

**PART T2.4.4: DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS (SBD6.2)**

**LOCAL CONTENT & Applicable Annexures C, D & E**

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

**1. General Conditions**

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two-stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.**

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

**2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

| Item No. | Description of services, works or goods                     | Quantity   | Stipulated minimum threshold % |
|----------|---|------------|--------------------------------|
| <b>1</b> | <b>Steel Value-added Products</b>                           |            |                                |
| 1.1      | Reinforcing bars  | As per BOQ | 100%                           |
| 1.2      | Roof and Cladding   | As per BOQ | 100%                           |
| 1.3      | Frames  | As per BOQ | 100%                           |
| 1.4      | Gutters, downpipes & launders                               | As per BOQ | 100%                           |
| 1.5      | Wire Products   | As per BOQ | 100%                           |
| 1.6      | Fasteners   | As per BOQ | 100%                           |
| <b>2</b> | <b>Plastic Pipes</b>  |            |                                |
| 2.1      | Polyvinyl Chloride (PVC) Pipes                              | As per BOQ | 100%                           |
| 2.2      | Electrical Cables   | As per BOQ | 90%                            |
| <b>3</b> | <b>Cement Products</b>                                      |            |                                |
| 3.1      | All types of Cement ( I, II, III, IV & V and Masonry Cement | As per BOQ | 100%                           |

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.resbank.co.za](http://www.resbank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

| <b>Currency</b> | <b>Rates of exchange</b> |
|-----------------|--------------------------|
| US Dollar       |                          |
| Pound Sterling  |                          |
| Euro            |                          |
| Yen             |                          |
| Other           |                          |

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

- Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the DTI must be informed accordingly in order for the DTI to verify and in consultation with the AO/AA provide directives in this regard.

### LOCAL CONTENT DECLARATION

#### (REFER TO ANNEX B OF SATS 1286:2011)

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO. ....**

**ISSUED BY:** (Procurement Authority / Name of Institution):  
.....

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ..... (full names),  
do hereby declare, in my capacity as .....  
of .....(name of bidder  
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and

- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

|  |   |
|--|---|
| Bid price, excluding VAT (y)                                       | R |
| Imported content (x), as calculated in terms of SATS 1286:2011     | R |
| Stipulated minimum threshold for local content (paragraph 3 above) |   |
| Local content %, as calculated in terms of SATS 1286:2011          |   |

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above (Thus Annex C must indicate each Designated Item listed).**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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# Annex C

## Local Content Declaration - Summary Schedule

(C1) Tender No.  
(C2) Tender description:  
(C3) Designated product(s)  
(C4) Tender Authority:  
(C5) Tendering Entity name:  
(C6) Tender Exchange Rate:  
(C7) Specified local content %

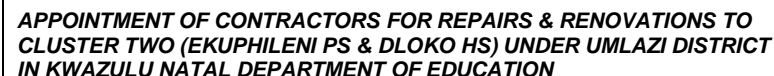
Note: VAT to be excluded from all calculations

Pula  EU  GBP

| Calculation of local content |  |                                |                         |   |                |             |                            | Tender summary  |                    |                                 |                        |
|------------------------------|--|--------------------------------|-------------------------|---|----------------|-------------|----------------------------|---|--------------------|---------------------------------|------------------------|
| Tender item no's             | List of items  | Tender price - each (excl VAT) | Exempted imported value | Tender value net of exempted imported content | Imported value | Local value | Local content % (per item) | Tender Qty  | Total tender value | Total exempted imported content | Total Imported content |
| (C8)                         | (C9)   | (C10)                          | (C11)                   | (C12)   | (C13)          | (C14)       | (C15)                      | (C16)   | (C17)              | (C18)                           | (C19)                  |
| 1.1                          | Reinforcing bars   |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 1.2                          | Roof and Cladding  |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 1.3                          | Frames   |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 1.4                          | Gutters, downpipes & launders                                |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 1.5                          | Wire Products  |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 1.6                          | Fasteners  |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 2.1                          | Polyvinyl Chloride (PVC) Pipes                               |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 2.2                          | Electrical Cables  |                                |                         |   |                |             |                            |   |                    |                                 |                        |
| 3.1                          | All types of Cement ( I, II, III, IV & V and Masonry Cement) |                                |                         |   |                |             |                            |   |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C20) Total tender value                                |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C21) Total Exempt imported content                     |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C22) Total Tender value net of exempt imported content |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C23) Total Imported content                            |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C24) Total local content                               |                    |                                 |                        |
|                              |  |                                |                         |   |                |             |                            | (C25) Average local content % of tender                 |                    |                                 |                        |

Signature of tenderer from Annex B \_\_\_\_\_

Date: \_\_\_\_\_



## Part T2

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Annex D - Continued

Imported Content Declaration - Supporting Schedule to Annex C

C. Imported by a 3rd party and supplied to the Tenderer

Calculation of imported content

Summary

| Description of imported content         | Unit of measure | Local supplier | Overseas Supplier | Foreign currency value as per Commercial Invoice | Tender Rate of Exchange | Local value of imports | Freight costs to port of entry | All locally incurred landing costs & duties | Total landed cost excl VAT | Quantity imported | Total imported value |
|---|-----------------|----------------|-------------------|--|-------------------------|------------------------|--------------------------------|---|----------------------------|-------------------|----------------------|
| (D33)                                   | (D34)           | (D35)          | (D36)             | (D37)  | (D38)                   | (D39)                  | (D40)                          | (D41)                                       | (D42)                      | (D43)             | (D44)                |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
|   |                 |                |                   |  |                         |                        |                                |   |                            |                   |                      |
| (D45) Total imported value by 3rd party |                 |                |                   |  |                         |                        |                                |   |                            | R 0               |                      |

D. Other foreign currency payments

Calculation of foreign currency payments

Summary of payments

| Type of payment | Local supplier making the payment | Overseas beneficiary | Foreign currency value paid | Tender Rate of Exchange | Local value of payments |
|-----------------|-----------------------------------|----------------------|-----------------------------|-------------------------|-------------------------|
| (D46)           | (D47)                             | (D48)                | (D49)                       | (D50)                   | (D51)                   |
|                 |                                   |                      |                             |                         |                         |
|                 |                                   |                      |                             |                         |                         |
|                 |                                   |                      |                             |                         |                         |
|                 |                                   |                      |                             |                         |                         |

(D52) Total of foreign currency payments declared by tenderer and/or 3rd party

Signature of tenderer from Annex B

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

#REF!

Date:

This total must correspond with  
Annex C - C 23



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## Annex E

## Local Content Declaration - Supporting Schedule to Annex C

**Tendering Entity name:**

**Note:** VAT to be excluded from all calculations

**(E9) Total local products (Goods, Services and Works)**

( Tenderer's manpower cost)

RO

(Rental, depreciation &amp; amortisation, utility costs, consumables etc.)

RO

(Marketing, insurance, financing, interest etc.)

RO

**(E13) Total local content**

RO

**This total must correspond with Annex C - C24**

**Signature of tenderer from Annex B**

Date: