



“Creating BUSINESS sense out of BEE”

## Construction Sector Scorecard (version 6, Jan 06). Four and Seven year targets

There are multiple scorecards for the construction sector charter. I cannot understand some of the requirements but all will be revealed in the future.

In essence there are two types of companies.

- 1) Normal construction companies – definition is “if within the registered construction enterprise over sixty percent of its core activities in construction”
- 2) BEPs (Built-in environment professionals) which includes quantity surveyors, consulting engineers, architects, town planners, etc.

There are two target periods

- 1) Four year targets that are applicable up to 31/12/2010
- 2) Seven year targets (2013) after the four year target has passed.

They also have a Small Enterprise Scorecard (see the table below). These companies use the construction scorecard but it is measured out of 70.

Average annual turnover		Number of employees	
Contracting	BEPs	Contracting	BEPs
R1.1m – 12m	R300 001 – 3m	6-60	3-9

The Construction Sector scorecard is made up of eight different scorecards.

Construction company	
	4 year target
	7 year target
	Small enterprise 4 year target
	Small enterprise 7 year target
Built-in environment professionals (BEP)	
	4 year target
	7 year target
	Small enterprise 4 year target
	Small enterprise 7 year target

## Seven year targets

### Ownership

<b>Ownership. Total points - 25</b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the hands of black people.	4	30%
Exercisable voting rights in the hands of black women.	2	10%
Economic interest		
Economic interest to which black people are entitled	5	30%
Economic interest to which black women are entitled	2	10%
Economic interest to which black broad based and, or black designated groups, specifically employees, are entitled	5	10%
Realisation points		
Ownership fulfillment	1	Yes no restrictions
Net equity value in accordance with Code 100 of dti's codes of good practice	6	30%
Total		
Total points (no bonus points)	25	

<b>Control Total points –10</b>		
Board		
Members of the board who are black people as % of board	3.5	40%
Members of the board who are black women as % of board	1.5	20%
Executive management		
Executive Management who are black people as % of Executive Management	3.5	40%
Executive Management who are black women as % of Executive Management	1.5	16%
Total		
Total points (no bonus points)	10	

## Human Resource Development

<b>Employment Equity. Total points – 10</b>		
Description	Weighting points	Compliance Target
<b>Senior Management</b>		
Black Senior Management as % of total senior management	2	40%
Black women in Senior Management as % of total senior management	1.5	16%
<b>Middle management</b>		
Black Middle Management as % of total mid management	2	40%
Black women in Middle Management as % of total mid management	1.5	16%
<b>Junior management</b>		
Black Junior Management as % of total junior management	2	65%
Black women in Junior Management as % of total junior management	1	27%
<b>Skills Development. Total points – 15</b>		
Description	Weighting points	Compliance Target
<b>Training costs</b>		
Direct training cost as a % of payroll	2	1.5%
% of above on black people	2	70%
% of spend on black people spent on black women	1	25%
% of spend on black people spent on black management	1	25%
% of spend on black management spent on black women management	0.5	20%
<b>Learnerships</b>		
Learnerships as a % of employees	1	2.5%
Black learnership positions as % of total learnerships	1.5	70%
Black women learnership positions as % of black learnerships	1	35%
Learnerships for black designated groups as % of black learnerships	1	30
<b>Bursaries</b>		
Bursary expenditure on black students, as % of payroll	2	0.3
<b>Mentorship</b>		
Implementation of an approved and verified mentorship programme	2	Yes
<b>Total</b>		
Total	15	

## Indirect Empowerment

<b>Procurement. Total points – 20</b>		
Description	Weighting points	Compliance Target
Total weighted procurement on BBBEE-accredited companies (measured as per the table in the charter) as a % of procurement	20	70%
Total		
	20	

<b>Enterprise Development. Total points – 15</b>		
Description	Weighting points	Compliance Target
Input	5	Yes/no
Total turnover ratio	5	5%
Output	5	Annual GDP growth (?)
Total		
	15	

## Residual Element

<b>Residual. Total points – 5</b>		
Description	Weighting points	Compliance Target
CSI as a percentage of payroll	5	0.25%
Total		
Total	5	

## Four year targets

4 Year targets are applicable up to 31/12/2010 thereafter the targets revert to the seven year target

## Ownership

<b>Ownership. Total points - 25</b>		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the hands of black people.	4	30%
Exercisable voting rights in the hands of black women.	2	10%
Economic interest		
Economic interest to which black people are entitled	5	30%
Economic interest to which black women are entitled	2	10%
Economic interest to which black broad based and, or black designated groups, specifically employees, are entitled	5	5%
Realisation points		
Ownership fulfillment	1	Yes no restrictions
Net equity value in accordance with Code 100 of dti's codes of good practice	6	30%
Total		
Total points (no bonus points)	25	

<b>Control. Total points -10</b>		
All management		
Black people at all management levels	6	25%
Black women at all management levels	4	16%
Total		
Total points (no bonus points)	10	

## Human Resource Development

<b>Employment Equity. Total points – 10</b>		
Description	Weighting points	Compliance Target
<b>Senior Management</b>		
Black Senior Management as % of total senior management	2	25%
Black women in Senior Management as % of total senior management	1.5	10%
<b>Middle management</b>		
Black Middle Management as % of total mid management	2	30%
Black women in Middle Management as % of total mid management	1.5	12%
<b>Junior management</b>		
Black Junior Management as % of total junior management	2	65%
Black women in Junior Management as % of total junior management	1	27%

<b>Skills Development. Total points – 15</b>		
Description	Weighting points	Compliance Target
<b>Training costs</b>		
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% of spend on black people spent on black women	1	25%
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% of spend on black management spent on black women management	0.5	20%
<b>Learnerships</b>		
Learnerships as a % of employees	1	2.5%
Black learnership positions as % of total learnerships	1.5	70%
Black women learnership positions as % of black learnerships	1	35%
Learnerships for black designated groups as % of black learnerships	1	30
<b>Bursaries</b>		
Bursary expenditure on black students, as % of payroll	2	0.3
<b>Mentorship</b>		
Implementation of an approved and verified mentorship programme	2	Yes
<b>Total</b>		
Total	15	

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**Construction Sector Scorecard (BEPs - Built  
in environment professionals which includes  
quantity surveyors, consulting engineers,  
architects, town planners, etc.)**

**Seven year targets**

**Ownership**

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Realisation points		
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Total		
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Executive management		
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## Human Resource Development

<b>Employment equity. Total points –10</b>		
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Black people at all management levels	6	40%
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Mentorship		
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Total turnover ratio	2.5	5%
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Total		
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## Residual Element

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## BEP - Four year targets

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Executive management		
Executive Management who are black people as % of Executive Management	3.5	25%
Executive Management who are black women as % of Executive Management	1.5	10%
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