

SUBCONTRACTING

In the event that the **Waste Destruction project** results in the recommendation to award to only one service provider, the BEC reserves the right to apply the prescripts of the PPPFA Regulations with regards to the regulations 9 and 4 pertaining to bids with a value of more R 30 million.

The following is an extract from the PPPFA regulation with regards to projects with a value exceeding R30 million:

Regulation 9 – Subcontracting as a condition of tender for procurement above R30 million

14.1. “The regulation states **that if feasible to contract above R 30 million**, an organ of **state must apply** subcontracting to advance designated groups”.

14.6. Tenders must be advertised with a condition that tenderers who fail to comply with this requirement would be disqualified.

Regulation 4 – Application of Pre-qualification criteria

5.11.3. Determine which category of enterprises will be advanced in terms of Regulation 4

5.11.4. When an organ of state decides to apply the sub-contracting provision as specified in Regulation 4(c) all tenders above the prescribed maximum threshold for quotations must be advertised through an open competitive bidding process subject to potential tenderers meeting the 30% minimum subcontracting requirement to EMEs or QSEs that are 51% owned by the following enterprises:

- (i) **Black people**
- (ii) Black people who are youth
- (iii) Black people who are women
- (iv) Black people with disabilities
- (v) Black people living in rural or underdeveloped areas or townships
- (vi) Cooperatives which are 51% owned by Black people
- (vii) Black people who are military veterans

In this instance we will recommend:

- (i) **subcontracting requirement to EMEs that are 51% owned by Black people**