

DRAFT NOT FOR SIGNATURE

**GUIDELINES FOR COMPLETION OF THE  
SUPPLIER DEVELOPMENT IMPLEMENTATION PLAN  
AND SKILLS TRANSFER PLAN**

**FOR**

**SUBMISSION TO**

**GAUTRAIN MANAGEMENT AGENCY**

**(“GMA”)**

*[Note: This Agreement is not for the purpose of SANAS verification and is entered solely for the purposes set out in this Service Agreement and the Supplier Development and Skills Transfer Agreement.]*

*[This Agreement is to be entered into by each Service Provider, being either a Large Enterprise or Qualifying Small Enterprise, appointed to the panel of service providers pursuant to the Tender GMA 003/16.]*

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## **1      WHAT IS SUPPLIER DEVELOPMENT?**

- 1.1     The Supplier Development (SD) Programme is supported by the Gauteng Management Agency (GMA) in alignment with an initiative of the Department of Trade and Industry in terms of the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on broad-based black economic empowerment as gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, or any Codes or legislation on Broad Based Black Economic Empowerment which replaces the B-BBEE Act.
- 1.2     The Supplier Development and Skills Transfer Agreement requires the completion, submission and agreement by QSEs and Generic Supplies/Service Providers of GMA of the following:
  - 1.2.1    Supplier Development Implementation Plan (which plan is attached to Annexure "A"), and the
  - 1.2.2    Skills Transfer Plan (which plan is attached to Annexure "C");
  - 1.2.3    In alignment with the Scope of Work as specified in Annexure "B" of the Supplier Development and Skills Transfer Agreement in accordance with the Service Agreement and all legislation referred to in item 1.1 of this document.
- 1.3     The aim of Supplier Development is to increase the competitiveness, capability and capacity of the GMA supply base where there are competitive 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 GMA supply base. In addition, Supplier Development has its roots grounded firmly around the transformation of South Africa and the empowerment of previously disadvantaged individuals and enterprises.
- 1.4     All principles under "General Principles" in terms of Enterprise and Supplier Development in the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on Broad-Based Black Economic Empowerment gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, or any codes of good practice or legislation on Broad Based Black Economic Empowerment which replaces the B-BBEE Act, apply in the design of both the Supplier Development Implementation Plan (Annexure "A") and the Skills Transfer Plan (Annexure "B") as well as all other principles as stated in this Guideline document.
- 1.5     Beneficiaries of Supplier Development and Enterprise Development included in the GMA RFQ and/or Service Agreements, and the subsequent Annexures "A" and "B" of the Supplier Development and Skills Transfer Agreement, should be empowering EMEs and QSEs which

are at least 51% black owned or at least 51% black women owned as stated in the Codes of Good Practice of the B-BBEE Act.

## **2 BACKGROUND AND GUIDANCE ON SUPPLIER DEVELOPMENT OBJECTIVES FOR SOUTH AFRICA**

- 2.1 As a developing economy with inherent structural and social imbalances, South Africa is facing the significant economic challenges 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.
- 2.2 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 industry 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 development agenda.
- 2.3 GMA's Supplier Development efforts are closely aligned with the Supplier Development efforts aligned to the NGP objectives and the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on broad-based black economic empowerment gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, 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.
- 2.4 The combined objectives of GMA and Government will be realised through:
  - 2.4.1 Using procurement to influence the development of the local supplier industry;
  - 2.4.2 Improving operational efficiency;
  - 2.4.3 Aggressively implementing capital investment plans which will result in competitive local industries;
  - 2.4.4 Ensuring that it creates economic opportunities for the participation of previously disadvantaged groups

2.5 This will lead to GMA achieving its long-term objective of increasing both economic 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 GMA, South Africa industry and the people of South Africa.

### **3 GMA'S SUPPLIER DEVELOPMENT OBJECTIVES AND FRAMEWORK**

3.1 To aid its implementation of Supplier Development, GMA has adopted an existing framework from the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on broad-based black economic empowerment gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, or any codes of good practice or legislation on Broad Based Black Economic Empowerment which replaces the B-BBEE Act.

3.1.1 This framework allows for a basic set of principles to be applied to appropriately target Supplier Development initiatives.

3.1.2 Supplier Development initiatives aim to assist local suppliers in developing their competitive advantage through increasing their capability and capacity potential.

3.1.3 Hence the guidelines in this document to aid Suppliers/Service Providers in completion of their Supplier Development Implementation Plan.

3.2 The guidelines in this document encapsulates the type of Supplier Development opportunities which GMA currently considers effective and allows GMA to move its Supplier Development structure away from a dynamic policy environment towards a framework that is designed around general Supplier Development objectives in terms of Statement 400 of the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on broad-based black economic empowerment gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, or any Codes of Good Practice in this context or amended legislation on Broad Based Black Economic Empowerment which replaces the B-BBEE Act.

3.3 This enables GMA to adopt a standard structure but also allows for the flexibility to reconsider emphasis on certain aspects as objectives change.

### **4 RESPONSE BASED ON THE GUIDELINES OF THE B-BBEE ACT RELATED TO THE ELEMENTS OF SUPPLIER DEVELOPMENT**

4.1 Based on the supplier-buyer power, industry complexity, risk and the length of procurement period, the Supplier/Service Provider is expected to formulate a Supplier Development

Implementation Plan to identify the opportunities that it will pursue. Ideally the Supplier Development Implementation Plan should address factors that are specific to the needs and guidelines of GMA.

- 4.2 GMA has identified a number of opportunities which may aid a Supplier/Service Provider in formulating its response. Each of the opportunities identified by the Supplier/Service Provider should have a direct or indirect effect on the value it creates for the country to maximise economic and social economic impact.

## 5 SUPPLIER DEVELOPMENT CATEGORY DEFINITIONS AND HIGH-LEVEL DESCRIPTIONS

- 5.1 All items highlighted below can be used in terms of the Supplier Development Implementation Plan (Annexure "A" of the Supplier Development and Skills Transfer Agreement) in alignment with the Broad Based Black Economic Empowerment Act 53 of 2003 as amended and the Codes of Good Practice on broad-based black economic empowerment gazetted by the Department of Trade and Industry in terms of the B-BBEE Act, or any Codes of Good Practice in this context or amended legislation on Broad Based Black Economic Empowerment which replaces the B-BBEE Act.

### 5.2 Industrialisation

- Industrialisation refers specifically to industrial development that will result in global leading capabilities within South Africa.
- Industrialization as a focus area should be included in large contracts as indicated by GMA in the RFQ and/or Service Agreements and the subsequent Annexures "A" and "B" of the Supplier Development and Skills Transfer Agreement.
- All items must be aligned with the guidelines in terms of Supplier and Enterprise Development Contributions as per the following:

Criteria	Description
• Value of Investment in plant	• Quantification of the monetary value invested in machinery, equipment and/or buildings because of this RFQ / Scope of Work
• Percentage of 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 because of the award of a contract

### 5.3 South African Capability and Capacity Building

South African capability and capacity building refers specifically to industrial and/or other focus areas of development that aligns with GMA's focus on value-add activities for the local industry through manufacturing and/or service-related functions.

<b>Criteria</b>	<b>Description</b>
• Value-added manufacturing activities to be undertaken in South Africa	• Description of valued-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 utilized in the fulfilment of the contract

#### 5.4 Technology Transfer / Sustainability

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

<b>Criteria</b>	<b>Description</b>
Technology transfer including: 1. Methods of manufacturing 2. Introduction of new technologies 3. IP transfer (number and value)	1. Introduction of a new/improved method of manufacturing 2. Provision of new technologies: o For processes; o ICT 3. The provision of patents, trademarks and copyrights
• Number of local suppliers to be evaluated for integration into the Supplier/Service Provider's supply chain	• Number of South African suppliers that are to be utilized in the fulfilment of the contract

#### 5.5 Skills development

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

<b>Criteria</b>	<b>Description</b>
• Number of downstream supply chain individuals to be trained including: o Number of artisans trained o Number of technicians trained o Number of black people trained o Total number of people trained	• Number of individuals that the Supplier/Service Provider plans to train in the local industry over the contract period - training will be monitored in terms of set milestones during the contract period
• Certified training in terms of the above (Yes/No)	• Compliance with local and/or international skills accreditation in terms of the above
• Rand value spent on above training	• Total planned monetary value spent (as a % of the contract value) on skills development/training during the contract period within the industry; money spent in the previous year will be included in year 1 to make allowance for Suppliers/Service Providers who have just completed a training drive within the industry

<ul style="list-style-type: none"> <li>Number of bursaries / scholarships (specify field of study)</li> </ul>	<ul style="list-style-type: none"> <li>The number of higher education bursaries/scholarships provided in the previous year and planned for the length of the contract</li> </ul>
<ul style="list-style-type: none"> <li>Number of apprentices (sector must be specified)</li> </ul>	<ul style="list-style-type: none"> <li>The number of apprentices that the Supplier/Service Provider plans to enlist during the course of the contract</li> </ul>
<ul style="list-style-type: none"> <li>Investments in Schools in specific sectors that is aligned with the GMA nature of business e.g. engineering</li> </ul>	<ul style="list-style-type: none"> <li>The monetary value that the Supplier/Service Provider is prepared to invest in the development and running of schools to increase technical skills development</li> </ul>

## 5.6 Job Creation / Preservation

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

Criteria	Description
<ul style="list-style-type: none"> <li>Number of jobs preserved</li> <li>Number of jobs created including:           <ol style="list-style-type: none"> <li>New skilled jobs created</li> <li>New unskilled jobs created</li> </ol> </li> <li>Number of jobs created for youth</li> <li>Number of jobs created for Black youth</li> <li>Number of jobs created for disabled individuals</li> </ul>	<ul style="list-style-type: none"> <li>Number of jobs which would be preserved through Award of Contract</li> <li>Number of jobs to be created during the period of the Contract:           <ol style="list-style-type: none"> <li>Jobs for people in specialised field of work requiring a defined training path and/or requisite level of experience for them to perform that role. These people could be in possession of a certificate, diploma or degree from a higher education institution.</li> <li>Jobs for people where the field of work does not require extensive formal training or from whom no minimum level of education is required</li> </ol> </li> <li>Jobs created for Individuals ages 16-35 years</li> <li>Jobs created for Black Individuals ages 16-35 years</li> <li>Jobs created for disabled individuals</li> </ul>

## 5.7 Small business promotion

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

Criteria	Description
<ul style="list-style-type: none"> <li>Percentage procurement from:           <ul style="list-style-type: none"> <li>EMEs</li> <li>QSEs</li> <li>Start-ups</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Refers to the planned procurement from small business as a % of the total planned procurement spend</li> </ul>
<ul style="list-style-type: none"> <li>Non-financial support provided to small business</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers/Service Providers will be credited for each non-financial ESD support that they are planning to give to small business as described in the Codes of Good Practice</li> </ul>
<ul style="list-style-type: none"> <li>Financial support provided to small business</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers/Service Providers will be credited for each financial ESD support that they are planning to give to small business as described in the Codes of Good Practice</li> </ul>
<ul style="list-style-type: none"> <li>Joint ESD initiatives with GMA</li> </ul>	<ul style="list-style-type: none"> <li>The number of ESD initiatives that the Supplier/Service Provider will jointly run with GMA:           <ul style="list-style-type: none"> <li>That are aligned to GMA's objectives</li> <li>That are non-financial in nature</li> </ul> </li> </ul>

## 5.8 Rural development / integration

Rural development / integration includes the Supplier/Service Provider's planned use of local labour and business which will contribute to Government's 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, which is in alignment with the GMA Township Economy Revitalization programme. The development must be sustainable in order to have a long-term and meaningful impact.

Criteria	Description
• Local of local employees	• Number of people employed from within the town/city of operation
• Value spent on local business	• Monetary value spent on businesses within the town/city of operation
• Proximity of business operations	• The locality of the business in relation to operations, preference is given for regional (provincial) locality
• Number of rural businesses to be developed	• The number of rural businesses that the Supplier/Service Provider plans to develop because of the contract
• Value of development to local community (sustainable development)	• The monetary value spent on rural community development what will result in long-term social improvements

## 6 PREAMBLE OF THE SUPPLIER DEVELOPMENT IMPLEMENTATION PLAN AS PER ANNEXURE "A" OF THE SUPPLIER DEVELOPMENT AND SKILLS TRANSFER AGREEMENT

"Supplier Development Contributions" means monetary or non-monetary contributions carried out for the benefit of value-adding suppliers to the Measured Entity (in this case the Supplier/Service provider to GMA), with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:

*Supplier Development Contributions to suppliers that are Exempted Micro-Enterprises or Qualifying Small Enterprises which are at least 51% black owned or at least 51% black women owned.*

## 7 PURPOSE OF THE SUPPLIER DEVELOPMENT IMPLEMENTATION PLAN AS PER ANNEXURE "A" OF THE SUPPLIER DEVELOPMENT AND SKILLS TRANSFER AGREEMENT

The purpose is to:

- 7.1 Confirm the Supplier Development commitments between the Supplier/Service Provider and GMA as envisaged and mutually agreed upon in terms of the GMA Service Agreement and the GMA Supplier Development and Skills Transfer Agreement in alignment with all prescribed in legislation, Codes of Good Practice and Sector Codes as applicable.

- 7.2 Formalize the duration and terms of the Supplier Development relationship between Supplier/Service Provider and GMA to be included in Annexure “A” and Annexure “B” of the GMA Supplier Development and Skills Transfer Agreement.
- 7.3 Regulate the relationship between the Supplier/Service Provider and GMA, and specifically the deliverables, contributions and/or initiatives with supplier development as objective as defined and envisaged in applicable law, codes of good practice and or any other regulation impacting this agreement.
- 7.4 Stipulate and define the objectives, key performance indicators and implementation plan with accompanying milestones to be included in the GMA Supplier Development and Skills Transfer Agreement.

## **8 OBLIGATIONS OF THE GMA SUPPLIER/SERVICE PROVIDER AS UNDERTAKING TO:**

- 8.1 Abide by and give effect to the guidelines in this document.
- 8.2 Implement the Supplier Development Implementation and Skills Transfer Plans as detailed in Annexure “A” and Annexure “B” of the GMA Supplier Development and Skills Transfer Agreement.
- 8.3 Communicate with GMA regarding the plan and the implementation thereof and/or anything that may impact the GMA Services Agreement and the GMA Supplier Development and Skills Transfer Agreement.

## **9 EXAMPLES OF SUPPLIER DEVELOPMENT OBJECTIVES THAT CAN BE CONSIDERED OVER AND ABOVE THE ITEMS LISTED TO ENRICH THE ITEMS REQUIRED IN 5 ABOVE**

*(The following are merely examples of objectives / focus areas and can be selected and amended as appropriate – details pertaining to each specific objective / focus area need to be added including monetary / non- monetary targets, projected timelines and expected outcomes):*

OBJECTIVE FOCUS	OBJECTIVE
Investment(s) in beneficiary	
Loans to beneficiary	
Guarantees given or security provided on behalf of beneficiary	
Credit facilities made available to beneficiary	
Grant contributions to beneficiary	
Direct costs in assisting and hastening development	
Preferential credit terms granted to beneficiary	
Preferential supplier terms granted to beneficiary	
Contributions to settling service costs relating to the operational/financial capacity or efficiency levels of beneficiary entities.	
Discounts given to beneficiaries in relation to the acquisition and maintenance costs associated with the granting of franchise, license, agency, distribution or similar business rights	

The creation/development of capacity and expertise required to manufacture/produce goods or services previously not manufactured /produced in South Africa	
Facilitating access to credit for beneficiary	
Provision of training/mentoring to increase the beneficiary's operational or financial capacity	
Provision of finance to beneficiary at lower than commercial rates of interest	
Relax security requirements / absence of security requirements for beneficiaries unable to provide security for loans	
Early settlement of accounts with beneficiary	
Maintaining beneficiary unit	

10 **EXAMPLES OF SUPPLIER DEVELOPMENT PRIORITY INTERVENTIONS THAT CAN BE CONSIDERED OVER AND ABOVE THE ITEMS LISTED / ENRICH THE ITEMS REQUIRED IN 5 ABOVE**

*The Supplier / Service Provider and GMA agree to the following interventions being implemented:*

*(The following are merely examples of possible interventions and can be selected and amended as appropriate – details pertaining to specific agreement objectives need to be added. The details should include the following):*

INTERVENTION	DETAILS
Investment(s) in the following suppliers/beneficiaries:	Nature/area: <ul style="list-style-type: none"><li>• Investment method</li><li>• Investment terms</li><li>• Value</li><li>• Timeline</li></ul>
Loans to the following suppliers/beneficiaries:	<ul style="list-style-type: none"><li>• Nature/purpose</li><li>• Terms</li><li>• Value</li><li>• Timeline</li></ul>
Guarantees given or security provided on behalf of the following suppliers/beneficiaries:	<ul style="list-style-type: none"><li>• Purpose/nature</li><li>• Terms</li><li>• Value</li><li>• Timeline</li></ul>
Credit facilities made available to the following suppliers/beneficiaries:	<ul style="list-style-type: none"><li>• Nature/purpose</li><li>• Terms</li><li>• Value</li><li>• Timeline</li></ul>
Grant contributions to the following suppliers/beneficiaries:	<ul style="list-style-type: none"><li>• Nature/purpose</li><li>• Terms</li><li>• Value</li><li>• Timeline</li></ul>

Direct costs in assisting and hastening development of the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Development area</li> <li>• Purpose</li> <li>• Value/costs</li> <li>• Interventions</li> <li>• Assigned responsibilities</li> <li>• Third parties</li> <li>• Timeline</li> </ul>
Preferential credit terms granted to the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Applicable goods and/or services</li> <li>• Preferential terms explained, e.g. applicable credit limits, 90 days, etc.</li> <li>• Specific arrangements and/or limitations in terms of products/services, product/services values, timelines, etc.</li> </ul>
Contributions to settling service costs relating to the operational/financial capacity or efficiency levels of the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Specify service costs and suppliers</li> <li>• Terms</li> <li>• Value of contributions</li> <li>• Timeline</li> </ul>
Discounts given to the following suppliers/beneficiaries in relation to the acquisition and maintenance costs associated with the granting of franchise, license, agency, distribution or similar business rights:	<ul style="list-style-type: none"> <li>• Specify service costs and corresponding reason</li> <li>• Terms</li> <li>• Value of contributions</li> <li>• Discounts</li> </ul>
The creation/development of capacity and expertise required to manufacture/produce goods or services previously not manufactured/produced in South Africa for the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Applicable goods/services</li> <li>• Nature of capacity and/or expertise development/creation</li> <li>• Delivery vehicle e.g. third-party involvement</li> <li>• Terms</li> <li>• Value of investment/assistance</li> </ul>
Facilitating access to credit for the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Nature and reason</li> <li>• Value</li> <li>• Terms</li> <li>• Timeline</li> </ul>
Provision of training/mentoring to increase the operational or financial capacity of the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Nature and purpose</li> <li>• Beneficiary jobs/departments etc. affected</li> <li>• Trainer/mentor credentials (Supplier/Service Provider staff /external service provider)</li> <li>• Service delivery – assigned responsibilities</li> <li>• Value (if Supplier/Service Provider staff – cost of time)</li> <li>• Terms</li> </ul>
Provision of finance to the following suppliers/beneficiaries at lower than commercial rates of interest:	<ul style="list-style-type: none"> <li>• Nature</li> <li>• Value</li> <li>• Terms</li> <li>• Timeline</li> </ul>
Relax security requirements/absence of security requirements for the following suppliers/beneficiaries that are unable to provide security for loans:	<ul style="list-style-type: none"> <li>• Meaning of early settlement (e.g. 15 days)</li> <li>• Terms</li> <li>• Timeline</li> </ul>
Early settlement of accounts for the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Nature and reason</li> <li>• Value</li> </ul>
Maintaining beneficiary unit for the following suppliers/beneficiaries:	<ul style="list-style-type: none"> <li>• Details of beneficiary unit</li> <li>• Assigned resources, time allocated to unit and costs of resources for time as allocated and any other relevant factors</li> <li>• Timeline</li> </ul>

11 **EXAMPLES OF SUPPLIER DEVELOPMENT KEY PERFORMANCE INDICATORS THAT CAN BE CONSIDERED OVER AND ABOVE THE ITEMS LISTED / ENRICH THE ITEMS REQUIRED IN 5 ABOVE**

(The following are merely examples of possible interventions and can be selected and amended as appropriate – details pertaining to specific agreement objectives need to be added.

The details should include the following):

11.1 Quantitative measure – value in monetary terms, time, etc.

11.2 Qualitative measure – effect/outcome/improvement, etc.)

KPI	DETAILS
Investment(s) in beneficiary	
Loans to beneficiary	
Guarantees given or security provided on behalf of beneficiary	
Credit facilities made available to beneficiary	
Grant contributions to beneficiary	
Direct costs in assisting and hastening development	
Preferential credit terms granted to beneficiary	
Preferential supplier terms granted to beneficiary	
Contributions to settling service costs relating to the operational/financial capacity or efficiency levels of beneficiary entities.	
Discounts given to beneficiaries in relation to the acquisition and maintenance costs associated with the granting of franchise, license, agency, distribution or similar business rights	
The creation/development of capacity and expertise required to manufacture/produce goods or services previously not manufactured-produced in South Africa	
Facilitating access to credit for beneficiary	
Provision of training/mentoring to increase the beneficiary's operational or financial capacity	
Provision of finance to beneficiary at lower than commercial rates of interest	
Relax security requirements/absence of security requirements for beneficiaries unable to provide security for loans	
Early settlement of accounts with beneficiary	
Maintaining beneficiary unit	

12 **EXAMPLES OF SUPPLIER DEVELOPMENT IMPLEMENTATION PLAN THAT CAN BE USED A BASELINE AFTER CONSIDERTING WHICH ASPECTS TO INCLUDED IN THIS PLAN**

Below is a summary of the tasks and corresponding sub-tasks, detailed in terms of delivery time lines and persons from both parties responsible for delivery:

<b>TASKS</b>	<b>SUB-TASKS</b>	<b>TIME LINE</b>	<b>RESPONSIBILITY</b>

## SUPPLIER DEVELOPMENT IMPLEMENTATION PLAN

In accordance with clause [8] of the Service Agreement the Supplier Development Implementation Plan is set out below:

[THE IMPLEMENTATION PLAN SUBMITTED BY THE SERVICE PROVIDER AND APPROVED BY GMA SHOULD BE INSERTED HERE]

The following steps are recommended for the completion of the Supplier Development Implementation Plan – not applicable to EME's:

1. Read the requirements of the Service Agreement, the Supplier Development and Skills Transfer Agreement, and all relevant legislation relevant to the B-BBEE Codes of Good Practice.
2. Familiarize yourself with the Guideline document and clarify aspects that needs clarity before compiling Annexure "A".
3. Read the *Supplier Development Category Definitions and High-Level Descriptions* in items 5, 9, 10, 11, and 12 of the Guideline document with specific reference to the following items relevant to Supplier Development:
  - 5.2 - Industrialisation (applicable to multi-nationals, large entities and overseas suppliers)
  - 5.3 - South African Capability and Capacity Building
  - 5.4 - Technology Transfer/Sustainability
  - 5.6 - Job Creation/Preservation
  - 5.7 - Small business promotion
  - 5.8 - Rural development/integration (only applicable in some contracts as specified by GMA)

**The following formats must be completed in detail as in alignment with the B-BBEE Act and Codes of Good Practices:**

- 9 - Examples of Supplier Development Objectives
  - 10 - Examples of Supplier Development Priority Interventions
  - 11 - Examples of Supplier Development Key Performance Indicators
  - 12 - Examples of Supplier Development Plan
4. Once this Supplier Development Implementation Plan as per Annexure "A" has been agreed upon, then the **Measurement Criteria / Matrix** will be drafted to guide the measurement of performance as per clause 7.1 together with **Detailed Requirements for the Monthly and Final Reports** as per clause 9.3.4 on the *Supplier Development and Skills Transfer Agreement*.

**SCOPE OF WORK**

**[THE SCOPE OF WORK TO BE RENDERED BY THE SERVICE PROVIDER SHOULD BE  
INSERTED HERE AS PER THE TASK ORDER OR PURCHASE ORDER]**

## SKILLS TRANSFER PLAN

In accordance with clause [7] of the Service Agreement the Supplier Development Implementation Plan is set out below:

**[THE SKILLS TRANSFER PLAN SUBMITTED BY THE SERVICE PROVIDER IN RESPONSE TO THE TENDER GMA 003/116 SHOULD BE INSERTED HERE.]**

The following steps are recommended for the completion of the Supplier Development Implementation Plan – also applicable to all EME's:

1. Read the requirements of the Service Agreement, the Supplier Development and Skills Transfer Agreement, and all relevant legislation relevant to the B-BBEE Codes of Good Practice.
2. Familiarize yourself with the Guideline document and clarify aspects that needs clarity before compiling Annexure "C".
3. Read the *Supplier Development Category Definitions and High-Level Descriptions* in items 5, 9, 10, 11, and 12 of the Guideline document with specific reference to the following items relevant to Skills Transfer and aspects of Skills Transfer related to the element of Supplier Development in the B-BBEE Act:
  - a. 5.3 - South African Capability and Capacity Building
  - b. 5.5 - Skills Development

**As Supplier Development is not a requirement for EME's in terms of the B-BBEE Act, the Skills Transfer Plan for EME's can be completed in a more flexible format for discussion and agreement with GMA whereas QSEs and Large Entities must follow the guidelines of items 5.3 and 5.5 above.**

4. Once this Skills Transfer Plan as per Annexure "C" has been agreed upon, then the **Measurement Criteria / Matrix** will be drafted to guide the measurement of performance as per clause 7.1 together with **Detailed Requirements for the Monthly and Final Reports** as per clause 9.3.4 on the **Supplier Development and Skills Transfer Agreement**.