

**Points to be allocated for specific goals and to promote economic development”**

1. The following conditions will stipulate the specific goals as contemplated in section 2(1) (d) (ii) of the Preferential Procurement Policy Framework Act, be attained.
2. A maximum of 20 points (80/20) preference points system or 10 (90/10) preference points system will be allocated for specific goals. These goals are as follow”
  - a) Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
  - b) the promotion of enterprise located in the local area (phased in approach to be applied for other RDP
3. On paragraph 2 (b) above 50% of the (20/10) points will be allocated to promote this goal. Points will be allocated as follows:

Local area of Supplier	Number of Points for Preference (50%)		Means of Verification
	80/20	90/10	
Within the area of Tswaing Local Municipality.	10	5	Company registration-physical address
Within the area of Ngaka Modiri Molema District Municipality.	6	3	Company registration-physical address
Within the area of North West Province.	4	2	Company registration-physical address
Within the Republic of South Africa.	2	1	Company registration-physical address

4. Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender
5. A tender failing to submit proof of required evidence to claim preference for other specified goals, which is in line section 2 (1) (d) (i) of the Act.
  - a) may only score in terms of the 80/90-point formula for price and;
  - b) Scores 0 points out of 10/5 of the relevant specific goals where the supplier or service provider did not stipulate the area where the business is operating and/ or locating.

6. The preference points scored by a tender must be added to the points scored for price
7. The points scored must be rounded off to the nearest two decimal places
8. The contract must be awarded to the tender scoring the highest points

Specific Goals	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)	Means of Verification
Company which at least 51% is owned by Black People	10	5	CSD Report
Company which is at least 51% is owned by women	10	5	CSD Report
Company which at least 51% is owned by people with disabilities	10	5	Medical report indicating disability /CSD Report
Company which 51% is owned by people living in rural underdeveloped areas	10	5	CSD Report

### Identification of preference point system

53. 1. Tswaing Local Municipality must, in the tender documents, stipulate—
- a) The applicable preference point system as envisaged in regulations 4, 5, 6 or 7;
  - b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.
2. If it is unclear whether the 80/20 or 90/10 preference point system applies, Tswaing Local Municipality must, in the tender documents, stipulate in the case of—

- a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

**80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million**

1. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

$P_s$  = Points scored for price of tender under consideration;

$P_t$  = Price of tender under consideration; and

$P_{\min}$  = Price of lowest acceptable tender.

2. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)

3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

