or for the protection of the people therein or thereon.
- 3.7 The search of a female shall only be carried out by a female security officer in private, and should at all times be done in a courteous and dignified manner.

Respondent's Signature

Date and Company Stamp

Annexure A

REQUEST FOR INFORMATION

**GUIDELINES FOR COMPLETION OF THE
SUPPLIER DEVELOPMENT BID DOCUMENT**

"Preview Copy Only"

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Note

For the purposes of this document, any reference to a/the "**Service Provider**" shall be construed to mean a reference to a Respondent (in terms of this RFP) and/or to a successful Respondent (to whom the business is to be awarded), as so indicated by the context hereinafter.

1 What is Supplier Development?

The Supplier Development (**SD**) Programme is an initiative of the Department of Public Enterprises (**DPE**) supported by Transnet. The aim of SD is to increase the competitiveness, capability and capacity of the South African supply base where there are comparative advantages and potential for local or regional supply. This can be achieved through skills transfer, , as well as building new capability and capacity in the South African supply base. In addition, SD has its roots grounded firmly around the transformation of South Africa and the empowerment of previously disadvantaged individuals and enterprises.

2 Background and Guidance on the Supplier Development Objectives for South Africa

As a developing economy with inherent structural and social imbalances, South Africa is facing the significant economic challenge of increasing growth in a manner that includes all South Africans. The historical lack of investment in infrastructure in South Africa has negatively impacted on local industry, resulting in a loss of key skills and a decrease in manufacturing industry capabilities. To respond to this, Government policies have been designed to address these imbalances and to act as a catalyst of change for the benefit of South Africa.

One of these Government policies, the New Growth Path (**NGP**) aims to enhance growth, employment creation and equity by reducing the dependencies of South African industries on imports, and promoting the development of skills and capabilities that are in short supply within the country. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner and promotes the development of new industry to attain South Africa's developmental agenda.

Transnet's SD effort is closely aligned to the NGP objectives and as a result we are able to fulfil our commitment to sustainability within South Africa whilst at the same time addressing other corporate objectives including increasing productivity and efficiency, volume growth, capital investment, financial stability, funding, human capital, SHEQ regulatory compliance and improving customer service.

The combined objectives of Transnet and Government will be realised through:

- aggressively implementing capital investment plans which will result in competitive local industries;
- improving operational efficiency;
- using procurement to influence the development of the local supplier industry; and
- ensuring it creates sufficient economic opportunities for the participation of previously disadvantaged groups.

This will lead to Transnet achieving its long-term objective of increasing both shareholder and societal value using its procurement expenditure to ensure local development through the sustainable growth of capability and capacity in South Africa's supply chain and the inclusion of the previously disadvantaged individuals in the economy in a manner that is beneficial to Transnet, South African industry and the people of South Africa. As a result this State Owned Company (**SOC**) is able to fulfil its responsibility as the biggest link in the South African freight logistics chain whilst complementing the objectives of Government.

3 Transnet’s Supplier Development Objectives and Framework

To aid its implementation of SD, Transnet has adapted an existing framework from the DPE. This framework allows for a basic set of principles to be applied to appropriately target SD initiatives. Supplier Development initiatives aim to assist local suppliers in developing their competitive advantage through increasing their capability and capacity potential. Hence the framework has been termed the Increased Competitiveness, Capability and Capacity (IC³) Supplier Development Classification Matrix.

This framework encapsulates the types of SD opportunities which Transnet currently considers effective and allows Transnet to move its SD structure away from a dynamic policy environment towards a framework that is designed around general Supplier Development objectives. This enables Transnet to adopt a standard structure but also allows the flexibility to reconsider emphasis on certain aspects as objectives change. The IC³ Matrix (refer to Figure 1 below) categorises SD opportunities in a matrix based on their value, extent of industrial leverage and strategic importance to Transnet. Further categorisation of opportunities into the relevant quadrants is based on supplier-buyer power, industrial complexity, risk and the length of procurement period.

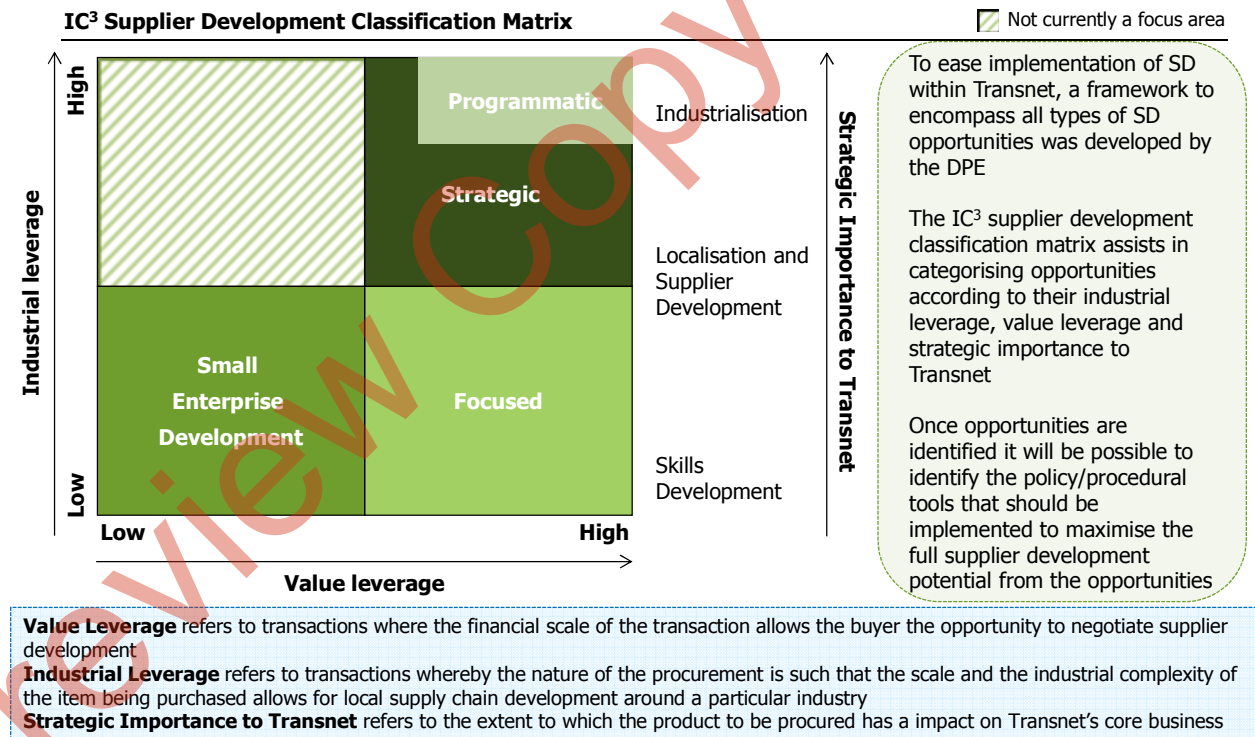


Figure 1: The IC³ Supplier Development Classification Matrix

In order for Service Providers to successfully meet the needs of a particular initiative, a detailed understanding of each quadrant is required.

3.1 Programmatic

Programmatic initiatives follow a longer than normal planning horizon and generally exceed the funding capacity of Transnet’s balance sheet. Collaboration between the SOC and Government is achieved through focused task teams whereby infrastructure development and industrialisation is achieved through joint support and in some cases public spending. Investment is focused in plant,

technology and skills in both intermediate and advanced capabilities to develop competitive advantage.

3.2 **Strategic**

Strategic initiatives follow a three to five year planning horizon, involving investment in at least plant, technology and/or skills in intermediate capabilities. This enforces the need for multinational corporations and Original Equipment Manufacturers (**OEMs**) to develop a certain percentage of their products locally. Strategic initiatives can therefore be used to achieve Transnet's objectives by increasing the competitiveness, capability and efficiency of local suppliers. Strategic initiatives can sometimes focus on advanced capabilities but will in most cases require Government support to develop local capability.

3.3 **Focused**

Focused initiatives include all high value transactions with limited industrial leverage and medium to low strategic importance. These initiatives address short to medium-term contracts that can be leveraged to encourage Supplier Development, with a focus on investment in technology or skills to enhance existing local capability. Emphasis will largely be placed on benefiting previously disadvantaged individuals. The overall result improves the socio-economic environment by creating competitive local suppliers and furthers objectives of empowerment, transformation and regional development.

3.4 **Small Enterprise Development**

Small Enterprise Development initiatives are typically of low value and have no industrial leverage as they are characterised by typically low complexity goods and high competition. These initiatives concentrate on increasing the capability of small local suppliers and are targeted toward historically disadvantaged individuals and communities, providing basic skills development and improving local employment and quality job creation. It includes a wide range of non-financial services that help entrepreneurs start new business and grow existing ones.

4 **Response based on the IC³ Matrix Quadrants**

Based on the supplier-buyer power, industrial complexity, risk and the length of procurement period, the Service Provider is expected to formulate a SD Bid Document to identify the opportunities that it will pursue. Ideally the SD Bid Document should address factors that are specific to the applicable quadrant of the IC³ matrix.

Transnet has identified a number of opportunities which may aid a Service Provider in formulating its response based on each quadrant. Each of the opportunities identified by the Service Provider should have a direct or indirect effect on the value it creates for the country in order to maximise the socio-economic impact.

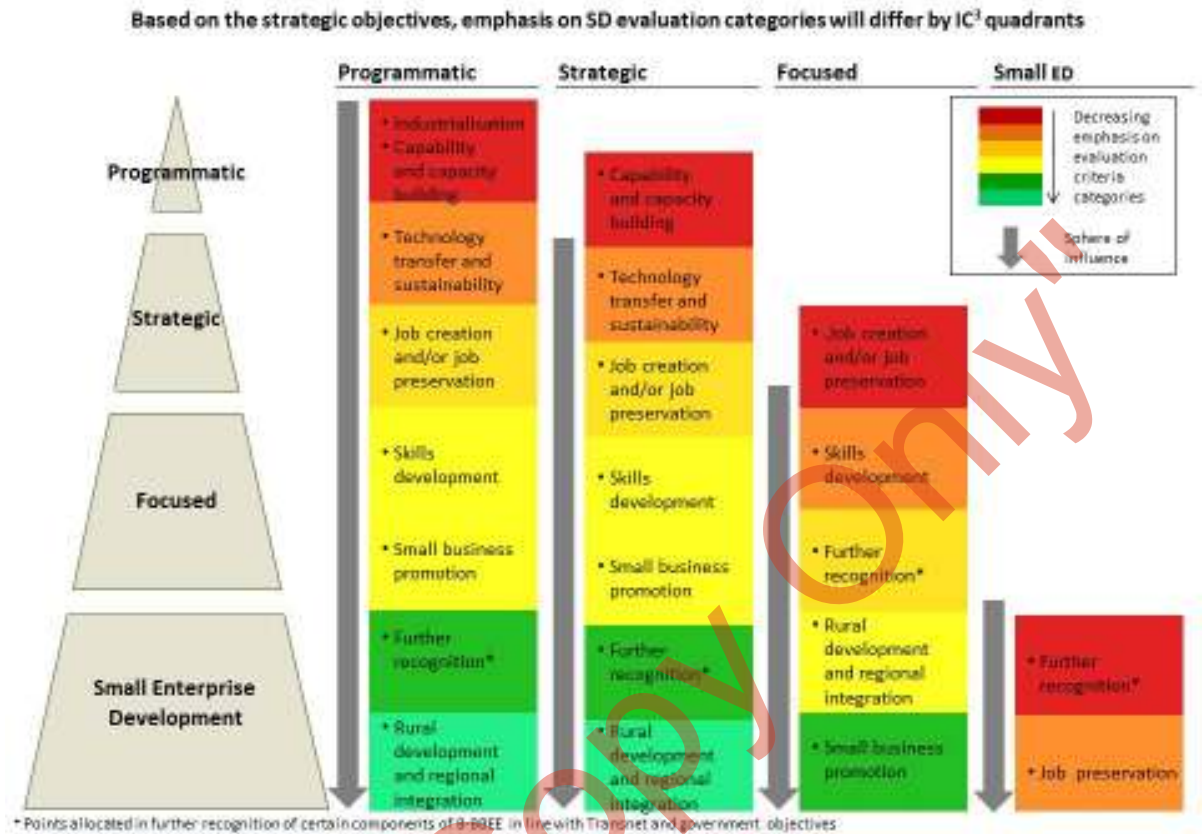


Figure 2: Transnet value capture through supplier influence

4.1 Programmatic

The strategic objective of “Programmatic transactions” is to assist Government to achieve its industrialisation objectives through the development of the local supplier base, in order to increase the cost efficiency of SOC procurement, support and maintenance programmes. In order to satisfy this objective a number of focus areas and key outcomes have been identified:

a) Programmatic Focus Areas -

- Industrialisation
- Capability and capacity building in South Africa
- Technology transfer
- Skills development related to the manufacturing process and the industry
- Development of new technology and innovation
- Investment in plant
- Development of local companies aligned to empowerment objectives

b) Key Outcomes -

- Industrialisation
- Manufacturing capability and capacity building
- Technology transfer
- Skills development

4.2 **Strategic**

The main objective of Strategic transactions is to leverage local downstream suppliers through large-scale SOC procurement in order to develop a competitive local supplier base. In response to these objectives the following are the specific focus areas and key outcomes applicable:

- a) Strategic Focus Areas -
 - Capability and capacity building in South Africa
 - Transfer of technology and innovation to local suppliers from foreign OEM's
 - Skills development related to the industry
 - Development of local companies aligned to empowerment objectives
- b) Key Outcomes -
 - Increased S.A. manufacturing capability and capacity
 - Increased technology transfer
 - Skills development
 - Job creation/preservation

4.3 **Focused**

Focused initiatives assist local suppliers to improve their performance, enhance their existing production and skills capabilities with emphasis being placed on benefiting previously disadvantaged individuals and rural development. In order to satisfy these objectives a number of focus areas and key outcomes have been identified:

- a) Focused Focus Areas -
 - Developing a local supplier base that supports preferential procurement outcomes
 - Developing skills within the specific industry
 - Creating opportunity for job preservation
 - Reducing income inequality in specific regions
- b) Key Outcomes -
 - Empowerment
 - Skills development
 - Rural development
 - Job creation/preservation

4.4 **Small Business Development**

Enterprise Development (**ED**) objectives are centred around assisting local suppliers to improve their skills by placing increased emphasis on benefiting previously disadvantaged individuals and rural development in line with the Broad-Based Black Economic Empowerment (B-BBEE) strategy. The following focus areas and key outcomes have been identified:

- a) Small Business Development Focus Areas -
 - Providing small businesses with opportunities and preferential trading terms, increased focus on Black woman-owned enterprises, focus on the youth, people with disabilities and region-specific initiatives

- Empowering previously disadvantaged individuals to create their own businesses resulting in quality job creation
- b) Key Outcomes -
- Empowerment
 - Rural development
 - Skills development
 - Job creation/preservation

Based on these focus areas and key outcomes, a Service Provider would need to actively focus on the quadrant-specific requirements in order to maximise the potential commercial benefit for Transnet, South Africa and themselves. In doing so value can be created across all lines of reporting resulting in continued relations.

5 Supplier Development Category Definitions and High Level Descriptions

5.1 Industrialisation

Industrialisation refers specifically to industrial development that will result in globally leading capabilities within South Africa.

Criteria	Description
➤ Value of investment in plant	➤ Quantification of the monetary value invested in machinery, equipment and/or buildings as a result of this RFP
➤ Percentage of the investment of plant purchased in South Africa	➤ Percentage value invested in machinery, equipment and/or buildings that are sourced from local companies
➤ Reduction in import leakage	➤ A percentage indication of the increase in locally supplied products and therefore the resultant decrease in imports as a result of the award of a contract
➤ Potential increase in export content	➤ The percentage increase in exports that will result from increased industrial capability locally in relation to the award of a contract

5.2 South African Capability and Capacity Building

South African capability and capacity building refers specifically to industrial development that focuses on value-added activities for the local industry through manufacturing or service-related functions.

Criteria	Description
➤ Value-added manufacturing activity/activities to be undertaken in South Africa	➤ Description of value-added activities to be performed during the contract period in South Africa
➤ Service-related functions to be undertaken in South Africa	➤ Description of service-related functions to be performed during the contract period in South Africa
➤ Number of local suppliers in the supply chain	➤ Number of South African suppliers that are to be utilised in the fulfilment of a contract

5.3 Technology transfer/sustainability

Technology improvements are intangible assets with significant economic value. The Service Provider will be measured on its plan to transfer knowledge and IP to contribute towards capability building of the local supply base, which ultimately leads to improved efficiency and capability. Plans to assist in this by a Service Provider must be assessed to enable the local supply base to potentially export its newly-acquired technological know-how, thereby decreasing capital leakage.

Criteria	Description
Technology transfer including: <ul style="list-style-type: none"> ➤ Methods of manufacturing ➤ Introduction of new technologies ➤ IP transfer (number and value) 	<ul style="list-style-type: none"> ➤ Introduction of a new/improved method of manufacturing ➤ Provision of new technologies: <ul style="list-style-type: none"> ○ For processes ○ ICT ➤ The provision of patents, trademarks and copyrights
<ul style="list-style-type: none"> ➤ Number of local suppliers to be evaluated for integration into the OEM supply chain 	<ul style="list-style-type: none"> ➤ An indication of the number of South African suppliers that an OEM/Service Provider plans to evaluate for possible inclusion into its supply chain, should it meet the requirements

5.4 Skills development

Skills development indicates the company's commitment to education and whether that fits in with targeted groups (artisans, technicians, etc.). Consideration needs to be directed towards the adequate quality and value of skills so developed in order to allow for better evaluation in line with Government's objectives.

Criteria	Description
<ul style="list-style-type: none"> ➤ Number of downstream supply chain individuals to be trained including: <ul style="list-style-type: none"> • Number of artisans trained • Number of technicians trained • Number of black people trained • Total number of people trained 	<ul style="list-style-type: none"> ➤ Number of individuals that the Service Provider plans to train in the local industry over the contract period; training undertaken in the previous year will be taken into account ➤
<ul style="list-style-type: none"> ➤ Number of company employees to be trained 	<ul style="list-style-type: none"> ➤ Number of individuals within the company (in South Africa) that the Service Provider plans to train over the contract period; training undertaken in the previous year will not be taken into account as past employee training appears in the skills development pillar of the B-BBEE scorecard; criteria broken down as for industry training above
<ul style="list-style-type: none"> ➤ Certified training (yes/ no) 	<ul style="list-style-type: none"> ➤ Compliance with local and/or international skills accreditation

Criteria	Description
➤ Rand value spent on training	➤ Total planned monetary value spend (as a % of contract value) on skills development /training for the contract period within the industry; money spent in the previous year will be included in year 1 to make allowance for Service Providers who have just completed a training drive within the industry
➤ Number of bursaries/ scholarships (specify field of study)	➤ The number of higher education bursaries/scholarships provided in the previous year and planned for the length of the contract
➤ Number of apprentices (sector must be specified)	➤ The number of apprentices that the Service Provider plans to enlist during the course of the contract
➤ Investment in Schools in specific sectors e.g. engineering	➤ The monetary value that the Service Provider is prepared to invest in the development and running of schools to increase technical skills development

5.5 Job creation/preservation

Job creation and/or preservation allows assessment of Government's objectives to increase labour absorption, focusing on unskilled workers and the youth.

Criteria	Description
➤ Number of jobs preserved	➤ Number of jobs which would be preserved through Award of Contract
➤ Number of jobs created including: <ul style="list-style-type: none"> • New skilled jobs created • New unskilled jobs created 	➤ Number of jobs to be created during the period of the contract <ul style="list-style-type: none"> • Jobs for people in a specialised field of work requiring a defined training path and / or requisite level of experience in order for them to perform that role. These people could be in possession of a certificate, diploma or degree from a higher education institution. • Jobs for people where the field of work does not require extensive formal training or from whom no minimum level of education is required
➤ Number of jobs created for youth	➤ Jobs created for individuals aged 16 – 30 years
➤ Number of jobs created for Black youth	➤ Jobs created for Black individuals aged 16 – 30 years

5.6 Small business promotion

Small business promotion criteria give an indication of the Service Provider's commitment to developing small business in line with NGP and B-BBEE requirements.

Criteria	Description
<ul style="list-style-type: none"> ➤ Percentage procurement from: <ul style="list-style-type: none"> • QSEs • EMEs • Start-ups 	<ul style="list-style-type: none"> ➤ Refers to the planned procurement from small business as a % of the total planned procurement spend
<ul style="list-style-type: none"> ➤ Non-financial support provided to small business 	<ul style="list-style-type: none"> ➤ Service Providers will be credited for each non-financial ED support that they are planning to give to small business e.g. Professional support; employee time allocated to assisting small business
<ul style="list-style-type: none"> ➤ Financial support provided to small business 	<ul style="list-style-type: none"> ➤ Service Providers will be credited for each financial ED support initiative that they are planning to undertake during the contract period e.g. Shorter payment terms; interest free loans
<ul style="list-style-type: none"> ➤ Joint ED initiatives with Transnet 	<ul style="list-style-type: none"> ➤ The number of ED initiatives that the Service Provider will jointly run with Transnet: <ul style="list-style-type: none"> • That are aligned to Transnet's objectives • That are non-financial in nature

5.7 Rural development/integration

Rural development / integration indicates the Service Provider's planned use of local labour and business which will contribute to Governments NGP objectives and result in supply chain efficiencies. Commitment to rural development will result in the alleviation of poverty and thereby contribute to development objectives. The development must be sustainable in order to have a long-term and meaningful impact.

Criteria	Description
<ul style="list-style-type: none"> ➤ Number of local employees 	<ul style="list-style-type: none"> ➤ Number of people employed from within the town/city of operation
<ul style="list-style-type: none"> ➤ Value spent on local business 	<ul style="list-style-type: none"> ➤ Monetary value spent on businesses within the town/city of operation
<ul style="list-style-type: none"> ➤ Proximity of business to operations 	<ul style="list-style-type: none"> ➤ The locality of the business in relation to operations, preference is given for regional (provincial) locality
<ul style="list-style-type: none"> ➤ Number of rural businesses to be developed 	<ul style="list-style-type: none"> ➤ The number of rural businesses that the Service Provider plans to develop as a result of the contract
<ul style="list-style-type: none"> ➤ Value of development to local community (sustainable) 	<ul style="list-style-type: none"> ➤ The monetary value spent on rural community development that will result in long-term social improvements

6 Market Intelligence Assistance

Service Providers with limited knowledge of the local market, supply base and its capabilities may require assistance in identifying local suppliers and the development needs in order to develop its SD Bid

Document. The United Nations Industrial Development Organisation (UNIDO) supplies a benchmarking service in South Africa which will be able to assist Service Providers in identifying potential local suppliers with which to work. In addition, this service will provide insight as to the type of support that these local suppliers require in order to become more competitive. UNIDO's benchmarking tool gives insight into the performance levels being seen in Service Providers' businesses and the practices used to deliver the products or services being offered. The benchmarking tool focuses on:

- 6.1 Performance data relating to -
 - a) Financial performance
 - b) Customer data
 - c) Processes
 - d) Learning & growth
- 6.2 Company's current business situation -
 - a) Plans for the business and capabilities to manage their fulfilment
 - b) Ability to generate business
 - c) Employee relationships
 - d) Developing new markets
 - e) Developing products and services
 - f) Managing money

The UNIDO benchmarking tool provides a basic framework through which an understanding of the South African market can be established. Whilst the list of criteria may not be exhaustive, Service Providers are free to meet with UNIDO to further understand how they can work together to develop a deeper understanding of the market and the SD opportunities available.

7 Government Policy Documents

- NIPP http://www.thedti.gov.za/industrial_development/nipp.jsp
IPAP2 <http://www.thedti.gov.za/DownloadFileAction?id=561>
CSDP <http://www.dpe.gov.za/res/transnetCSDP1.pdf>
NGP <http://www.thepresidency.gov.za/pebble.asp?relid=2323>

8 Other Reference Websites

References	Website
Department of Public Enterprise (DPE)	www.dpe.gov.za
United Nations Industrial Development Organisation (UNIDO)	www.unido.org/spx

GLOSSARY OF WORDS

Broad-Based Black Economic Empowerment (B-BBEE)	A South African legal requirement that require all entities operating in the South African economy to contribute to empowerment and transformation
Enterprise Development (ED)	An element contained within the B-BBEE scorecard whereby a Measured Entity can receive recognition for any Qualifying Enterprise Development Contributions towards Exempted Micro-Enterprises or Qualifying Small Enterprises which are 50% black owned or 30% black woman owned. Enterprise Development Contributions consists of monetary and non-monetary, recoverable and non-recoverable contributions actually initiated in favour of a beneficiary entity by a measured entity with the specific objective of assisting or accelerating the development, sustainability and ultimate financial independence of the beneficiary. This is commonly accomplished through the expansion of a beneficiaries financial and/ or operation capacity.
Industrial Policy Action Plan II (IPAPII)	The implementation plan for the National Industrial Policy Framework (NIPF) which details key action plans (KAPs) and timeframes for the implementation of industrial policy actions in line with the NIPF.
Integrated Supply Chain Management (iSCM)	Refers to an integrated "one supply chain management" strategy within Transnet which has been developed with Centres of Excellence (COEs) with cross-functional teams comprising divisional and corporate task team members, to deliver value through improved efficiencies and compliance with the regulatory environment.
New Growth Path (NGP)	Developed by the Economic Development Department tabled in January 2010 frames a new approach to unlocking economic growth by knitting together the IPAP2 as well as policies and programmes in rural development, agriculture and, sciences & technology, education, skills development, labour, mining and beneficiation, tourism and social development with the aim to target limited capital and capacity at activities that maximise the creation of decent work opportunities. Key indicators include: Quality job creation, Youth employment, Labour intensive growth, and Equity.

Original Equipment Manufacturer (OEM)

Refers to a manufacturing company that owns the intellectual property rights and patents for the equipment it sells and services

Socio-economic Development

Refers to development which addresses social and economic aspects such as job creation, poverty reduction and increased national value add and which not only focuses on the business's financial bottom line.

State Owned Company (SOC)

Refers to Government-owned corporations. They are legal entities created, and owned, by Government to undertake commercial activities on behalf of an owner Government, and are usually considered to be an element or part of the state. They are established to operate on a commercial basis.

Supplier Development (SD)

Improving the socio-economic environment by creating competitive local suppliers via Enterprise Development, CSDP and other initiatives such as Preferential Procurement. This results in a supply base that can eventually be competitive to market its goods on the international market leading to increased exports.

United Nations Industrial Development Organisation (UNIDO)

A specialised agency of the United Nations. Its mandate is to promote and accelerate sustainable industrial development in developing countries and economies in transition, and work towards improving living conditions in the world's poorest countries by drawing on its combined global resources and expertise.

Annexure B
SUPPLIER DEVELOPMENT VALUE COMMITMENT

Respondents to this RFI need not complete this Annexure B which is appended for guidance and information only.

When an RFP is issued to award business this Annexure B becomes a Returnable Document and the following instructions for completion will be included:

"Respondents must complete this Annexure B which summarises your Supplier Development (SD) Bid Document and your related commitments.

For the purposes of completing the SD Value Indicators, Respondents must calculate their SD commitments as a percentage (%) of their estimated total value of the contract over the Contract Period¹

Please insert the SD Value Indicators in the following table. Cross-reference, under the column heading "Respondent's SD Commitments," the Value Indicators quoted with the corresponding section in your SD Bid Document."

¹ "**Contract Period**" means a period of ----- years from the effective date of the contract

Supplier Development (SD) Category	Respondent’s SD Bid	Supplier Development Value Indicators		
		SD Value Measurement	Quantity	Estimated Rand Value (ZAR)
1. Technology and IPR transfers Technology and IPR transfers are intangible and/or tangible assets with significant economic value. Respondents will be measured on their plans to transfer knowledge, and/or capital assets, and/or Intellectual Property Rights to contribute to capability building of a regional supply base which would ultimately lead to improved capability, efficiency and regional capacity.	<i>[insert cross-references to SD Bid Document in this column]</i>	Certification of partner(s) qualified to provide Fleet Management Services Indicate <i>number</i> of such proposed service providers and estimated <i>Rand value</i> of this business over the Contract Period, subject to Award of Contract ²		
		Development, support and use of partners to provide other ancillary services (e.g. -----). Indicate <i>number</i> of proposed such service providers and estimated <i>Rand value</i> of this business over the Contract Period, subject to Award of Contract		
		<i>Rand value</i> of proposed capital asset / IPR transfers against Award of Contract		
		<i>Rand value</i> of other technology initiatives (to be further detailed in your SD Bid Document)		

² "Award of Contract" means Transnet's award of business to the successful Respondent(s) at Transnet's option

Supplier Development (SD) Category	Respondent's SD Bid	Supplier Development Value Indicators		
		SD Value Measurement	Quantity	Estimated Rand Value (ZAR)
<p>2. New skills development New skills development initiatives indicate your company's commitment to skills education, and how this would match with targeted groups. Consideration needs to be directed towards the adequate quality and value of proposed skills development to allow for better evaluation in line with Government objectives</p>	<p><i>[insert cross-references to SD Bid Document in this column]</i></p>	<p><i>Number and Rand value of artisans/technicians to be trained over the Contract Period</i></p>		
		<p><i>Number and Rand value of apprentices to be trained over the Contract Period</i></p>		
		<p><i>Number and Rand value of Blacks to be trained over the Contract Period</i></p>		
		<p>Is the level of the training offered above in compliance with the National Qualification Framework guidelines (NQF)? - <i>Yes/No (Please tick)</i></p>	<p>Yes</p>	<p>No</p>
		<p><i>Number and Rand value of higher education bursaries and/or scholarships to be offered by your company, if applicable (specify)</i></p>		
		<p><i>Rand value of other skills development initiatives (to be further detailed in your SD Bid Document)</i></p>		

Supplier Development (SD) Category	Respondent's SD Bid	Supplier Development Value Indicators		
		SD Value Measurement	Quantity	Estimated Rand Value (ZAR)
3. Job creation and/or job preservation The potential for job creation and/or job preservation, directly due to the award of this business, allows for assessment of your Company's intentions in terms of the Government's objective to increase labour absorption focusing on unskilled workers and the youth	<i>[insert cross-references to SD Bid Document in this column]</i>	<i>Number and Rand value of new skilled jobs to be created due to Award of Contract (where "skilled" refers to jobs for people in a specialised field of work requiring a defined training path and / or a requisite level of experience in order for them to perform that role. These people could be in possession of a certificate, diploma or degree from a Higher education institution)</i>		
		<i>Number and Rand value of new unskilled jobs to be created by Award of Contract (where "unskilled" refers to jobs for people where the field of work does not require extensive formal training or from whom no minimum level of education is required)</i>		
		<i>Number of jobs which would be preserved through Award of Contract</i>		
		<i>Number of jobs to be created for Black youth (where "youth" means individuals between the ages of 16 - 30 years), Black women and Blacks with disabilities through Award of Contract</i>		

Supplier Development (SD) Category		Respondent's SD Bid	Supplier Development Value Indicators		
			SD Value Measurement	Quantity	Estimated Rand Value (ZAR)
4. Small business promotion	These SD value measurements give an indication of your commitment to developing small businesses in line with the Government's New Growth Path (NGP) and B-BBEE requirements	[insert cross-references to SD Bid Document in this column]	% of your projected procurement spend from businesses with an annual turnover of less than R35 million (QSEs, EMEs and start-up companies)	%	
			% of the estimated contract value which would be subcontracted to EMEs, QSEs or start-up companies	%	
5. Rural integration and regional development	The Service Provider's planned use of regional labour and businesses will contribute to the Government's NGP objectives and result in supply chain efficiencies. Commitment to rural development will result in poverty alleviation, thereby contributing to development objectives. This development must be sustainable in order to have a long-term and meaningful impact.	[insert cross-references to SD Bid Document in this column]	Number of people employed from within the town/city of operation		
			Rand value spent on businesses within the town/city of operation		
			Number and Rand value of rural businesses that the Service Provider plans to develop as a result of the contract		
			Rand value of other initiatives (to be further detailed in your SD Bid Document)		

ESTIMATED RAND VALUE TOTAL OF SD COMMITMENT : ZAR	
SD COMMITMENT EXPRESSED AS PERCENTAGE OF ESTIMATED CONTRACT VALUE :	%

Respondent's Signature

Date & Company Stamp