

Request for Proposal (RFP) reference number	CORP5661
Issue date	22 November 2021
Submission date and time	10 December 2021 at 10h00
RFP validity period	18 months from the submission date and time
RFPs are to be delivered to the following address on the stipulated closing date and time	Eskom Holdings SOC Limited Tender Office Megawatt Park (Retail Centre) 1 Maxwell Drive Sunninghill 2157

Dear Sir/Madam

REQUEST FOR PROPOSAL: INVITATION TO SUBMIT A PROPOSAL THAT WILL PROVIDE ESKOM WITH FUNDING SOLUTIONS

Please take note that this is a confidential request and all information, including this request for proposal ("RFP"), should be treated as such. You are therefore prohibited from discussing or divulging the existence or contents of this RFP or any other information relating to this RFP to any third party without our prior written consent.

1. DEFINITIONS

"B-BBEE Act"	the Broad-Based Black Economic Empowerment Act No. 53 of 2003
"Tenderer"	any legal entity or consortium that submits responses to this RFP as per procurement procedures
"RFP Response"	any reply submitted by a Tenderer in response to the requirements of this invitation
" Submission Date"	the date identified as the RFP Response Submission Date
"Eskom"	Eskom Holdings SOC Ltd, registration number 2002/015527/30, as incorporated pursuant to the Eskom Conversion Act No. 13 of 2001
"PFMA"	the Public Finance Management Act No. 1 of 1999
"Preferential Procurement Policy Framework Act" or "PPPFA"	the Preferential Procurement Policy Framework Act No. 5 of 2000

2. OBJECTIVE

Eskom's Funding Plan for financial years (FY) 2021/22 to 2026/27 seeks to diversify funding sources, execute cost effective funding at acceptable risk. The execution of the Funding Plan requires sizeable funding that can provide diversification and longer tenors at reduced finance costs. Therefore, this RFP seeks to find and assess funding solutions that include but not limited to a bond private placement that Eskom can participate in, to further develop its Funding Plan.

This is an open invitation to tender and the objective of this RFP is to solicit offers from credible (financial) institution(s) to fund Eskom's capital and other business programmes. The final format, amount and tenor(s) will be determined based on a negotiation process of the terms

and conditions put forward by the appointed financial institution(s) as part of the offered solutions.

Eskom is in particular interested in exploring the following types of structures:

- Bond Private Placement for medium to long term tenor.
- Sizable Loan facilities for a medium to long term tenor.
- Other funding products excluding international bond issuance, working capital solutions and “ECA framework” based solutions.

The proposed product should allow for Eskom to negotiate directly with the lender and not require an intermediary to facilitate negotiations.

3. ELIGIBLE TENDERERS

Tenderers must be registered financial services institutions offering corporate and investment banking, advisory, capital raising or any other treasury related services.

Tenderers are deemed **ineligible** to submit a proposal if they have the nationality of a country on any international sanctions list. A Tenderer shall be deemed to have the nationality of a country if it has the status of a national or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country.

4. CONFLICT OF INTEREST

A Tenderer shall not have a conflict of interest. All Tenderers found to have a conflict of interest shall be disqualified. Tenderers must submit a form, see Annexure B, stating that none of its personnel have any involvement or interest in Eskom and any of its subsidiaries and likewise no Eskom personnel have any involvement or interest in the Tenderer's business with the response to this document or influence the decisions of Eskom during the bidding process.

A Tenderer may also be considered to have a conflict of interest with one or more parties in this RFP process, if they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the proposal of another Tenderer.

Alternatively, the bidder must disclose **ALL** such information in its response submission containing sufficient disclosure regarding any interests that may result in an actual or potential conflict of interest. Where any potential or actual conflict of interest arises after the submission of the proposal or during the term of the potential mandate, the Tenderer shall be obliged to immediately notify Eskom thereof in writing. Note that Eskom reserves the right to disqualify a

Tenderer or terminate the services as service provider if there is, in the opinion of Eskom, any actual or perceived conflict of interest.

5. COSTS OF TENDERING

The Tenderer shall bear all costs related to the preparation and submission of their RFP responses. Eskom shall in no way be responsible or liable for any of these costs regardless of the conduct or outcome of the procurement process.

6. PARTNERSHIP

Provisions of the Preferential Procurement Policy Framework Act (PPPFA) of 2011 and its regulations will apply in terms of awarding points. Tenderers are required to submit original and valid B-BBEE Status Level Verification Certificates or certified copies thereof together with their proposals, to substantiate their B-BBEE rating claims. Tenderers who do not submit their B-BBEE status level verification certificates or are non-compliant contributors to B-BBEE will not qualify for preference points for B-BBEE.

In order to assist Eskom with its transformation and B-BBEE objectives, it is proposed that the Tenderer enhance their team with their choice of B-BBEE financial advisory firms.

7. SCOPE OF REQUIREMENT

Eskom is inviting credible (financial) institution(s) and companies to provide Eskom with funding solutions, including but not limited to a bond private placement, that will enable Eskom to fulfil its funding requirements. Eskom seeks interested parties to provide Eskom with a proposal (term sheet) indicating the terms of the funding and sufficient proof of funds (funding sources). The funding solutions should be cognisant of the following:

1. Eskom has other funding mechanisms, however if a funding proposal of merit and substance is received through this RFP, Eskom will be willing to ring-fence and execute this proposal in parallel to Eskom's existing funding mechanisms.
2. The financing solutions may not contravene any loan covenants of Eskom.
3. Eskom will be sensitive to any solution that involves equity in Eskom.
4. Solutions that involve Export Credit Agency framework-based loan financing and Development Finance Institutions vanilla loan financing will not be considered.
5. Eskom will consider financing options that are in line with Eskom's current cost of funding or better.
6. The financing solutions should involve reputed organisations and institutions with funding track records.
7. If the funding solution is found to have merit and substance, the funding model should be implementable within a reasonable period. An implementation timetable should be

provided. Priority for immediate execution will be given to mature solutions that require shorter implementation periods.

Eskom will keep all proposals confidential. As Eskom expects to receive innovative solutions with Intellectual Property, Eskom will use this RFP to decide on solutions that will be further shortlisted and formally engaged with. Eskom reserves the right to engage with and reach agreement with any of the companies and/or institutions that submit a proposal attractive to Eskom.

8. MANDATORY PROPOSAL RESPONSES

The RFP response should cover all the criteria stipulated in the attached Annexure A and must be a maximum of 20 pages, Arial font size 11. The Tenderer must submit the following:

- one (1) original, and four (4) copies of the original response,
- signed integrity declaration form,
- original or certified copy of B-BBEE verification certificate,
- original or certified copy of B-BBEE Partner's verification certificate,

Failure to submit the original response, associated copies and integrity declaration form will disqualify your submission. Failure to submit B-BBEE verification certificates will not result in disqualification but will impact the scoring.

An electronic copy of your proposal must also be sent to Kgatlhiso Goitsemodimo and Sincedile Shweni by e-mail on GoitseKV@eskom.co.za and ShweniS@eskom.co.za before 10:00 on **10 December 2021**. Please also note that **ONLY the hard copies** submitted at the Tender Office will qualify as a valid proposal on the closing date and NOT the e-mailed copy.

9. EVALUATION CRITERIA

Responses to cover the criteria in Annexure A will be scored out of 90. B-BBEE status will be scored out of 10 in accordance with PPPFA. Tenderers will be ranked by applying the preferential point scoring based on the 90/10 principle. RFP Proposals who do not meet the threshold for the technical scoring will not qualify to be evaluated further and subsequently disqualified. Functionality criteria for technical scoring will be as stipulated in Annexure A, with a threshold of 70%:

Following the scoring of the technical criteria the objective criteria stated below will be considered:

- Participation in Eskom's funding activities,
- Facilitated investor engagements,

- Periodic Treasury related market updates to Eskom,
- History of the partnership with B-BBEE partner, major skills and knowledge transfers that has taken place during this tenor of this partnership.

10. LODGING OF PROPOSALS

Your proposal titled “**TREASURY RFP – 2021/22 FUNDING SOLUTIONS**” must be sealed in an envelope and delivered to Eskom Tender Office situated at Megawatt Park (Retail Centre), **before 10:00 on 10 December 2021.**

Please take note that proposals may be submitted before the closing date. Late proposals will not be accepted and will be returned to the sender.

11. DISCUSSIONS

Eskom reserves the right to call upon a prospective Tenderer to discuss its proposal in more detail as and when deemed necessary.

Short listed candidates should expect that on short notice, the core implementation team will be required to attend a one (1) hour clarification meeting during which thirty (30) minutes will be dedicated to the presentation of the proposal followed by a thirty (30) minutes question and answer session. The meeting could be in person or held via virtual means.

12. QUERIES/CLARIFICATION

Should there be questions/clarification or queries regarding this RFP please contact at all times the following Eskom representatives listed below. Please note that correspondence should only be in writing by email.

- **Name:** Kgatlhiso Goitsemodimo
Email: GoitseKV@eskom.co.za
- **Name:** Sincedile Shweni
Email: ShweniS@eskom.co.za
- **Name:** Sibusiso Mbili
Email: MbiliS@eskom.co.za

Questions will not be responded to two (2) business days before the Submission Date.

13. IMPORTANT NOTICES

Even though Eskom has exercised all efforts in good faith to prepare the information contained in this document, neither it nor any of its directors, partners, employees, sub-contractors, intermediaries or agents, provide any assurances or guarantees, explicit or implied, in relation

to this RFP. No representation or warranty, express or implied, is given by Eskom, or any of its respective directors, partners, employees, sub-contractors, intermediaries or agents as to the accuracy or completeness of any of the contents of this RFP.

By issuing this RFP, Eskom does not undertake any obligation to provide any further information, or to correct any inaccuracies in this proposal, or to correct any omissions, which become known at any time. Any costs and expenses incurred by the persons who replied to this RFP, or by their agents or advisers, will be the sole responsibility of such persons and Eskom does not undertake to cover such costs.

This enquiry may be cancelled by Eskom at any time prior to deciding on it, if it is not deemed necessary to continue with the procurement process due to a substantial change in circumstances, or if public interest and welfare dictate such.

Eskom reserves the right to accept or reject any RFP Response, and to cancel the RFP and reject all replies prior to the announcement of the successful Tenderers.

Yours sincerely



Richard Vaughan

GENERAL MANAGER, TREASURY

Date: 29 November 2021

ANNEXURE A

Proposal Format and Evaluation Criteria	Weighting
Capital Structure	40%
<ul style="list-style-type: none"> • Offer funding solutions that are sizable (minimum USD 500 or equivalent) • Currency (US\$, EUR or ZAR) • Tenor (5 years or longer) • Repayment profile (Bullet or Amortising) • Indicative pricing (set out the underlying assumptions) • Risks in achieving the indicated pricing • Potential covenants 	
Transaction Readiness	30%
<ul style="list-style-type: none"> • The term sheet sufficiently defines the legal and financial obligations for the solution. • Suitability and ease of execution of the solution. • Provide timelines to financial close for the solution. • Provide all costs associated with solution i.e. setup cost, on-going costs, exit costs. • Parties in structure indicate commitments to the solution. 	
Credence of parties	20%
<ul style="list-style-type: none"> • Size of Balance Sheet to support structure • Previous transactions in energy sector 	
BBBEE Partner	10%
<ul style="list-style-type: none"> • Name of your BBBEE Partner • BBBEE status (please attach valid certificate) • Highlight the major skills and knowledge transfers that has taken place during the tenor of this partnership • Describe the possible role of your partner in this transaction 	
TOTAL WEIGHTING	100%

Table 1: Indicative Pricing

CRITERIA	Unguaranteed capital structure	Guaranteed capital structure	Bond Private Placement	Sizable Loan facilities	Other Funding products
Recommended tenor					
All in spread to 3month Libor					

All in spread to 3month Jibar					
Fees (Basis Points)					

ANNEXURE B

INTEGRITY DECLARATION FORM

(Form to be completed and signed by tenderer as Invitation to RFP returnable)

1. DECLARATION OF INTEREST

I/We understand that any natural/legal person, including employees of the State and/or those related to an Eskom employee/director (as per the definition of “related” set out hereunder), may tender to Eskom. However, in view of possible allegations of favouritism (the practice of showing favour to, or giving preference to some person/group, to the detriment of, or at the expense of another that is entitled to equal treatment or an equal opportunity), should the resulting tender, or part thereof, be awarded to such natural/legal person, as described herein, it is required that the *tenderer/s* declare such interest/relationship where:-

- the *tenderer/s* employees/directors are also employees/contractors/consultants/directors in the state or a state owned entity.
- the *tenderer/s* employees/directors are also employees/contractors/consultants/directors of Eskom
- the *tenderer/s* employees/directors are also employees/contractors/consultants or directors in another entity together with Eskom employees/consultants/contractors/directors
- the *legal person/s (including its employees/contractors/directors/members/shareholders)* on whose behalf the tender documents are signed, is in some other way “related” to an Eskom employee/contractor/consultant/director involved in the tender evaluation/tender adjudication/tender negotiation. “Related” meaning that:-
 - an individual is related to another individual if they are married, or live together in a relationship similar to marriage;
 - or are separated by no more than two degrees of natural or adopted consanguinity or affinity;
 - an individual is related to a juristic person if the individual directly or indirectly controls the juristic person, as determined in accordance with the definition of “control” (as per Companies Act section 2(1)) ; and
- **a juristic person is “related” to another juristic person if :-**
 - (1) either of them directly/indirectly controls the other, or the business of the other, as determined in accordance with the definition of

“control” (as per Companies Act section 2(1));

- (2) either is a subsidiary of the other; or
- (3) a person directly/indirectly controls each of them, or the business of each of them, as determined in accordance with the definition of “control”
- the *tenderer/s* and one or more of the *tenderers* in this tendering/RFP process have a controlling partner in common, or a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the tender/proposal of another tenderer, or influence the decisions of Eskom regarding this bidding process;

To give effect to the provisions above, please complete the table hereunder with all required information.

Full Name & Capacity/ Position within tenderer (e.g. employee/Director/ member/ owner/shareholder)	Confirm and provide details (including employee number) if you are a State/State owned entity employee/contractor/ director	Full Names & Capacity/Position of Eskom employee/ director/ consultant and details of the relationship or interest(marital/ familial/personal/ financial etc.)	To your knowledge is this person involved in the evaluation/ adjudication/ negotiation of tenders

1. If any employee/director/member/shareholder/owner of Tenderer/s is also currently employed by Eskom, state whether this has been declared and whether there is authorisation(Y/N) to undertake remunerative work outside public sector employment, and attach proof to this declaration. _____
2. Do the tenderer/s and other tenderer in this tendering/RFP process share a controlling partner or have any relationship with each other, directly or through common third parties? (Y/N) If Yes, attach proof to this declaration. _____

I declare that I have read and understood the provisions of the Integrity declaration form, that all information furnished herein is correct, that it is understood that the Tenderer's proposal may be rejected, and that Eskom will act against the Tenderer should any aspect of this this declaration prove to be false.

Signature:	
Designation and capacity in which signing:	
Date:	