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“Creating BUSINESS sense out of BEE”

The Construction Sector section 9.1 scorecard (Gazette no. 32305 – 5 June 2009)

- **Construction Exempt Micro Enterprises (EMEs)** – enterprises whose annual turnover falls below R5 million. These enterprises are exempt from any form of B-BBEE and are automatically level 4 contributors – i.e. you can claim R1 for every R1 spent with them. 50% black owned or black women owned enterprises are automatically level 3 contributors.
- **Built Environment Professionals (BEPs) EMEs** – annual turnover falls below R1.5 million per year.
- **Construction Qualifying Small Enterprises (QSEs)** – annual turnover falls between R5 million and R35 million.
- **BEP QSEs** – annual turnover falls between R1.5million and R11.5million.
- **ARFG** - adjusted recognition for gender. The calculations for the ARGF differ from element to element.
- **Transitional Phase** – a narrow-based assessment is permitted for the first year after the gazetting of the codes. The narrow-based calculation is 1.65
- **Construction codes to prevail** - Codes 2000 to 2800 identify the basic principles, definitions and methodologies adopted in the Construction Sector only where these principles, definitions and methodologies differ from the DTI’s generic codes. The differences stipulated in Code 2000 to 2800 are to be read in conjunction with the DTI’s codes and where there is any conflict take precedence to the clauses contained in the DTI’s generic scorecard.



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Contributors are measured using the table below.

Contribution Level	B-BBEE score range	Recognition level
Level One Contributor	≥ 100 points	R1.35/R1 spent
Level Two Contributor	≥ 85 points but < 100 points	R1.25/R1 spent
Level Three Contributor	≥ 75 points but < 85 points	R1.10/R1 spent
Level Four Contributor	≥ 65 points but < 75 points	R1/R1 spent
Level Five Contributor	≥ 55 points but < 65 points	R0.80/R1 spent
Level Six Contributor	≥ 45 points but < 55 points	R0.60/R1 spent
Level Seven Contributor	≥ 40 points but < 45 points	R0.50/R1 spent
Level Eight Contributor	≥ 30 points but < 40 points	R0.10/R1 spent
Non-Compliant Contributor	< 30 points	R0/R1 spent

Generic B-BBEE scorecard - Construction

Equity element – Generic Scorecard (Construction)

Ownership. Total points - 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Voting rights			
Exercisable voting rights in the enterprise in the hands of black people.	4	27.5%	30%
Exercisable voting rights in the enterprise in the hands of black women.	2	10%	
Economic interest			
Economic interest in the enterprise to which black people are entitled	5	27.5%	30%
Economic interest in the enterprise to which black women are entitled	2	10%	
Economic interest of the following black natural people in the enterprise <ul style="list-style-type: none"> o black designated groups o black participants in employee ownership schemes o black beneficiaries of broad-based ownership schemes; or o black participants in co-operatives are entitled	5	10%	
Realisation points			
Ownership fulfilment	1	No restrictions	
Net value	6	25%	

Management element – Generic Scorecard (Construction)

Management Control. Total points –10			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Board participation			
Exercisable voting rights of black board members using the adjusted recognition for gender (ARFG) ¹	5	40%	
Top management participation			
Black senior top management using the adjusted recognition for gender (ARFG) ²	5	25% (year 0-4)	40% (year 5-7)

Employment Equity – Generic Scorecard (Construction)

Employment Equity. Total points – 10			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
Black employees in <i>senior management</i> as a percentage of all such employees using the ARFG ³	3.5	35%	60%
Black employees in <i>middle management</i> as a percentage of all such employees using the ARFG	3.5	45%	75%
Black employees in <i>junior management</i> as a percentage of all such employees using the ARFG ⁴	2.5	68%	80%
Black disabled employees as a percentage of <u>ALL</u> office-based employees using the ARFG	0.5	2%	3%

¹ Calculation of board ARFG – $A=B/1.76+C$

² Calculation of senior top ARFG – $A=B/1.62+C$

³ ARFG calculation for senior, middle and disabled - $A=B/1.62+C$

⁴ ARFG calculation for junior - $A=B/1.66+C$

Skills Development – Generic Scorecard (Construction)

Skills Development. Total points – 15		
Description	Weighting points	Compliance Target
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix		
Skills development expenditure on ALL employees as a percentage of leviabile amount	2	1.5%
Portion of skills development expenditure on black employees as a percentage skills development expenditure on all employees using the ARFG ⁵	3	70%
Portion of skills development expenditure on black employees in all management categories as a percentage skills development expenditure on all employees using the ARFG ⁶	1.5	25%
Learnerships		
Number of employees participating in learnerships, or category B, C and D programmes as a percentage of total employees	1	2.5%
Number of black learners participating in learnerships, or category B, C and D programmes as a percentage of total employees using the ARFG	1.5	70%
Number of black disabled people (office-based) participating in learnerships, or category B, C and D programmes as a percentage of black learners on such programmes using the ARFG ⁷	2.5	50%
Bursaries		
Scholarships and/or bursary expenditure on black students as a percentage of leviabile amount	2	0.3%
Mentorship		
Implementation of an approved and verified mentorship programme	2	Yes to all criteria

⁵ ARFG black employees - $A=B/1.2+C$

⁶ ARFG portion of skills development - $A=B/1.71+C$

⁷ ARFG black learners, black disabled learners $A=B/1.29+C$

Preferential Procurement – Generic Scorecard (Construction)

Preferential Procurement. Total points – 20			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	12	50%	70%
B-BBEE procurement spend from all <i>Qualifying Small Enterprises</i> (QSEs) or from <i>Exempted Micro-Enterprises</i> (EMEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	3	10%	15%
B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend:			
suppliers that are <i>50% black owned</i>	3	9%	12%
suppliers that are <i>30 % black women owned</i>	2	6%	8%

Enterprise Development – Generic Scorecard (Construction)

Enterprise Development. Total points – 15		
Description	Weighting points	Compliance Target
Enterprise Development Programme		
Compliance with the requirements and guidelines for an enterprise development programme for at least one recipient. The measured entity must submit an annual portfolio of proof indicating compliance with the pre-requisites as well as adherence to the guidelines for an enterprise develop program	5	Yes to all programme requirements and prerequisites
Enterprise Development Contributions		
Average annual value of all enterprise development contributions and sector specific programmes as a percentage of the target	10	3% of NPAT

Socio-Economic Development – Generic Scorecard (Construction)

Socio-Economic Development. Total points – 5		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	5	1% of NPAT

QSE B-BBEE scorecard – Construction

These entities turnover between R5m and R35m.

Equity element – QSE Scorecard (Construction)

Ownership. Total points - 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Voting rights			
Exercisable voting rights in the enterprise in the hands of black people.	4	27.5%	30%
Exercisable voting rights in the enterprise in the hands of black women.	2	10%	
Economic interest			
Economic interest in the enterprise to which black people are entitled	8	27.5%	30%
Economic interest in the enterprise to which black women are entitled	4	10%	
Realisation points			
Ownership fulfilment	1	No restrictions	
Net value	6	25%	

Management element – QSE Scorecard (Construction)

Management Control. Total points – 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Black representation at senior top management level using the adjusted recognition for gender (ARFG) ⁸	25	25% (year 0-4)	40% (year 5-7)

⁸ Calculation of top management ARFG – $A=B/1.62+C$

Employment Equity – QSE Scorecard (Construction)

Employment Equity. Total points – 25			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
Black employees in within all management categories as a percentage of all employees in the management categories using the ARFG ⁹	15	45%	60%
Black employees as percentage of all employees using the ARFG ¹⁰	10	60%	70%

Skills Development – QSE Scorecard (Construction)

Skills Development. Total points – 25		
Description	Weighting points	Compliance Target
Skills development expenditure in respect of all employees on learning programmes as a percentage of leviabale amount	10	1.5%
Portion of skills development expenditure on black employees as a percentage of skills development expenditure on all employees using the ARFG ¹¹	15	70%

⁹ Black management ARFG calculation - $A=B/1.62+C$

¹⁰ Black employees ARFG calculation - $A=B/1.62+C$

¹¹ Skills development expenditure ARFG - $A=B/1.62+C$

Preferential Procurement – QSE Scorecard (Construction)

Preferential Procurement. Total points – 25			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	25	40%	50%

Enterprise Development – QSE Scorecard (Construction)

Enterprise Development. Total points – 25		
Description	Weighting points	Compliance Target
Average annual value of all enterprise development contributions and sector specific programmes as a percentage of the target	25	2% of NPAT

Socio-Economic Development – QSE Scorecard (Construction)

Socio-Economic Development. Total points – 25		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	25	1% of NPAT

Generic Scorecard – Built Environment Professionals

Equity element – Generic Scorecard (BEP)

Ownership. Total points - 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Voting rights			
Exercisable voting rights in the enterprise in the hands of black people.	4	27.5%	30%
Exercisable voting rights in the enterprise in the hands of black women.	2	10%	
Economic interest			
Economic interest in the enterprise to which black people are entitled	5	27.5%	30%
Economic interest in the enterprise to which black women are entitled	2	10%	
Economic interest of the following black natural people in the enterprise <ul style="list-style-type: none"> o black designated groups o black participants in employee ownership schemes o black beneficiaries of broad-based ownership schemes; or o black participants in co-operatives are entitled	5	5%	
Realisation points			
Ownership fulfilment	1	No restrictions	
Net value	6	25%	

Management element – Generic Scorecard (BEP)

Management Control. Total points –10			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Board participation			
Exercisable voting rights of black board members using the adjusted recognition for gender (ARFG) ¹²	5	40%	
Top management participation			
Black senior top management using the adjusted recognition for gender (ARFG) ¹³	5	25% (year 0-4)	40% (year 5-7)

Employment Equity – Generic Scorecard (BEP)

Employment Equity. Total points – 10			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
Black disabled employees as a percentage of <u>ALL</u> office-based employees using the ARFG ¹⁴	0.5	2%	3%
Black employees in <i>all management</i> categories as a percentage of all such employees using the ARFG	9.5	45%	60%

¹² Calculation of board ARFG – $A=B/1.76+C$

¹³ Calculation of senior top ARFG – $A=B/1.62+C$

¹⁴ ARFG calculation for all management and disabled - $A=B/1.62+C$

Skills Development – Generic Scorecard (BEP)

Skills Development. Total points – 20		
Description	Weighting points	Compliance Target
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix		
Skills development expenditure on ALL employees as a percentage of leviabile amount	2.5	1.5%
Portion of skills development expenditure on black employees as a percentage skills development expenditure on all employees using the ARFG ¹⁵	4	70%
Portion of skills development expenditure on black employees in all management categories as a percentage skills development expenditure on all employees using the ARFG ¹⁶	2	25%
Learnerships		
Number of employees participating in learnerships, or category B, C and D programmes as a percentage of total employees	1.5	1.5%
Number of black learners participating in learnerships, or category B, C and D programmes as a percentage of total employees using the ARFG	3.5	70%
Number of black disabled people (office-based) participating in learnerships, or category B, C and D programmes as a percentage of black learners on such programmes using the ARFG ¹⁷	1.5	5%
Bursaries		
Scholarships and/or bursary expenditure on black students as a percentage of leviabile amount	2.5	0.3%
Mentorship		
Implementation of an approved and verified mentorship programme	2.5	Yes to all criteria

¹⁵ Skills development black employees ARFG - $A=B/1.2+C$

¹⁶ Portion of black spend ARFG - $A=B/1.71+C$

¹⁷ ARFG black learners, black disabled learners $A=B/1.29+C$

Preferential Procurement – Generic Scorecard (BEPs)

Preferential Procurement. Total points – 20			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	12	50%	70%
B-BBEE procurement spend from all <i>Qualifying Small Enterprises</i> (QSEs) or from <i>Exempted Micro-Enterprises</i> (EMEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	3	10%	15%
B-BBEE procurement spend from any of the following suppliers as a percentage of total measured procurement spend:			
suppliers that are <i>50% black owned</i>	3	9%	12%
suppliers that are <i>30 % black women owned</i>	2	6%	8%

Enterprise Development – Generic Scorecard (BEP)

Enterprise Development. Total points – 10		
Description	Weighting points	Compliance Target
Enterprise Development Programme		
Compliance with the requirements and guidelines for an enterprise development programme for at least one recipient. The measured entity must submit an annual portfolio of proof indicating compliance with the pre-requisites as well as adherence to the guidelines for an enterprise develop program	5	Yes to all programme requirements and prerequisites
Enterprise Development Contributions		
Average annual value of all enterprise development contributions and sector specific programmes as a percentage of the target	5	0.75% of leviabale amount

Socio-Economic Development – Generic Scorecard (BEP)

Socio-Economic Development. Total points – 5		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	5	0.25% of leviabale amount

QSE B-BBEE scorecard – BEP

These entities turnover between R1.5m and R11.5m.

Equity element – QSE Scorecard (BEP)

Ownership. Total points - 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Voting rights			
Exercisable voting rights in the enterprise in the hands of black people.	4	27.5%	30%
Exercisable voting rights in the enterprise in the hands of black women.	2	10%	
Economic interest			
Economic interest in the enterprise to which black people are entitled	8	27.5%	30%
Economic interest in the enterprise to which black women are entitled	4	10%	
Realisation points			
Ownership fulfilment	1	No restrictions	
Net value	6	25%	

Management element – QSE Scorecard (BEP)

Management Control. Total points – 25			
Description	Weighting points	Compliance Target Year 0-4	Compliance Target Year 5-7
Black representation at senior top management level using the adjusted recognition for gender (ARFG) ¹⁸	25	25% (year 0-4)	40% (year 5-7)

¹⁸ Calculation of senior top ARFG – $A=B/1.62+C$

Employment Equity – QSE Scorecard (BEP)

Employment Equity. Total points – 25			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
Black employees in within all management categories as a percentage of all employees in the management categories using the ARFG ¹⁹	15	45%	60%
Black employees as percentage of all employees using the ARFG ²⁰	10	45%	60%

Skills Development – QSE Scorecard (BEP)

Skills Development. Total points – 25		
Description	Weighting points	Compliance Target
Skills development expenditure in respect of all employees on learning programmes as a percentage of leviabale amount	10	1.5%
Portion of skills development expenditure on black employees as a percentage of skills development expenditure on all employees using the ARFG ²¹	15	70%

¹⁹ Black employees in management ARFG calculation - $A=B/1.62+C$

²⁰ Black employees ARFG calculation - $A=B/1.62+C$

²¹ Portion of skills development spend ARFG - $A=B/1.62+C$

Preferential Procurement – QSE Scorecard (BEP)

Preferential Procurement. Total points – 25			
Description	Weighting points	Interim Target (Years 0-4)	Compliance Target (Years 5-7)
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	25	40%	50%

Enterprise Development – QSE Scorecard (BEP)

Enterprise Development. Total points – 25		
Description	Weighting points	Compliance Target
Average annual value of all enterprise development contributions and sector specific programmes as a percentage of the target	25	0.5% of leviabale amount

Socio-Economic Development – QSE Scorecard (BEP)

Socio-Economic Development. Total points – 25		
Description	Weighting points	Compliance Target)
Average annual value of all Socio-Economic Development contributions as a percentage of the target	25	0.25% of leviabale amount