



**NAMPOWER**

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**NAMPOWER EQUITABLE ECONOMIC EMPOWERMENT POLICY (NEEEP)**

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## 1. GLOSSARY

In this policy, the following terms have been assigned the meanings as defined below:

|                            |  |
|----------------------------|--|
| <b>BU</b>                  | Business Unit  |
| <b>Executive Committee</b> | Executive Committee / Management   |
| <b>MRO</b>                 | Maintenance Repair and Operations  |
| <b>NEEEF</b>               | New Equitable Economic Empowerment Framework   |
| <b>NEEEP</b>               | NamPower Equitable Economic Empowerment Policy   |
| <b>NTPP</b>                | NamPower Tender and Procurement Policy   |
| <b>PANs</b>                | Previously Advantaged Namibian(s)  |
| <b>PDNs</b>                | Previously Disadvantaged Namibian(s)   |
| <b>PMA</b>                 | Performance Management Agreement   |
| <b>PPE</b>                 | Personal Protective Equipment  |
| <b>RFx</b>                 | A common abbreviation denoting Request for Quotations (RFQ), Request for Tenders (RFT), Request for Proposals (RFP), Request for Information (RFI), etc. |

## 2. DEFINITIONS

In this policy, the following terms have been assigned the meanings as defined below:

**Board of Directors** means the NamPower Board of Directors

**Business Unit** means the top functional units within NamPower

**Economic means (resources)** relates to the means of production including productive assets

**Employee** is a person who is hired to provide services to NamPower on a regular basis in exchange for compensation and who does not provide these services as part of an independent business

**Equitable** means fair redress and redistribution action.

**EXCO** refers to the Executive Committee of NamPower Senior Managers comprising of the Managing Director and Executive Management.

**First time tenderer** means a tenderer who has never been awarded a NamPower tender directly or indirectly.

**NEEEP Compliance Officer** is an employee appointed by NamPower with functions and responsibilities as defined in clause 9.1 of this policy.

**PDN Supplier** is a Supplier incorporated, actively trading and banking in Namibia with a minimum of 51% of interests owned by Previously Disadvantaged Namibians.

**PDN-Empowering Supplier** is a supplier with PDN ownership of between 10% and 50% and PDN-Empowering credentials of at least 10 points on the evaluation table with mandatory points on each of the following criteria: ownership, management, % skilled PDN personnel and procurement from PDN suppliers.

**NEEEP Compliant Supplier** is a supplier that complies with the NEEEP principles and requirements with an overall minimum score of 50% insofar as the advancement of PDNs and PDN enterprises through equity ownership, promotion, skills transfer and procurement from PDN Suppliers is concerned.

**Preferential Procurement** means a deliberate procurement strategy intended to give effect to an enabling environment for increasing the participation of Previously Disadvantaged





Namibians in NamPower's procurement activities, promote training and develop a local skills base through partnerships and joint ventures.

**Previously Disadvantaged Namibian** refers to the meaning as defined in the Affirmative Action (Employment) Act of 1998

**Small PDN business enterprise** is an enterprise whose majority shares are owned by PDNs and employs less than 10 persons and whose annual turnover and/or balance sheet total does not exceed N\$2 million

**Supplier** means a legal or natural person supplying goods and / or services to NamPower

**PDN Targets** means a percentage of NamPower's total budget spend earmarked to benefit PDN Suppliers and Service providers in any given fiscal year

**Tender** means an offer to supply goods or services in response to an official request from NamPower whose acceptance is at NamPower's discretion

**Tender Board** means a committee set up in terms of Clause 13.1 of the NamPower Tender and Procurement Policy

**Tender Evaluation Procedures** means standard processes followed in the evaluation of NamPower tenders

### 3. PREAMBLE

The Namibia Power Corporation (Pty) Ltd (NamPower) is a 100% state owned enterprise run on business principles. NamPower's core business is electricity generation, transmission and energy trading. It is also involved in Distribution through shareholding in the Regional Electricity Distribution companies (REDs) and by acting as a supplier of last resort in areas where no REDs have been established to date.

As a State Owned Enterprise, NamPower endeavours to create and maximize value for its shareholder and stakeholders, the people of Namibia. Consequently, NamPower strives to associate itself with enterprises, individuals and communities that share its Board of Directors' and the Government of the Republic of Namibia's aspirations of forging a prosperous economic future for Namibia and its people.

In NamPower's quest to ensure equitable distribution of resources in the country in the most efficient and transparent manner, NamPower embarked on a sustained economic empowerment campaign by introducing a NamPower Equitable Economic Empowerment Policy (NEEEP).

NEEEP strives to revitalize NamPower's efforts in making its business relations consistent, transparent, predictable and fair. It also sets out criteria for giving Previously Disadvantaged Namibians (PDNs) greater access and participation in NamPower's procurement activities in an effort to create business opportunities for the majority of hitherto marginalized Namibians.

To give credence to its drive for an equitable economic empowerment framework, NamPower may, consider to relax, temporarily, the normal financial and commercial evaluation requirements when a new business is being developed or when a PDN company resident in the area where the services are required is competing with companies from elsewhere or when a tenderer is located in a communal/underdeveloped area and is employing members of such a community inter alia, provided that such a relaxation does not endanger NamPower's interests substantially.



#### **4. POLICY STATEMENT**

- 4.1 This policy shall be read in conjunction with the NamPower Tender and Procurement Policy (NTPP) and all applicable tender processes and procedures. However, NEEEP takes precedence over all other policies of NamPower insofar as the principles in this Policy are concerned.
- 4.2 NEEEP is a deliberate economic empowerment tool undertaken by NamPower. It is a NamPower business imperative to redress historical socio-economic inequalities in the Namibian society. At its core, NEEEP seeks to enable PDNs to own, manage, and share in the country's economic resources.
- 4.3 NEEEP also aims to promote entrepreneurship among previously disadvantaged communities and give PDN business enterprises and communities access to the mainstream of business opportunities.
- 4.4 Further, the Policy aims to promote broader participation and encourages entrepreneurship by previously disadvantaged businesses and communities by giving them opportunities to trade with NamPower by taking part in the NamPower procurement activities.
- 4.5 The NamPower Board of Directors and management are fully committed to the successful implementation of a policy framework that promotes socio-economic empowerment as envisaged by NEEEP. To that end, EXCO will set targets for purchases from NEEEP compliant suppliers and also monitor progress against indicators to ensure successful implementation of the NEEEP. Moreover, EXCO will direct all the Business Units (BUs) to comply with and contribute to the success of the NEEEP framework by making its targets a part of their respective Performance Management Agreements (PMAs).

#### **5. POLICY OBJECTIVES**

- 5.1 NEEEP aims to increase business opportunities for PDN suppliers and maximize NamPower's actual purchases of goods and services which will benefit these suppliers.
- 5.2 Through NEEEP, NamPower endeavours to promote and give preference and opportunities to PDN suppliers for NamPower business by:
  - a) Upholding the provisions of the Constitution of the Republic of Namibia and other applicable Namibian laws including, but not limited to those cited in Clause 6;
  - b) Supporting the National Development Programmes of the Government of the Republic of Namibia;
  - c) Addressing the imbalances left by the apartheid system, by enabling PDNs to own, manage, share and develop Namibia's economic resources;
  - d) Encouraging broader PDNs participation in Namibia's economy in order for them to develop and attain prosperity;





- e) Fostering job creation, rural development, poverty alleviation and skills development, to enable the PDNs to make a meaningful contribution to the economic growth of Namibia;
- f) Ensuring that PDN individuals, enterprises and communities achieve full participation and involvement in the supply and/or procurement of goods and services which NamPower may require;
- g) Developing and/or establishing new and sustainable business with NEEEP compliant entrepreneurs, through the procurement process and encourage the establishment of value adding joint ventures between traditional and emerging suppliers and or service providers.
- h) Encouraging the inclusion of PDNs in the management and ownership structures of enterprises;
- i) Reserving (Setting aside) specific procurement activities for PDNs through the preferential procurement of goods and services;
- j) Promoting investments in PDN communities; and
- k) Maintaining an up-to-date database of PDN suppliers.
- l) Engaging key stakeholders like NCCI, SME Incubation Centre, etc.

## 6. REGULATORY REQUIREMENTS

Mandatory regulatory requirements and provisions of Namibian legislation and national policies to be complied with include, but not limited to, the following:

- a) The Constitution of the Republic of Namibia (especially Article 23 of the Constitution);
- b) Affirmative Action (Employment) Act, 1998;
- c) National Development Plan 4;
- d) Vision 2030 – Policy Framework for Long-term National Development;
- e) Foreign Investment Act, 1990;
- f) New Equitable Economic Empowerment Framework (NEEEF);
- g) The Development Bank of Namibia Act (Special Development Fund);
- h) The Financial Intelligence Act;
- i) Namibia SME Policy of 1997;
- j) The Vocational Education and Training Act, Act 1 of 2008.

## 7. WAIVER TERMS

The following shall be excluded from all arrangements in support of NEEEP and no compromises relating to factors listed below shall be allowed in the adjudication process:



- a) The quality of solution, products and services;
- b) The lead-times for the supply of the solution, except where specifically agreed to by NamPower;
- c) The price of the supply. That is, no additional price preference is to be allowed other than those stated in this Policy
- d) Any commercial terms that put NamPower in a materially weaker position other than acceptable rival tenders and/or quotations;
- e) Valid warranties.

## **8. ROLES AND RESPONSIBILITIES**

EXCO SHALL:

- a) Ensure that targets for procuring goods and services from NEEEP suppliers are included in all the BUs Performance Agreements;
- b) Set NEEEP performance measurement and reporting requirements from time to time;
- c) Ensure that both information and reports pertaining to the implementation of NEEEP are disseminated to all stakeholders;
- d) Ensure that the NEEEP policy is consistently applied and promoted by all the Business Units;
- e) Develop PDN supplier development programs to fulfil the aspirations of NEEEP f) In addition, ensure that the co-ordination and management of corporate resources and interfaces with the outside world are aimed at maximizing the award of business to PDN suppliers in accordance with the Tender and Procurement function; and
- g) Stipulate the percentage of the set-aside content for individual projects

## **9 SCOPE AND DUTIES OF NEEEP COMPLIANCE OFFICER**

The NEEEP Compliance Officer shall:

- a) Monitor compliance as stipulated in this Policy and NEEEP Guidelines and report to the NamPower Executive Committee and the Board on a quarterly basis;
- b) Monitor purchases from NEEEP compliant and PDN suppliers against corporate targets set to ensure that policy objectives are met;
- c) Recommend acceptable corporate targets to EXCO for consideration;
- d) Compile the guidelines for the NEEEP;
- e) Initiate amendments to NEEEP when necessary and table such amendments via EXCO to the Board of Directors for consideration;
- f) Ensure the success of NEEEP by offering recommendations which will enable NamPower to contribute to the overall success of the National Development Plan;





- g) If required, approve the designated PDN procurement and estimated RFx value of tender for application of the sliding preference point scale.
- h) Compile and produce minutes and agenda for all NEEEP meetings and initiatives.

## **10. REPORTING REQUIREMENTS**

- 10.1 The NEEEP Compliance Officer shall compile quarterly NamPower management and Board reports on NEEEP related procurement activities.
- 10.2 The NEEEP report shall encapsulate the highlights on progress, challenges and proposed measures for improvement, if any.

## **11. PERSONNEL ORIENTATION AND TRAINING**

- 11.1 New NamPower personnel will receive orientation regarding the objectives of NEEEP.
- 11.2 Continuous training will be provided to ensure that all staff members are aware of the NEEEP and to ensure compliance with the policy.

## **12. TREATMENT OF PDN SUPPLIERS**

- 12.1 The formal purchasing stipulated in the NamPower Tender and Procurement Policy and procedures are to be strictly followed at all times.
- 12.2 Small PDN business enterprises are to be offered assistance to trade with NamPower. Therefore:
  - a) Small PDN business enterprises are not to be denied registration as suppliers due to the absence of, for instance, a formal environmental policy and quality management system.
  - b) However, where construction, manufacturing or maintenance RFx is being undertaken, adequate assessment of capacity and capability of suppliers should be undertaken.
  - c) In either instance, NamPower shall endeavour to provide developmental assistance, where possible.
  - d) The tender bond or security shall be waived for tenders below N\$10,000,000 if it can be demonstrated that its absence does not result in any incremental financial or operational risk to NamPower.

## **13. SET-ASIDE (RESERVED) PROCUREMENT ACTIVITIES**

- 13.1 The NEEEP Compliance Officer, in conjunction with procurement and Business Units, are to agree to the Set-Aside content(s) for each procurement event prior to the publication of the RFx.



- 13.2 The NEEEP Compliance Officer and Procurement Section are to identify and list, on an annual basis, the Set-Aside products and services to be procured exclusively from PDN suppliers.
- 13.3 Generally, Set-Aside procurement activities are to consist of non-core, repetitive, and/or less technically complex purchases.
- 13.4 Set-Aside acquisition should not result in NamPower acquiring poor quality products, affect the security of supply negatively or hamper the flow of business information or processes.
- 13.5 In instances where PDN suppliers' interest in a NamPower procurement activity is lacking, the preferential treatment is to be waived.

#### **14. DEVELOPMENT OF SUPPLIERS**

NamPower shall endeavour to give developmental assistance to PDN suppliers, where possible. The Supplier Development Program shall take various forms including, but not limited to the training in the NamPower Tendering process, mentorship and shortening of the payment cycle for PDN SMEs.

#### **15. COMPLIANCE, ENFORCEMENT AND PENALTIES**

- 15.1 NEEEP is an incentive-driven policy that encourages business to embrace transformation.
- 15.2 Suppliers that fail to score above the minimum NEEEP targets shall not be blacklisted. However, they may be disadvantaged.
- 15.3 Potential suppliers that misuse or misrepresent the NEEEP in an effort to gain undue advantage in terms of NEEEP framework shall be penalized by being deregistered as NamPower suppliers. NamPower may also take additional appropriate actions, including, but not limited to, legal action against such suppliers.
- 15.4 Directors and/or owners of businesses that have been deregistered by NamPower shall be blacklisted and excluded from trading with NamPower for a period of at least five (5) years.
- 15.5 NamPower reserves the right to refuse to register or trade with any new company whose current directors or members had stakes in an enterprise previously blacklisted by NamPower.

#### **16. RATING CRITERIA**

- 16.1 Suppliers tendering for NamPower tenders are to be rated for NEEEP compliance based on the scorecard stipulated in Clause 17.
- 16.2 Only suppliers with an overall minimum score of 50% are to be considered as NEEEP compliant and shall be classified and registered as such on the NamPower Vendor Master Data.
- 16.3 Only suppliers with more than 50% PDN ownership are to be classified and registered as PDN suppliers on the NamPower Vendor Master Data.





## **17. THE SCORECARD**

### **17.1 DETERMINATION OF OWNERSHIP**

17.1.1 Regardless of the size of an enterprise, ownership and control are to be determined first, subject to the following:

- a) Close Corporations: percentage ownership is to be determined by the percentage of the membership contribution. PDN ownership must be accompanied by day to day management decisions and sharing in the risk or gain to the extent of their ownership.
- b) NSX listed Companies: ownership would give full recognition to shares held by PDNs through the NSX.
- c) Public/Private Companies: where PDNs have acquired a percentage of the shareholding as per the Company Act of 2004 as amended) Trusts: ownership is to be determined by establishing who the beneficiaries and the trustees are. The ownership criterion is met if the beneficiaries and the trustees are PDNs and have meet the qualifying criteria.

### **17.2 JOINT VENTURES**

17.2.1 Joint ventures with PDNs conforming to the following requirements would be recognized by NamPower and rated for tendering purposes:

- a) An approved contractual relationship should be established, i.e. a corporatized joint venture is formed;
- b) The PDN supplier shares in the potential benefits and risks inherent in the contract proportional to its participation in the joint venture.

### **17.3 SECOND TIER PDN SUPPLIER PROCUREMENT**

17.3.1 Prime contractors/suppliers may be required to sub-contact and/or procure a state percentage of the contract value from PDN suppliers by:

- a) subcontracting portions of the contract;
- b) procuring manufactured components/sub-assemblies;
- c) procuring consumables/MRO materials;
- d) procuring services, for instance transport, insurance, etc.; and
- e) procuring professional services, e.g. engineering, design, project management, and legal services.

17.3.2 Where applicable, NamPower RFx and tender documents are to specify the percentage of the contract value to be designated as per the above-mentioned criteria. This shall vary from contract to contract depending on the nature and characteristics of the goods and/or service being procured.

17.3.3 Failure to comply with contractual requirements pertaining to the inclusion and support of PDN suppliers may lead to cancellation of the contract and further action.





17.3.4 To ensure proper accounting for the percentage of contract value that has been designated as PDN supplier purchases, arrangements are to be made to provide an audit trail, where possible.

#### 17.4 SCORING OF TENDERS OF LESS THAN OR EQUAL TO THE N\$10,000,000 THRESHOLD

17.4.1 The following scorecard is to be used to score tenders of less than or equal to the N\$10,000,000 threshold:

|  |                        |    |    |    |  |
|--|------------------------|----|----|----|--|
| <b>Ownership</b><br>Where:<br>Shareholding or Ownership by Previously Disadvantaged Namibian (PDN) is                        | ≤ 15% shares           | 2  | 20 | 40 |  |
|  | > 15% and ≤25% shares  | 8  |    |    |  |
|  | > 25% and ≤ 50% shares | 10 |    |    |  |
|  | > 50% shares           | 14 |    |    |  |
| Where:<br>Shareholding or Ownership by Women / Disabled persons is   | ≤ 25% shares           | 2  | 20 |    |  |
|  | > 25% and ≤ 50% shares | 4  |    |    |  |
|  | >50% shares            | 6  |    |    |  |
| <b>Management Control and Employment Equity</b><br>Where:<br>A combined board and top management structure filled by PDNs is | < 50%                  | 0  | 20 |    |  |
|  | = 50%                  | 10 |    |    |  |
|  | >50% and ≤60%          | 12 |    |    |  |
|  | >60% and ≤70%          | 14 |    |    |  |
|  | >70% and ≤80%          | 16 |    |    |  |
|  | >80% and ≤90%          | 18 |    |    |  |
|  | >90% and ≤100%         | 20 |    |    |  |

17.4.2 The maximum price preference points that tenders below the N\$10,000,000 threshold may score for NEEEP compliance is 40 points.

17.4.3 The NEEEP score is to be adjusted to the applicable sliding price preference point scale as per the evaluation criteria stipulated under clause 18.

#### 17.5 SCORING OF TENDERS OF GREATER THAN THE N\$10,000,000 THRESHOLD

17.5.1 The following scorecard is to be used to score tenders above the N\$10,000,000 threshold:

|  |                        |    |    |     |
|--|------------------------|----|----|-----|
| <b>Ownership</b><br>Where:<br>Shareholding or Ownership by Previously Disadvantaged Namibian (PDN) is                          | ≤ 15% shares           | 2  | 20 | 100 |
|  | > 15% and ≤25% shares  | 8  |    |     |
|  | > 25% and ≤ 50% shares | 10 |    |     |
|  | > 50% shares           | 14 |    |     |
| Where:<br>Shareholding or Ownership by Women / Disabled person is  | ≤ 25% shares           | 2  | 20 |     |
|  | > 25% and ≤ 50% shares | 4  |    |     |
|  | > 50% shares           | 6  |    |     |
| <b>Management Control and Employment Equity</b><br>Where:<br>The combined board and top management structure filled by PDNs is | < 50%                  | 0  | 20 |     |
|  | = 50%                  | 10 |    |     |
|  | > 50% and ≤ 60%        | 12 |    |     |
|  | > 60% and ≤ 70%        | 14 |    |     |
|  | > 70% and ≤ 80%        | 16 |    |     |
|  | > 80% and ≤ 90%        | 18 |    |     |

|   |                  |    |    |  |
|---|------------------|----|----|--|
|   | > 90% and ≤ 100% | 20 |    |  |
| <b>Human Resources and Skills Development</b><br>Where:<br>A % of gross wages (including VET levy) spent on training is   | < 1%             | 0  |    |  |
|   | = 1%             | 10 |    |  |
|   | > 1% and ≤1.2%   | 12 |    |  |
|   | > 1.2% and ≤1.4% | 14 | 20 |  |
|   | > 1.4% and ≤1.6% | 16 |    |  |
|   | > 1.6% and ≤1.8% | 18 |    |  |
|   | > 1.8% and ≤2%   | 20 |    |  |
| <b>Entrepreneurship Development (Second tier PDN supplier procurement)</b><br>Where:<br>The Procurement spending allocated to businesses (e.g. mentorship programmes, joint ventures, subcontracting) owned by PDNs is  | ≤10%             | 8  |    |  |
|   | > 10 and ≤20     | 11 |    |  |
|   | > 20 and ≤30     | 14 | 20 |  |
|   | > 30 and ≤40     | 17 |    |  |
|   | > 40 and ≤50     | 20 |    |  |
|   |                  |    |    |  |
| <b>Community Investment</b><br>Where:<br>Tenderer devotes a percentage of after-tax profits to community investment. <i>(Where a tenderer is located in a communal/underdeveloped area employing members of such a community, automatically score 10 points. Additional points are to be awarded for further community investments up to a maximum of 20 points).</i> | < 1%             | 0  |    |  |
|   | = 1%             | 10 |    |  |
|   | > 1% and ≤1.2%   | 12 |    |  |
|   | > 1.2% and ≤1.4% | 14 | 20 |  |
|   | > 1.4% and ≤1.6% | 16 |    |  |
|   | > 1.6% and ≤1.8% | 18 |    |  |
|   | > 1.8% and ≤2%   | 20 |    |  |

17.5.2 The maximum price preference points that tenderers can score for tenders above N\$10,000,000 threshold is 100 points.

17.5.3 The NEEEP score is to be adjusted to the applicable sliding preference point scale as per the evaluation criteria stipulated under clause 18.

17.5.4 First time tenderers are to pledge a percentage of the tender value that they would donate as community investment. NamPower would retain an amount equivalent to the pledge as security until the pledge is fulfilled.

## 18. EVALUATION CRITERIA

- NamPower established a sliding preference point scale for awarding tenders. The specific preference point scale applied to a tender is determined by the value of that specific tender.
- The tender price will, however, always be an important determining factor for selecting tenderers. To ensure that NamPower continues to get the best value for its money, low priced tenders for goods and services are to be awarded more points while high priced tenders are to score lower points. However, where necessary, the Board of Directors shall have an overriding discretion in this regard to waive the lowest price criteria in order to advance the aims and objectives of the NEEEP Policy.



## 18.1 STAGE ONE – TECHNICAL EVALUATION

- 18.1.1 Tender offers are to be evaluated for technical compliance in terms of the technical specifications stated in the RFx.
- 18.1.2 The minimum qualifying technical score embodied in the RFx document has to be met for a tenderer to proceed to the next stage.
- 18.1.3 The technical evaluation criteria, weights, applicable values and/or the minimum qualifying technical score are to be pre-determined and form part of the RFx document.
- 18.1.4 To ensure fairness, consistency and trust in the NamPower tendering process, the technical evaluation criteria, weights, applicable values and/or the minimum qualifying technical score may not be changed after the bids have closed.
- 18.1.5 A tender will only be considered for further evaluation if it achieves the prescribed minimum qualifying technical score.
- 18.1.6 Tender offers that fail to achieve the minimum qualifying technical score are to be excluded from being considered further for financial and NEEEP compliance evaluation.

## 18.2 STAGE TWO – EVALUATION IN TERMS OF THE SLIDING PREFERENCE POINT SCALE EVALUATION SYSTEM

- 18.2.1 Only tender offers that have achieved the minimum qualifying technical score are to be evaluated further in accordance with the sliding preference point scale evaluation system as prescribed by the policy.
- 18.2.2 In the event that two or more tender offers have scored the same total number of points in the overall evaluation, the bid shall be awarded to the qualifying tenderer that scored the highest points in the NEEEP evaluation.
- 18.2.3 If two or more tender offers have scored equal total points, including equal NEEEP points, the bid shall be awarded to the bidder that scored the highest technical score.
- 18.2.4 The maximum price preference points that may be awarded to a tenderer is 40 points for tenders valued at less than or equal to N\$10,000,000 and 100 points for tenders valued at greater than N\$10,000,000 as illustrated in the table below:

| <b>Tenders of ≤ N\$10,000,000</b>  | <b>Tenders of &gt; N\$10,000,000</b>   |
|--|--|
| <p><i>Adjusted NEEEP score</i><br/><math display="block">= \frac{\text{Actual Score}}{\text{Max Score}} \times \text{Adopted point system}</math><br/><i>For example, for the 80/20 point system, a tenderer scores 34 out of 40.</i><br/><i>Then, the adjusted NEEEP score = <math>\frac{34}{40} \times 20</math></i><br/><b>17</b></p> | <p><i>Adjusted NEEEP score</i><br/><math display="block">= \frac{\text{Actual Score}}{\text{Max Score}} \times \text{Adopted point system}</math><br/><i>For example, for the 85/15 point system, a tenderer scores 65 out of 100.</i><br/><i>Then, the adjusted NEEEP score = <math>\frac{65}{100} \times 15</math></i><br/><b>9.75</b></p> |



### SCORING OF TENDERS OF LESS THAN OR EQUAL TO N\$10,000,000

The 80/20 price preference point system shall apply to tender values less than or equal to N\$10,000,000. The formula shall be used to calculate the points to be awarded for the price out of 80. The points awarded for the price must be added to the adjusted NEEEP score points out of 20. The total points awarded for the Price and the Adjusted NEEEP Score are to be used in determining the preferred tenderer.

The formula for the 80/20 price preference point system is as follows:

$$Fs = 80 \left( 1 - \frac{(Ft - Fmin)}{Fmin} \right)$$

Where:  $Fs$  = the points scored for price for the tender under consideration,

$Ft$  = the dollar value of the tender under consideration, and

$Fmin$  = the dollar value of the lowest acceptable tender.

|                      |   |     |
|----------------------|---|-----|
| Price                | = | 80  |
| Adjusted NEEEP score | = | 20  |
| Total points         | = | 100 |

The maximum price preference points attainable for the 80/20 point system are 25%.

### SCORING OF TENDERS OF GREATER THAN N\$10,000,000 AND LESS THAN OR EQUAL TO N\$20,000,000

The 85/15 preference point system shall apply to tender values > **greater than N\$10,000,000 and ≤ less than or equal to N\$ 20,000,000**. The formula shall be used to calculate the points to be awarded for the prices out of 85. The points awarded for the price must be added to the adjusted NEEEP score points out of 15. The total points awarded for the Price and the Adjusted NEEEP Score are to be used in determining the preferred tenderer.

The formula for the 85/15 price preference point system is as follows:

$$Fs = 85 \left( 1 - \frac{(Ft - Fmin)}{Fmin} \right)$$

Where:  $Fs$  = the points scored for price for the tender under consideration,

$Ft$  = the dollar value of the tender under consideration, and

$Fmin$  = the dollar value of the lowest acceptable tender.

|                      |   |     |
|----------------------|---|-----|
| Price                | = | 85  |
| Adjusted NEEEP score | = | 15  |
| Total points         | = | 100 |

The maximum price preference points attainable for the 85/15 point system are 17.65%.



## SCORING OF TENDERS OF GREATER THAN N\$20,000,000

The 90/10 point system shall apply to tender values **greater than N\$20,000,000**. The formula shall be used to calculate the points to be awarded for a price out of 90. The points awarded for a price must then be added to the points out of 10. The total points awarded for the Price Preference and the Adjusted NEEEP Score are to be used in determining the preferred tenderer.

The formula for the 90/10 price preference point system is as follows:

$$F_s = 90 \left( 1 - \frac{(F_t - F_{min})}{F_{min}} \right)$$

Where:  $F_s$  = the points scored for price for the tender under consideration,  
 $F_t$  = the dollar value of the tender under consideration, and  
 $F_{min}$  = the dollar value of the lowest acceptable tender.

|                      |   |     |
|----------------------|---|-----|
| Price                | = | 90  |
| Adjusted NEEEP score | = | 10  |
| Total points         | = | 100 |

The maximum price preference points attainable for the 90/10 point system are 11.11%.

## 18.3 RFX VALUES DETERMINATION FOR THE APPLICATION OF PRICE PREFERENCE

- 18.6.1 Business Units in consultation with the NEEEP Compliance Officer are to estimate the value of the tender.
- 18.6.2 The total dollar value of the contract are determined by including all the years for repetitive multiyear contract tenders and converting the value of rate contract tenders by calculating the total dollar value of these contracts over their entire contract tenure.
- 18.6.3 In the event of a tender falling outside the ambit of its estimated dollar value, the evaluation criteria prescribed by the RFX shall prevail. In this case, the tender shall be evaluated as per the RFX adopted point system.

## 19. EXEMPTION

The NamPower Board of Directors shall be approached for a mandate to change NEEEP evaluation criteria for high-value and complex tenders.



## 20. REVIEW OF THE NAMPOWER EQUITABLE ECONOMIC EMPOWERMENT POLICY

The NEEEP Policy shall be reviewed in conjunction with the Tender and Procurement Policy. This Policy has been approved on ..... 2014 and has been revised in accordance with the following table:

| Date | Revision number | Change | Reference Section |
|------|-----------------|--------|-------------------|
|      |                 |        |                   |
|      |                 |        |                   |
|      |                 |        |                   |
|      |                 |        |                   |

Signature:



PI Shilamba  
Managing Director

26/07/2014



## 21. ANNEXURE A

### 21.1 OWNERSHIP

#### 21.1.1 Capital Structure

Total equity capital: N\$ .....

The total equity is made up as follows:

| Capital Structure  | Amount (N\$) | % of Total |
|--|--------------|------------|
| Capital owned by Previously Disadvantaged Namibian (s)     |              |            |
| Capital owned by Namibian Women or Persons with Disability |              |            |
| Capital owned by Namibians/Namibian Registered Company     |              |            |
| Capital owned by Foreigners / Foreign Company              |              |            |
| <b>Total</b>   |              |            |

#### 21.1.2 Names of Shareholders/Members

| Name of a Shareholder | Namibian<br>(Yes/ No) | Previously<br>Disadvantaged<br>Namibian (Yes/ No) | Non-Namibian<br>Citizen (Yes/ No) | Full time<br>employed<br>(Yes/No) | Percentage<br>shares   |
|-----------------------|-----------------------|---|-----------------------------------|-----------------------------------|------------------------|
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   |                        |
|                       |                       |   |                                   |                                   | <b>Total=<br/>100%</b> |

The above information must be supported by copies of the CM29 and share certificates in respect of enterprises registered as PTY LTD as well as copies of identity documents of the owners/shareholders.



## 21.2 MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

### 21.2.1 Organizational Structure

| Category  | Total | Number of Namibians | Number of Previously Disadvantaged Namibians * | Number of Foreigners Citizen /Permanent |
|---|-------|---------------------|--|---|
| Managers (apart from shareholders/members)                                      |       |                     |  |   |
| All employees excluding Managers  |       |                     |  |   |
| Number of Female(s)   |       |                     |  |   |
| Number of Male(s)   |       |                     |  |   |
| Number of disabled Female(s)  |       |                     |  |   |
| Number of disabled Male(s)  |       |                     |  |   |
| Total number of employees including Managers but excluding Shareholders/members |       |                     |  |   |

### 21.2.2 Name of Board of Directors

| Board of Directors | Namibian Citizen (Yes/ No) | Role (Executive or non executive) |
|--------------------|----------------------------|-----------------------------------|
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |
|                    |                            |                                   |

## 21.3 HUMAN RESOURCES AND SKILLS DEVELOPMENT

- a) Particulars of structured training program/apprenticeship courses of approved standards for labour/technical staff and managerial cadre/specialized training for women and handicapped persons; other programs or activities benefiting Previously Disadvantaged Namibian citizens, assistance, sponsorship, bursaries, etc., provided to vocational training courses.

Give details and furnish documentary proof issued by competent/relevant authority:

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Provide proof of registration with NTA and proof of payment of the VET levy as required by the Vocational Education and Training Act, Act 1 of 2008.

**NB:** Entities exempted from this requirement should provide proof of exemption from the relevant authority.

## 21.4 ENTREPRENEURSHIP DEVELOPMENT

- a) Is a Previously Disadvantaged Namibian sub-contractor/sub-vendor involved in the execution of the contract/tender?

\_\_\_\_\_ (Yes/No)

If yes, indicate the value and percentage of the total tender amount being performed through subcontracting. Please furnish full particulars of subcontractor/sub-vendor concerned, including physical address and contact details.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This is to certify that I, \_\_\_\_\_  
Owner / representative of \_\_\_\_\_,  
is a Previously Disadvantaged Namibian sub-contractor/sub-vendor involved in the  
execution of a tender/contract description \_\_\_\_\_ no. \_\_\_\_\_.  
I am fully aware of the contents and the performance requirements for completing the  
works.

- b) Are the goods produced/manufactured/assembled in Namibia?

\_\_\_\_\_ (Yes/No)

If yes, give details and furnish documentary proof:

Nature of activities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- c) Is the principal contractor/tenderer a small and medium enterprise as defined by the Namibian Ministry of Trade and Industry?

\_\_\_\_\_ (Yes/No)

If yes, attach the SME certificate from the Ministry of Trade and Industry:





- d) Is the business owned by a previously disadvantaged Namibian(s)?

\_\_\_\_\_ (Yes/No)

If yes, give details and furnish documentary proof:

- e) Please state the percentage of the contract/tender procurement spending that has been allocated to businesses owned by previously disadvantaged Namibians.

\_\_\_\_\_  
Give details and furnish documentary proof:

## 21.5 COMMUNITY INVESTMENT

- a) Is the Tenderer located in communal area/underdeveloped area?

\_\_\_\_\_ (Yes/No)

If yes, give details and furnish documentary proof.

- b) Particulars of affirmative action programs/activities undertaken, such as promoting advancement of disadvantaged Namibian citizens, emerging Namibian entrepreneurs, women and handicapped persons; measures for achieving a balanced structure of managerial cadre, etc.

Give details and furnish documentary proof:

- c) Percentage of after-tax profits devoted to community investment

\_\_\_\_\_  
Give details and furnish documentary proof (from a qualified/certified auditor):



## 22. ANNEXURE B

### 22.1 NEEEP SCORECARD PILLARS

| Pillar  | Criteria                 | Score                     |
|---|--------------------------|---------------------------|
| <b>Ownership</b>  |                          |                           |
| A business will score a maximum of 20 points if:<br>Where:<br>Shareholding or Ownership by Previously Disadvantaged Namibian (PDN) is (% of shares)   | ≤ 15                     | 2                         |
|   | >15 and ≤25 %            | 8                         |
|   | >25 and ≤50%             | 10                        |
|   | >50%                     | 14                        |
| Where:<br>Shareholding or Ownership by Women / Disabled person is (%of shares)  | ≤ 25% shares             | 2                         |
|   | > 25% and <50% shares    | 4                         |
|   | > 50%                    | 6                         |
| <b>Management Control and Employment Equity</b>   |                          |                           |
| A business will score a minimum of 10 points if its combined board and top management structures are 50% filled by previously disadvantaged Namibians. For every additional 10%, a business will score 2 additional points up to a maximum of 100% giving a total of 20 points.   | 50% board and management | 100% board and management |
| <b>Human Resources and Skills Development</b>   |                          |                           |
| A business will score a minimum of 10 points for devoting the equivalent of 1% of its gross wages to training. For every additional 0.2% of gross wages spent on training, a business will score 2 additional points up to a maximum of 2% of gross wages giving a total of 20 points.  | 1% of Gross wages        | 2% of gross wages         |
| <b>Entrepreneurship Development (Second tier PDN supplier procurement)</b>  |                          |                           |
| A business will score points in proportion to the value of its procurement spending allocated to businesses owned by previously disadvantaged Namibians up to a maximum of 50%. Additional points may be made available for other support given to businesses owned by previously disadvantaged Namibians including mentorship programmes, <i>joint ventures, subcontracting</i> , market access and other initiatives. | 0% of procurement        | 50% of procurement        |
| <b>Community Investment</b>   |                          |                           |
| A business will score a minimum of 10 points for devoting 1% of after-tax profits to community investment. For every additional 0.2% spent on community investment, a business will score 2 additional points up to a maximum of 2% of after-tax profits giving a total of 20 points. Businesses will be rewarded for establishing operations in economically depressed communities.                                    | 1% of after-tax profits  | 2% of after-tax profits   |

## 23. ANNEXURE C

### 23.1 SCENARIO 1: UPPER LIMIT FOR SCORING OF TENDERS OF LESS THAN OR EQUAL TO N\$10,000,000

Supplier A offers the least expensive bid at N\$100.00 but has zero empowerment, while Supplier B offers the most expensive bid of N\$125.00 with maximum empowerment of 20 points.

#### For Supplier A:

$$\begin{aligned} F_{min} &= 100 \\ F_t &= 100 \end{aligned}$$

$$F_s = 80\left(1 - \frac{(100 - 100)}{100}\right)$$

Then  $F_s = 80$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 80 |
| Adjusted NEEEP score | = | 0  |
| Total points         | = | 80 |

#### For Supplier B:

$$\begin{aligned} F_{min} &= 100 \\ F_t &= 125 \end{aligned}$$

$$F_s = 80\left(1 - \frac{(125 - 100)}{100}\right)$$

Then  $F_s = 60$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 60 |
| Adjusted NEEEP score | = | 20 |
| Total points         | = | 80 |

Therefore, the maximum price preference points attainable for the 80/20 point system are 25%.

### 23.2 SCENARIO 2 UPPER LIMIT FOR SCORING OF TENDERS OF GREATER THAN N\$10,000,000 AND LESS THAN OR EQUAL TO N\$20,000,000

Supplier A offers the least expensive bid at N\$100.00 but has zero empowerment, while Supplier B offers the most expensive bid of N\$117.65 with maximum empowerment of 15 points.

#### For Supplier A:

$$\begin{aligned} F_{min} &= 100 \\ F_t &= 100 \end{aligned}$$

$$F_s = 85\left(1 - \frac{(100 - 100)}{100}\right)$$

Then  $F_s = 85$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 85 |
| Adjusted NEEEP score | = | 0  |
| Total points         | = | 85 |

#### For Supplier B:

$$\begin{aligned} F_{min} &= 100 \\ F_t &= 117.65 \end{aligned}$$

$$F_s = 85\left(1 - \frac{(117.65 - 100)}{100}\right)$$

Then  $F_s = 70$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 70 |
| Adjusted NEEEP score | = | 15 |
| Total points         | = | 85 |

Therefore,  $F_t$  can be 17.65% more expensive for tender offers above N\$ 10 000 000 and below N\$20,000,000.





### 23.3 SCENARIO 3: UPPER LIMIT FOR SCORING OF TENDERS OF GREATER THAN N\$20,000,000

Supplier A offers the least expensive bid at N\$100.00, but has zero empowerment, while Supplier B offers the most expensive bid of N\$111.11 with maximum empowerment of 10 points.

#### For Supplier A:

$$\begin{aligned} F_{min} &= 100.00 \\ F_t &= 100.00 \\ F_s &= 90\left(1 - \frac{(100 - 100)}{100}\right) \end{aligned}$$

Then  $F_s = 90$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 90 |
| Adjusted NEEEP score | = | 0  |
| Total points         | = | 90 |

#### For Supplier B:

$$\begin{aligned} F_{min} &= 100.00 \\ F_t &= 111.11 \\ F_s &= 90\left(1 - \frac{(111.11 - 100)}{100}\right) \end{aligned}$$

Then  $F_s = 80$ .

|                      |   |    |
|----------------------|---|----|
| Price                | = | 80 |
| Adjusted NEEEP score | = | 10 |
| Total points         | = | 90 |

Therefore, the maximum price preference points attainable for the 80/20 point system are 11.11%

