|  |  |  |
| --- | --- | --- |
| **1. Transformation**  Bidder to state a *Transformation Commitment* position which is a brief outline (under sections 1.1, 1.2 and 1.3 hereunder) of how the bidder intends to support Republic of South Africa’s socio-economic national growth plans (“Developmental Agenda”), in the context of the ***potential*** contract award that ***may*** arise at the formal conclusion of this SAA tender process, with the implementation of such commitment commencing at least in first six (6) months of the first year of the official award. Where the tender does not stipulate transformation expectations by category of business (for example, specific bidder requirements for Large Enterprises / LEs, Exempt Micro Enterprises / EMEs or Qualifying Small Enterprises /QSEs), such requirements will apply similarly to LEs, QSEs and EMEs irrespective of the type or size of the bidding entity.  **NOTES:** The *Transformation Commitment* is an undertaking by a bidder whereby the bidder outlines their plans a future position on how they intend to improve or at the least maintain their current verified B-BBEE status. Therefore, the presence and scoring of the Transformation element (1.1, 1.2 and 1.3) **does not** substitute the standard **Price/BEE** evaluation criteria that apply to public sector procurement. The Price/BEE evaluation criteria is still applicable to this tender as it **only** evaluates and recognises a bidder’s **current** BEE status as substantiated by a valid BEE certificate, the latter presented at the time of bid. Upon making such commitment, a bidder’s Transformation Commitment, to be fulfilled in entirety at the half-way point of the term of the supply agreement between SAA and prospective supplier, will constitute a material part of the agreement to be concluded by the parties. **A minimum threshold of 50% must be met** for the Transformation Element (i.e. 1.1, 1.2 and 1.3). This means a bidder must obtain at least 10 percentage points of the TOTAL 20 percentage points allocated to the Transformation element. Failure to meet this minimum threshold will result in forfeiture of all the points earned by bidder on all the sub-elements (1.1, 1.2 and 1.3) of the Transformation Element. | **State Category of Business**  (e.g LE, EME, QSE): | |
| Transformation Target: **20%**  is TOTAL points allocated for the Transformation element (i.e. 1.1,1.2 and1.3) | |
| **1.1 Ownership** (informed by the amended Generic B-BBEE Codes of Good Practice)**:**  In view of the bidder’s current Black Ownership status as per the bidder’s B-BBEE certificate valid at the time of bidding for this tender: The bidder commits to improve the share of Black Ownership in the company’s Issued Share Capital. Such ownership is measured at the end of the second year of the total term of the envisaged SAA supply contract. This level of Black Ownership is to be expressed as a **percentage** on **any** of the Points or Options deemed at the bidder’s discretion to be applicable, on the scale hereunder. Such Black Ownership must reflect any of the categories of the “Designated” B-BBEE beneficiaries (e.g. *Designated B-BBEE beneficiaries =* ***Unemployed Black people*** *not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; Black people who are* ***Youth*** *as defined in the National Youth Commission Act of 1996; Black people who are* ***persons with disabilities*** *as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act;* ***Black people living in rural and under developed areas****;* ***Black military veterans*** *who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011) as per the scale shown hereunder:*  SCALE:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Options** | **Level of Black Ownership to be established in Bidding Entity** | **Points** | **Notes** | **\*Bidder’s Commitment (Please tick)** | | A | <5% | = 0 (zero) | *Bidder has discretion with regard to which Designated B-BBEE Beneficiary(ies) to include in their Ownership Scheme or Structure.* |  | | B | >6% <10% | = 2 |  | | C | >10% <20% | = 4 |  | | D | >20%<30% | = 6 |  | | E | >30% <50%  (Excluding Black Women Ownership – see Option “J” below) | = 8 |  | | F | >51% Black Ownership by 1 of any of the “Designated Beneficiaries” | = 10 |  | | G | >51% Black Ownership by 2 of any of the “Designated Beneficiaries” | = 12 |  | |  |  |  |  | | H | >51% Black Ownership by >3 of any of the “Designated Beneficiaries” | = 14 |  | | I | =100% Black Ownership by 1 of any of the “Designated Beneficiaries” | =14 |  | | J | >30% Black Women Ownership  (These level and type of ownership considered “majority” in terms of the B-BBEE codes) = 14 | =14 |  |  |   **Notes for 1.1:**   * The evidence of compliance to the Ownership Commitments required from the Bidder as per section 1.1 above should be in the form of the most recent B-BBEE Verification Audit Certificate (including the consolidated JV BEE certificate) and accompanying verification audit report outlining the extent and type of **direct** Black Ownership of the B-BBEE beneficiaries in the bidding entity. * A multinational business, which maintains its international headquarters outside the Republic of South Africa and is in terms of the amended B-BBEE Codes   exempted from selling equity from its foreign subsidiaries or branches, will be required to present official proof, in the form of a certificate from the Department of Trade & Industry (DTI), to SAA of an “Equity Equivalent Programme”, as outlined in the B-BBEE Codes. More information on this Programme can be obtained from DTI. Upon presentation of such proof, the total Transformation score to be used to measure the bidder will not take into account the 12% Ownership score.   * A Joint Venture (JV) bidding entity will refer to the main partner in such JV, i.e. the entity in the JV that is the largest source of supply of the commodity envisaged for supply to SAA. | **\*Target**  **14%**  Bidders to indicate level of preferred commitment **(Option)** by writing or typing such an option in **only** **ONE** row of the **“Bidder’s Commitment” column** in the adjacent table, for example, Option A <5% | |
|  |  |  |
| **1.2 Enterprise & Supplier Development (ESD)** (informed by the amended Generic B-BBEE Codes)**:**  Bidder commits to support the development of SMMEs EMEs and / or QSEs):   * + 1. SMME Development Support by **Large Enterprise** bidding entity:  1. Increase in number of Black owned SMME suppliers and of primary importance to the extent that such increase results in a higher / increased share of SMME suppliers of the bidder’s total measured annual procurement spend (number/rate of increase of SMME suppliers is of secondary importance) ***and*** bidder has at least (1) one SMME Enterprise Development (ED) Programme, for the Designated B-BBEE beneficiaries of their choice = 4 points. 2. Increase in number of Black Owned SMME suppliers and of primary importance to the extent that such increase results in a higher share of SMME suppliers of the bidder’s total measured annual procurement spend (number/ rate of increase of SMME suppliers is of secondary importance) = 2 points. 3. Bidder does not commit to 1.2.1(a) nor 1.2.1(b) = 0 (zero) points.    * 1. SMME Development Support by **QSE & EME** bidding entity: 4. Bidder commits to improve their own B-BBEE profile/ contribution (for example, enrolment of internships, job creation, supporting other SMMEs,) = 6 points. 5. Bidder does not commit to improve their own B-BBEE profile = 0 (zero) points.   **Notes for 1.2:**  Commitments made in 1.2.1 and 1.2.2 to have been achieved at the end of the first year of the envisaged supply contract with SAA and such commitments to be at least maintained, better still, improved towards the end date of the supply agreement at the time of bidder audit by SAA. | **Target**  **4%** | **Bidder’s Commitment to ESD:**  **=………%** |
| * 1. **Skills development (SD):**   1.3.1 Bidder commits to increase the number and resultant proportion (the latter for LEs and QSEs will be the annual “Leviable Amount” as defined in the amended Generic B-BBEE Codes) of employees and/or people from three of any of the Designated B-BBEE beneficiaries on the bidding entity’s Skills Development Programme\* = 2 points.  1.3.2 Bidder does not commit to increase the number and resultant proportion of employees and/or people participating in nor leviable amount arising from bidder’s Skills Development Programme = 0 (zero) points.  **Notes for (1.2.1, 1.2.2, 1.3.1 and 1.3.2 above):**  In addition to the requirements stated above, the submission of Proof of actual delivery of the commitments a bidding entity makes in 1.2.1, 1.2.2, 1.3.1 and 1.3.2 at bidding stage will be in manner required and at a time deemed appropriate by SAA during the implementation of the contract, i.e. post tender award. Such proof could be in the form of but is not limited to; Accredited B-BBEE Verification Agency’s annual verification audit report and accompanying B-BBEE certificate both valid at the time of award and issued at annual B-BBEE verification., Management Accounts duly signed by the bidding entity’s Chief Financial Officer, an affidavit by bidding entity duly signed by bidding entity’s Chief Executive Officer or Managing Director. | **Target**  **2%** | **Bidder Commitment to SD:**  **=……………%** |