



Health and Welfare Sector
Education and Training Authority

HWSETA

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2001

PURCHASES

This preference form must form part of all bids invited. It contains general information and serves as a claim form for Historically Disadvantaged Individual (HDI) preference points as well as a summary for preference points claimed for attainment of other specified goals

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R500 000; and
- the 90/10 system for requirements with a Rand value above R500 000.

The value of this bid is estimated to exceed R500 000 and therefore the 90/10 system shall be applicable.

1.2 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.



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1.3.1 The points for this bid are allocated as follows:

1.3.1.1	PRICE	90 POINTS
1.3.1.2	B-BBEE STATUS LEVEL OF CONTRIBUTION	10 POINTS
	Total points for Price and B-BBEE MUST NOT EXCEED	100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that the preference points for B-BBEE status level of contribution are not claimed.

1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2 GENERAL DEFINITIONS

- 2.1 “ Acceptable bid” means any bid, which, in all respects, complies with the specifications and conditions of bid as set out in the bid document.
- 2.2 “Bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods works or services.
- 2.3 “ Comparative price” means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.
- 2.4 “ Consortium or joint venture” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.



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- 2.5 “Contract” means the agreement that results from the acceptance of a bid by an organ of state.
- 2.6 “B-BBEE ” means broad-based black economic empowerment as defined in section 1 of the Broad- Based Black Economic Empowerment Act;
- 2.6.1 “B-BBEE status level of contributor” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) o the Broad-Based Black Economic Empowerment Act;
- 2.7 “Broad-Based Black Economic Empowerment Act” means Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.8 “EME” means, any enterprise with an annual total revenue of R5 million or less.
- 2.9 “Functionality” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder,
- 2.10 “Management” means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.11 “Owned” means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrate
- 2.12 “Person” includes reference to a juristic person.
- 2.13 “Rand value” means the total estimated value of a contract in Rand denomination that is calculated at the time of bid invitations and includes all applicable taxes and excise duties.
- 2.14 “Small, Medium and Micro Enterprises (SMMEs) bears the same meaning assigned to this expression in the National Small Business Act, 1996 (No 102 of 1996).



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- 2.15 **“Sub-contracting” means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.**
- 2.16 **“Trust” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.**
- 2.17 **“Trustee” means any person, including the founder of a trust, to whom property is Bequeathed in order for such property to be administered for the benefit of another person.**

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis.
- 3.3 Points scored will be rounded off to 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.



4. POINTS AWARDED FOR PRICE

A maximum of 90 points is allocated for price on the following basis:

90/10 preference point system

$$P_s = 90 \left(1 - \frac{H_s - R_s}{R_s} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Rand value of bid under consideration

P_{min} = Rand value of lowest acceptable bid

5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:



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LEVEL	POINTS
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non Compliant	0

Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by a Verification Agency accredited by SANAS or Registered Auditor approved by IRBA or any other body authorized by the Minister to undertake accreditation of verification agencies do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issued EMEs with B-BBEE status Level Certificate.

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submit their B-BBEE status level certificate. A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submit their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.



Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

Bids will not be disqualified from bidding process if the bidder did not submit a certification substantiating the B-BBEE status level of contribution.

Failure to capture the required status level and to submit the required B-BBEE status level certificates will lead to a zero (0) status level for non-compliant service provider.

Bidders are requested to complete the preference claim form in order to claim preference points

Only bidders who has completed and signed the declaration part of the preference claim will be considered for B-BBEE status

A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended subcontractor is an EME that has the capability and ability to execute the sub-contract.

A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:



7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: =(maximum of 10 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8. SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted?%

(ii) the name of the sub-contractor?

(iii) the B-BBEE status level of the sub-contractor?

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)



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9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm

9.2 VAT registration number :

9.3 Company registration number

9.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company

(Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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.....
.....
.....

9.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc

[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business?

9.8 I/we, the undersigned, who is / are duly authorized to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been 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 favorable arrangements due to such cancellation
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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

WITNESSES:

1.

SIGNATURE(S) OF BIDDER(S)

2.

DATE:

ADDRESS :

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