

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 469 [NW625E]

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Ms D Carter (Cope) to ask the Minister of Finance:

What criteria did the National Treasury apply to judge tenders for the last 100 contracts over R500 000?

NW625E

REPLY:

The National Treasury has been applying the criteria that are prescribed in the Preferential Procurement Policy Framework Act, 2000, Act No 5 of 2000 (PPPFA) and its associated Preferential Procurement Regulations in the invitation, evaluation and adjudication of tenders above the value of R500 000.

For tenders above the value of R500 0000 but below the value of R1million the 80/20 preference point system is applied, where 80 points are allocated for price and 20 points for Broad-Based Black Economic Empowerment.

For contracts above the value of R1million the 90/10 preference point system is applied, where 90 points are allocated for price and 10 points for Broad-Based Black Economic Empowerment.

The Preferential Procurement Regulations also make provision for the designation of sectors for local production and content, where only locally produced services, goods or works or locally manufactured goods meet a stipulated minimum threshold for local production and content will be considered.

In such cases it is a pre-qualification criterion that only bids that achieve the minimum threshold for local production and content will be considered.