

ANNEX A.4: B-BBEE POINTS AS PART OF THE PREFERENCE GOAL REQUIREMENTS (80:20 points system)

SPECIFIC GOALS DECLARATION IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS

1. DEFINITIONS

- 1.1.1 **"African"** means people of the "African" ethnic group as assigned by the Department of Home Affairs and who are citizens of the Republic of South Africa by birth or descent; or who became citizens of the Republic of South Africa by naturalisation before 27 April 1994; or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date. Previously referred to as Black African. Generally considered to be persons from the first nations of South Africa.
- 1.1.2 **"Black people"** means Africans, Coloureds and Indians (refer to the B-BBEE Act for more details).
- 1.1.3 **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 1.1.4 **"Coloured"** means people identified by the Department of Home Affairs assigned to the Coloured ethnic group, and who are citizens of the Republic of South Africa by birth or descent; or who became citizens of the Republic of South Africa by naturalisation before 27 April 1994; or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date. A composite and diverse category including descendants of relationships between white and African people; descendants of 'Malay' slaves brought from South-east Asia (categorised separately in 1951 but not thereafter), and (after 1970) descendants of the indigenous Khoi and San who inhabited the Western Cape prior to the arrival of either white or African people¹.
- 1.1.5 **"Central Supplier Database"** means the database managed by National Treasury at www.csd.gov.za.
- 1.1.6 **"Disabled person"** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being AND is in possession of a proof of disability.
- 1.1.7 **"EME"** means an Exempted Micro Enterprise in terms of the relevant code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act; An EME typically has less than R10m annual revenue, unless specified differently in a sector code. A Start-Up enterprise must be measured as an Exempted Micro-Enterprise for the first year following their formation or incorporation. This is regardless of the expected total revenue of the Start-up Enterprise.

P. J. HUTH
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- 1.1.8 **"Indian"** means people identified by the Department of Home Affairs assigned to the Indian ethnic group, and who are citizens of the Republic of South Africa by birth or descent; or who became citizens of the Republic of South Africa by naturalisation before 27 April 1994; or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date. Generally considered to be people of South Asian descent.
- 1.1.9 **"Locality"** means that the enterprise has either its head office or an operational office located in that location AND they are in possession of proof of locality.
- 1.1.10 **"Ownership"** includes exercisable voting rights in the enterprise; economic interest in the enterprise (including Employee Share Ownership Programmes, Broad-based Ownership Schemes). The definition in the Ownership Element of the B-BBEE Amendment Act of 2013 and the codes of good practice provides more information on ownership.
- 1.1.11 **"Proof of Disability"** means:
- 1.1.11.1 A completed SARS "Confirmation of Diagnosis of Disability" form endorsed by a duly registered medical practitioner which will remain valid for 10 years where the disability is of a permanent nature;
- 1.1.11.2 A medical report and functional assessment report confirming the disability; or
- 1.1.11.3 A SASSA disability grant.
- 1.1.12 **"Proof of Locality"** means:
- 1.1.12.1 A municipal rates invoice in the name of the company submitting the bid that has been issued within the last three months;
- 1.1.12.2 An affidavit or equivalent from an authorised traditional leaders or local councillor in regions where municipal rates invoices are not available, showing the township name and ERF number or physical address;
- 1.1.12.3 A signed lease with a property owner located in that municipality/township (GPAA may request a recent statement from the landlord);
- 1.1.12.4 A utilities rates statement (examples, Eskom or Telkom fixed line service) showing the physical address and the company or director name; or
- 1.1.12.5 A bank statement showing the company name and address.
- 1.1.13 **"Proof of Ownership"** means:
- 1.1.13.1 The percentage (%) ownership indicated on the Central Supplier Database. The CSD integrates with the systems at Home Affairs (demographic information); Companies and Intellectual Property Commission (CIPC) (for company information such as shareholding); and other databases (such as the banks).
- 1.1.14 **"Proof of B-BBEE status level of contributor"** means:
- 1.1.14.1 B-BBEE Status level certificate issued by an authorized body or person (such as a SANAS verification agent);
- 1.1.14.2 A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
- 1.1.14.3 A CIPC B-BBEE certificate; or



1.1.14.4 Any other requirement prescribed in terms of the B-BBEE Act.

1.1.15 “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act; a QSE has between R10m and R50m annual revenue, unless specified differently in a sector code.

1.1.16 “**Youth**” means persons between the ages of 14 and 35 as defined in the National Youth Commission Act of 1996.

2. POINTS AWARDED FOR SPECIFIC GOALS FOR THIS BID

2.1 The following Specific Goals and points apply to this bid:

Note: Points out of **20** will proportionally be allocated for the specific goal applicable to this bid.

Table 2: B-BBEE POINTS AS PART OF THE PREFERENCE GOAL REQUIREMENTS

Specific Goals in terms of Weighting (A (if applicable))	Points out of 20 for the 80/20 system (B2)	% Ownership To be completed by the bidder (C)	Points Claimed 80/20 To be completed by bidder (A x B2 x C =)
See example in 2.2 below			
% African ownership (100% of max points)	10 max	%	
% Coloured ownership (80% of max points)		%	
% Indian ownership (50% of max points)		%	
% women owned	4 max	%	
% youth owned	2 max	%	
Locality	4 max	%	
TOTAL:	20		

N/A = Not applicable

2.2 Points claimed calculations:

2.2.1 **Ownership.** The points claimed will be calculated by multiplying the race weighting % by the maximum points for that goal by the % ownership by the race. For example a 70% African owned enterprise will score a $100\% \times 70\% \times 10$ max points = 7 points. If 30% of the enterprise is owned by coloured people, then an additional $80\% \times 30\% \times 10$ max points = 2.4 points, i.e. a total of 9.4 points for ownership.

2.2.1.1 Note that if GPAA requests proof of ownership, and the proof can either not be provided OR if the proof is dated after the declaration date, this will be deemed to be mis-representation and GPAA will begin the remedy outlined below.

2.2.2 **Locality.** The points claimed for locality will be the maximum points if the bidder declares that they have Proof of Locality at the time of the declaration. If no proof of locality for the location described exists, then zero points must be claimed.

3. **SUBMISSIONS BY CONSORTIUMS AND JOINT VENTURES**

3.1 If a submission is made by a consortium or Joint Venture, the points claimed for ownership must be detailed separately on an attachment showing the following:

3.1.1 The percentage (%) of the contract allocated to each JV member or consortium member. This should also be included in an agreement to be made available on request by GPAA.

3.1.2 The percentage ownership by race category of each JV member or consortium member in each of the specific goals relevant to this bid.

3.1.3 The total points claimed will be the sum of the percentage contract allocation for each partner multiplied by the percentage weighting for the race category, multiplied by the percentage ownership in the relevant specific goal.

3.2 For small enterprises, the full points can only be claimed if all consortium members or the joint venture partners are either EMEs or QSEs (as permitted by the codes of good practice).

3.2.1 The points claimed for small enterprises is calculated proportional to the number of members/partners that are either EMEs or QSEs. If 2 of 3 of the consortium members (i.e., 66.67%) are either EME or QSE, then the points claimed will be 66.67% of the maximum points for small enterprises. For simplicity, points claimed for small enterprises will not be dependent on the percentage of the contract allocated to each JV member or consortium member.

4. DECLARATION WITH REGARD TO COMPANY/FIRM

4.1 Name of company/firm.....

4.2 Company registration number:

4.3 CSD Number: MAAA.....

4.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Consortium	Venture /	Personal Liability Company
One-person business/sole propriety		(Pty) Limited
Close corporation		Non-Profit Company
Public Company		State Owned Company
Consortium (Unincorporated JV)		Joint Venture (Incorporated JV)
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4.5 For a consortium or joint venture, the names of each member in the JV/Consortium; together with the company registration number and corresponding MAAA number, must be detailed in a separate attachment to this document.

5. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, declare the points claimed and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) In the event of a contract being awarded as a result of points claimed and any other information at the disposal of the SITA/GPAA, the bidder may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iii) If the points claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.



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SIGNATURE(S) OF BIDDERS(S)

SURNAME AND NAME:

DATE:

ADDRESS