# Preferencing schedule where preferences are granted in respect of HDI equity

#### 1 Definitions

The following definitions shall apply to this schedule:

**Equity ownership:** The percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of the company's shares that are owned by individuals, who are actively involved in the management of an enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.

Note: All claims for HDI equity ownership by an HDI will be considered according to the following criteria:

- equity within private companies will be based on the percentage of equity ownership;
  - preference points will not be awarded to public companies and tertiary institutions;
- equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust; and.
- a consortium or Joint Venture may, based on the percentage of the contract value managed of executed by their HDI members, be entitled to equity ownership.

**Historically disadvantaged individual (HDI):** A natural person who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993) (the interim Constitution).

#### 2 Conditions associated with the granting of preferences

The tenderer who claims a preference, undertakes to:

- 1) not subcontract more than 25% of the Net Amount of the Contract to a person who is not an HDI or does not qualify for such preference;
- 2) maintain a HDI equity ownership of not less than that upon which the preference is based upon for the duration of the Contract;
- 3) accept the sanctions set out in Section 3 below should conditions 1 or 2 be breached;
- 4) complete the Tender Preference Claim in respect of Enterprise Status or Structure in the Tendering Entity contained in Section 4 below; and
- 5) complete the Declaration with regard to Equity Ownership contained in section 5 below.

## 3 Sanctions relating to breaches of preferencing conditions

The sanctions for breaching the preferencing conditions are:

- 1) termination of the Contract; or
- 2) a financial penalty payable to the Employer equal to 1,25 times the number of tender evaluation points
- awarded in respect of the preference claimed, multiplied by the Contract Price exclusive of VAT, divided by 100.

## 4 Tender preference claim in respect of enterprise status or structure of the tendering entity

Number of preference points = NOP x EP / 100

maximum tender evaluation points provided for in the Preferential Procurement Policy Framework Act (Act 5 of 2000)

the percentage of equity ownership by an HDI within the business enterprise

I/we apply on behalf of my/our firm for a preference based on an HDI equity ownership percentage of ...........%

## 5 Declaration with regard to equity ownership

5.1 How long has the Company been in existence ?.....

5.2 Describe principal business activities:

.....

.....

5.3 List all shareholders by name, identity number, citizenship, HDI status, ownership, as relevant

Tender Part T2: Returnable Documents

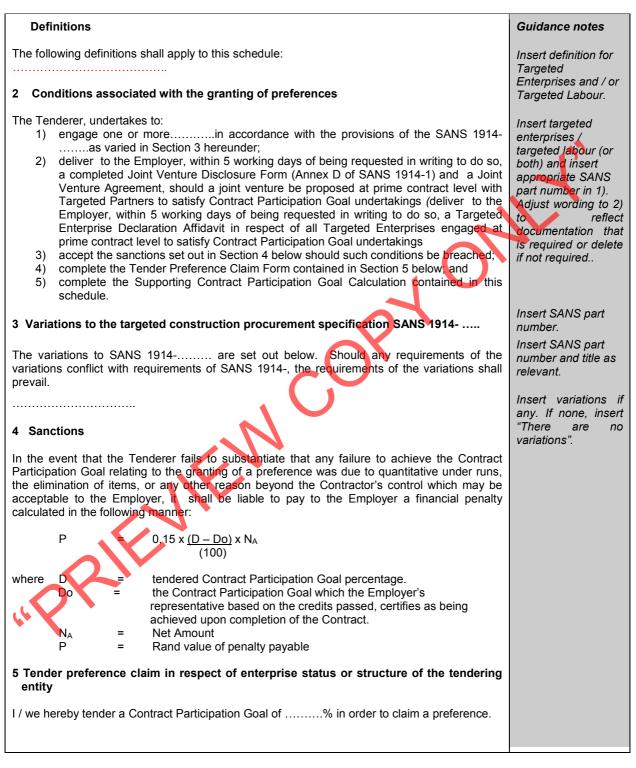


NOP =

EP

Name	Position occupied in enterprise	ID number	Date RSA or TBVC Citizenship obtained	Percentage owned by HDIs	
				•	
				<b>`</b>	
5.4 How many permanent staf	f members does the tendere	employ?			
The undersigned, who warrants that he / she is duly authorised to do so on behalf of the firm or sole proprieter confirms that he / she understands the conditions under which such preferences are granted and confirms that the tenderer satisfies the conditions pertaining to the granting of tender preferences.					
Signature :					
Name :					
Duly authorised to sign on behalf of :					
Telephone :					
Fax :					
Date :					
PRIE					

# Sample preferencing schedule where preferences are granted in respect of the direct participation of targeted enterprises and / or labour



Tender Part T2: Returnable Documents T2.2 Returnable Schedules

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RANSNEF

Transnet Freight Rail A Division of Transnet Limited

#### Contract No. S.I.E 7014CIDB

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the firm or sole proprietor confirms that he / she understands the conditions under which such preferences are granted and confirms that the tenderer satisfies the conditions pertaining to the granting of tender preferences.	
Signature:	
Name:	
Duly authorised to sign on behalf of :	
Telephone :	
Fax:	
Date:	
Supporting contract participation goal calculation	
	Insert Annex A: Tendered goal calculation from relevant part of SANS 1914

Tender Part T2: Returnable Documents



Insistent

T2.2 Returnable Schedules