

TENDERWIN INTELLIGENCE

STRATEGIC MARGIN CALIBRATION: WINNING ON POINTS, NOT JUST PRICE

Navigating the PPPFA 80/20 and 90/10 Preference Point System.

THE PRICING PARADOX

The lowest price does not guarantee a win. In South African government tendering, the winner is the firm that achieves the highest combined score of Price + Preference Points (B-BBEE).

Many SMEs "low-ball" their pricing to win, destroying their margins and often getting disqualified for financial risk. The goal is not to be the cheapest; the goal is to be the "Highest Scoring."

THE CALIBRATION METHODOLOGY

TenderWin utilizes historical bid data and competitor analysis to calculate the "Sweet Spot."

1. The 80/20 Rule (Tenders < R50m): Price is 80 points; B-BBEE is 20. If you have a Level 1 B-BBEE, you start with a 20-point advantage. We calculate exactly how much higher your price can be than the cheapest non-compliant bidder while still winning the total score.
2. Avoiding the "Risk Discount": Bids that are more than 15% below the municipal estimate are often flagged for "financial risk" and disqualified. We ensure your pricing remains within the "safe, winning corridor."

SOVEREIGN VALUE

Our financial modelers ensure your bid is priced to win the contract *and* deliver a sustainable profit for your business.

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