

11 October 2019

ADJUSTMENTS TO THE TENDER VALUE RANGES IN TERMS OF THE CONSTRUCTION INDUSTRY DEVELOPMENT REGULATIONS, 2004 (AS AMENDED) – CLARIFICATION MEMORANDUM

1. Background

The cidb Register of Contractors is established in terms of the Construction Industry Development Board Act (38 of 2000) and the Construction Industry Development Regulations, 2004 as amended ('the Regulations'). The Register is an integral component in public sector procurement and categorizes contractors based on financial and works capability. It serves as a macro risk management tool for the public sector, provides a framework for contractor development and supports the monitoring thereof.

In terms of the Regulations, a contractor is considered capable of undertaking contracts within the range of tender values of the contractor grading designation, in which the contractor is registered. Due to inflationary impacts it is necessary to periodically adjust the range of tender values. This memorandum seeks to clarify the implementation of the tender value range adjustments which came into effect on 07 October 2019.

2. Tender Value Range Adjustments

The Regulations provides for the Minister of the Department of Public Works and Infrastructure to determine the range of tender values for the purposes of determining the values of contracts that contractors are considered capable of undertaking.

Revised tender value ranges came into effect on 07 October 2019 after a public comment process was followed. It is to be clarified that registration criteria qualifying values will not be adjusted in this round of tender value range adjustments.

The cidb plans to initiate more frequent reviews of tender value limits in order to keep pace with inflation. It is emphasized that any further adjustments to tender value limits and registration criteria qualifying values will be published for public comment.

The table below reflects the new tender value ranges and the applicable existing registration criteria qualifying values.

Grading Designation	New Tender Value Limit (effective 07 October 2019)	Best Annual Turnover	Largest Contract	Available Capital
1	R 500 000	R -	R -	R -
2	R 1 000 000	R -	R 130 000,00	R -
3	R 3 000 000	R 1 000 000	R 450 000,00	R 100 000
4	R 6 000 000	R 2 000 000	R 900 000,00	R 200 000
5	R 10 000 000	R 3 250 000	R 1 500 000,00	R 650 000
6	R 20 000 000	R 6 500 000	R 3 000 000,00	R 1 300 000
7	R 60 000 000	R 20 000 000	R 9 000 000,00	R 4 000 000
8	R 200 000 000	R 65 000 000	R 30 000 000,00	R 13 000 000
9	No Limit	R 200 000 000	R 90 000 000,00	R 40 000 000

3. Conclusion

The revised tender value ranges provides for inflationary impacts and has come into effect on 07 October 2019. There are no adjustments to registration criteria qualifying values.

Yours Sincerely



Ebrahim Moola
Acting Chief Executive Officer
Construction Industry Development Board