

## Finding Sub-contractors

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According to the Preferential Procurement Regulations, 30% of all Government Contracts above R30 million, must be sub-contracted to specific categories of SMME's, if it is feasible. These categories are:

- Black female owned EME's or QSE's;
- Black youth owned EME's or QSE's;
- Black owned EME's or QSE's.

After the Preferential Procurement Regulations were gazetted there is a need for businesses to find sub-contractors.

But where are businesses, which respond to tenders, going to find sub-contractors? We have thought about this and one answer is at Briefing Sessions. Briefing Sessions or Information Sessions are usually compulsory for all bidders that want to respond to a specific tender. For this reason, anyone trying to win a specific tender will attend the Briefing / Information Sessions.

You will find all sorts of businesses at Briefing Sessions – from large Johannesburg Stock Exchange listed companies to the small one-man operations or sole proprietors. Many times, smaller businesses will not necessarily be able to comply with all the requirements of a tender, and therefore their tender responses will be unsuccessful whereas larger businesses will comply with all the requirements of a tender and their tender responses are successful.

By implementing the 30% sub-contracting rule Government is trying to spread the wealth that comes with winning a tender. This will be good for growing SMME's in the future. We foresee that Briefing Sessions are going to be the place where potential sub-contracting deals are going to be made.

Keep in mind, for a business to become a sub-contractor it will have to be a running concern. Large businesses will only use dependable sub-contractors with a proven track record.

To learn more about this and many other tender conditions attend our "Become a Tender Expert" 2-Day workshops presented in Johannesburg, Pretoria, Durban, Port Elizabeth, and Cape Town. Book and pay online at <https://howtotender.co.za/tender-expert-form/>

Contact us at [estelle@howtotender.co.za](mailto:estelle@howtotender.co.za) should you require more information.

*You can also purchase a Tender Manual (Handbook) on our website <https://howtotender.co.za/> which is a step by step guide how to respond to a South African Tender. It includes examples of completed SBD forms.*