



## 6.15 Annexure P - NT Instruction Note No 15 of 2016 - Steel Products



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS**

**ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES**

**ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES**

**HEAD OFFICIALS OF PROVINCIAL TREASURIES**

**NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017.**

**INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD  
OF CONVERSION PROCESSES FOR LOCAL PRODUCTION AND CONTENT FOR STEEL  
PRODUCTS AND COMPONENTS FOR CONSTRUCTION.**

## **1. PURPOSE**

- 1.1 The purpose of this instruction note is to regulate the environment within which accounting officers (AOs) and accounting authorities (AAs) may procure steel products and components for construction which have been designated as a sector for local production and content.

## **2. BACKGROUND**

- 2.1 The Preferential Procurement Regulations, 2011 ("the regulations") issued in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on the 7 December 2011, make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with the national development and industrial policies for local production.
- 2.2 Regulation 9 (1) of the Regulations prescribes that, in the case of designated sectors, wherein the award of bids for local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 2.3 **the dti** has designated and determined the stipulated minimum threshold for steel products and components for construction for the state procurement for local production and content.

## NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION

### 3. PRODUCT DESIGNATION

- 3.1 In this instruction note, steel products and components for construction have been recommended for designation
- 3.2 Steel products and components for construction refer to:
- 3.2.1 **Fabricated structural steel** which includes a wide range of free standing shapes, cross sections and sizes of steel metal pieces produced through a variety of operations according to a specific design, certain standards of chemical composition and mechanical properties. The fabricated components are produced from various primary and downstream steel products, including: channels (parallel and taper flanges); I-beams and H-beams; angles (equal and unequal); bars (flat; square and round); reinforcing bar and fasteners. The fabrication comprises of detailing (cutting, rolling, drilling, bending, grinding and machining), fitting, welding and/or, fastening, surface preparation (cleaning) and surface protection (coating) of steel components for application in an assortment structures.
- 3.2.2 In addition to the processes in 3.2.1; **joining components** such as gussets, cleats, stiffeners, splices, plates, cranks, kinks, doglegs, holes, girders, spacers, tabs, brackets, fasteners (bolts, nuts, rivets and nails) are used for connection and assembly of structures.
- 3.2.3 **Frames** refer to all rigid structures that surround doors, windows, patio, showers and built-in-cupboards made of steel.
- 3.2.4 **Roof Cladding** refers to a layer of covering applied to a roof in order to provide both weather protection and aesthetic appeal which consist of large sheets of material, or many small, overlapping units made of steel.
- 3.2.4.1 **Vertical cladding** refers to the protective or insulating layer fixed to the outside of a building or another structure for aesthetic appeal made of steel.
- 3.2.5 **Wire Products** refers to all downstream wire products manufactured from hot-rolled ferrous wire rod coils, including drawn wire – carbon/alloy steel (galvanised or plain), articles of wire – forged, wire rope/strand, fabric reinforcing, all fencing wire (barbed, welded mesh, hexagonal wire netting, diamond mesh), welding electrodes nails/tacks, chains, gabions, springs and screws.
- 3.2.6 **Fasteners** refer to hardware products that mechanically join or affix two or more steel components.
- 3.2.7 **Ducting and Structural Pipework** refers to non-conveyance tubing fabricated from steel sheeting and plate with structural supports.
- 3.2.8 **Gutters, downpipes & launders** refers to drainage systems made from sheeting associated with roofing
- 3.2.9 **Primary steel products** which includes flat and long products which are converted into value-added steel products in 3.2.1 to 3.2.8 as well as for reinforcement of buildings and structures.



**NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION**

3.3 Table 1 provides the stipulated minimum threshold for local content and production for steel products and components for construction (as described in 3.2)

**Table 1a: Minimum local content for Steel Value-added Products**

<b>Steel Construction Materials</b>	<b>Components</b>	<b>Local Content Threshold</b>
Fabricated Structural Steel	Latticed steelwork, reinforcement steel, columns, beams, plate girders, rafters, bracing, cladding supports, stair stringers & treads, ladders, steel flooring, floor grating, handrailing and balustrading, scaffolding, ducting, gutters, launders, downpipes and trusses	100%
Joining/Connecting Components	Gussets, cleats, stiffeners, splices, cranks, kinks, doglegs, spacers, tabs, brackets	100%
Frames	Doors and Windows	100%
Roof and Cladding	Bare steel cladding, galvanised steel cladding, colour coated cladding	100%
Fasteners	Bolts, nuts, rivets and nails	100%
Wire Products	All fencing products: all barbed wire and mesh fencing, fabric/mesh reinforcing, gabions, wire rope/strand and chains, welding electrodes, nails/tacks, springs and screws	100%
Ducting and Structural Pipework	Non-conveyance tubing fabricated from steel sheeting and plate with structural supports	100%
Gutters, downpipes & launders	Fabricated materials made from sheeting associated with roof drainage systems	100%

**Table 1b: Minimum local content for Primary Steel Products**

<b>Steel Construction Materials</b>	<b>Local Content Threshold</b>
Plates (>4.5mm thick and supplied in flat pieces)	100%
Sheets (<4.5mm thick and supplied in coils)	100%
Galvanised and Colour Coated Coils	100%
Wire Rod and Drawn Wire	100%
Sections (Channels; Angles, I-Beams and H-Beams)	100%
Reinforcing bars	100%

3.4 In the designation, imported inputs raw materials (i.e. zinc and additives in the surface preparation and protection processes (cleaning and coating/galvanising)) used in the production of steel products and components for construction are deemed as locally manufactured input materials.

3.5 The imported input raw materials, as specified in 3.4, used in the manufacture and production of steel products and components for construction will be deemed to have been sourced locally for the purposes of calculating local content.

## NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION

The application of this instruction note is applicable where an organ of state purchases directly from the manufacturer, in a case of turnkey projects (design, build, operate and/or transfer) and/or on purchases for maintenance and repairs where a contract is awarded for a project which the designated products are part of the bill of quantities or materials to be utilised in the entire project.

- 3.6 Organs of state may contact **the dti** in instances where the stipulated minimum threshold for local content cannot be met in order for **the dti** to verify and in consultation with the AO/AA provide directives in this regard.
- 3.7 For further information, bidders and procuring state organs may contact the following units with **the dti**: Metals Fabrication, Capital and Rail Transport Equipment at telephone 012 394 1356 or email Thandi Phele at [TPhele@thedti.gov.za](mailto:TPhele@thedti.gov.za) and Primary Minerals processing & Construction at telephone 012 394 5157 or email Tapiwa Samanga at [TSamanga@thedti.gov.za](mailto:TSamanga@thedti.gov.za).
- 3.8 Bid specifications for the designated products in this instruction note may be done in collaboration with **the dti**.

### 4. INVITATION OF BIDS FOR STEEL PRODUCTS AND COMPONENTS

- 4.1 Bids in respect of steel products and components for construction must contain a specific bidding condition which states that:
- 4.1.1. Only locally produced or locally manufactured steel products and components for construction with a stipulated minimum threshold for local production and content will be considered.
- 4.1.2. If the quantity of steel products and components for construction required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold stipulated in paragraph 3.3 at any particular time, bidders and the procuring entities should obtain written exemption from **the dti**. **the dti**, in consultation with the procuring organ of state and the local industry, will consider the exemption applications on a case-by-case basis and will consider the following:
- required volumes in the particular bid;
  - available collective SA industry manufacturing capacity at that time;
  - delivery times;
  - availability of input materials and components;
  - technical considerations including operating conditions;
  - materials of construction; and
  - security of supply
- 4.1.3. Bidders must clearly indicate in their bids the quantities to be supplied and the level of local content for each product.
- 4.2 AOs/AAs must stipulate in bid invitations that:



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- 4.2.1. the exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid; and
- 4.2.2. only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content

- 4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:

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

Where

x is the imported content in Rand

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

(in the case of turnkey products/projects x and y will only refer to the value of steel products and components in the project)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date of advertisement of the bid.

- 4.4 **AOs/AAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 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)] are accessible to all potential bidders on the dti's official website <http://www.thedti.gov.za/industrialdevelopment/ip.jsp> at no cost.**
- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the attached Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) apply.
- 4.6 AOs/AAs must stipulate in the bid documentation that:
- (a) the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted by the bidder at the closing date and time of the bid;
  - (b) bidders must submit a certificate from a registered auditor confirming that the Local Content Declaration Templates have been audited and certified as correct. (See paragraph 5 of the Declaration Certificate); and
  - (c) the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.

## NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION

### 4.7 **Benchmark / market related prices**

4.7.1. AOs/AAs are required to ensure that reasonable or market related prices are secured for steel products and components for construction being procured taking into account factors such as benchmark prices, value for money and economies of scale.

4.7.2. For this purpose, AOs/AAs may approach **the dti** for assistance, where possible, with benchmark prices for steel products and components for construction that have been designated for local production and content. **The dti** will be in a position to provide price references for the different products that have been designated for local production and content.

**4.8 Bid specifications for the sub-sectors referred to in paragraph 3 above and the price benchmarking referred to in paragraph 4.7 above must be done in collaboration with the dti. Contact information in this regard is provided in paragraph 8 below.**

## 5. EVALUATION OF BIDS FOR STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION

5.1 A two stage evaluation process may be followed to evaluate the bids received.

### 5.1.1. **First stage: Evaluation in terms of the stipulated minimum threshold for local production and content**

5.1.1.1 Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.

5.1.1.2 The declaration made by the bidder in the Declaration Certificate for Local Content (SBD / MBD 6.2) and Annex C (Local Content Declaration: Summary Schedule) must be used for this purpose. If the bid is for more than one product, the local content percentages for each product contained in Declaration C must be used.

5.1.1.3 The amendment of the stipulated minimum threshold for local production and content is not allowed.

5.1.1.4 A bid may be disqualified if:

- The bidder fails to achieve the stipulated minimum threshold for local production and content unless written exemption has been granted to the bidder by **the dti** to bid at a lower local content level; and
- The Declaration Certificate for Local Content (SBD / MBD 6.2), the Annex C (Local Content Declaration: Summary Schedule) and the registered auditors' certificate referred to in paragraphs 4.6 (a) and (b) are not submitted as part of the bid documentation.

5.1.1.5 AOs / AAs must verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (SBD / MBD 6.2)

### 5.1.2 **Second stage: Evaluation in terms of the 80/20 or 90/10 preference point systems**

## **NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION**

- 5.1.2.1 Only bids that achieve the minimum stipulated threshold for local production and content may be evaluated further. Unless otherwise exempted by the Minister of Finance, the evaluation must be done in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations, 2011.
- 5.1.2.2 AOs/AAs must ensure that contracts for steel products and components are awarded at prices that are market related taking into account, among others, the dti's pre-determined benchmark prices, value for money and economies of scale.
- 5.1.2.3 Where appropriate, prices may be negotiated with short listed or preferred bidders. Such negotiations must not prejudice any other bidders.

### **6. EVALUATION OF BIDS BASED ON FUNCTIONALITY**

- 6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in regulation 4 of the Preferential Procurement Regulations, 2011 and paragraphs 6 and 11 of the Implementation Guide must be followed.

### **7. POST AWARD AND REPORTING REQUIREMENTS**

- 7.1 Once bids are awarded, **the dti** must be:
  - (i) notified of all the successful bidders and the estimated value of the contracts; and
  - (ii) provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders.
- 7.2 The purpose of the requirements of paragraph 7.1 above is for **the dti** to among others conduct compliance audits with a view to monitor the implementation of the industrial development strategies.
- 7.3 Contractors may not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the minimum threshold as stipulated in regulation 9 of the Preferential Procurement Regulations, 2011.

### **8. CONTACT INFORMATION**

- 8.1 **Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti must be directed as follows:**

The Department of Trade and Industry  
Private Bag X84  
Pretoria  
0001

#### **For Attention:**

Dr Tebogo Makube  
Chief Director: Industrial Procurement  
Tel: (012) 394 3927



**NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 15 OF 2016/2017: STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION**

Fax: (012) 394 4927

EMAIL: [TMakube@thedti.gov.za](mailto:TMakube@thedti.gov.za)

**9. APPLICABILITY**

9.1 This instruction applies to all National and Provincial Departments, Constitutional Institutions; Public Entities listed in schedules 2 and 3 to the PFMA, and, Municipalities and Municipal Entities to which the MFMA apply.

**10. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION NOTE**

10.1 Heads of Provincial Treasuries are requested to bring the contents of this Instruction to the attention of accounting officers and supply chain management officials of their respective provincial departments.

10.2 Accounting Officers of National and Provincial Departments are requested to bring the contents of this Instruction to the attention of Accounting Authorities and the supply chain management officials of Schedule 3A and 3C Public Entities reporting to their respective Executive Authorities.

10.3 Accounting Officers of Municipalities and Municipal Entities are requested to bring the contents of this Instruction to the attention of the supply chain management officials of their Municipalities and Municipal entities.

10.4 Accounting Authorities of Schedule 2, 3B and 3D Public Entities are requested to bring the contents of this Instruction to the attention of the supply chain management officials of their Public Entities.

**11. NOTIFICATION TO THE AUDITOR-GENERAL**

11.1 A copy of this Instruction Note will be forwarded to the Auditor-General for notification.

**12. AUTHORITY FOR THIS INSTRUCTION NOTE AND EFFECTIVE DATE**

12.1 This Instruction is issued in terms of Regulation 9(2) of the Preferential Procurement Regulations, 2011 and takes effect on the date of issuance.

12.2 This Instruction takes effect on 1 February 2017.



**SCHALK HUMAN**  
**ACTING CHIEF PROCUREMENT OFFICER**  
**DATE: 13.01.2017**



## 6.16 Annexure Q - NT Designations Instruction Note - Plastic Pipes



## **national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

Private Bag X115, Pretoria, 0001

**TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS  
ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES  
ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES  
HEAD OFFICIALS OF PROVINCIAL TREASURIES**

### **NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 1 OF 2019/2020:**

### **INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PLASTIC PIPES**

#### **1. PURPOSE**

- 1.1 The purpose of this circular is to provide information to accounting officers (AOs) and accounting authorities (AAs) in terms of which they may procure the Plastic Pipes which have been designated for local production and content.

#### **2. BACKGROUND**

- 2.1 The Preferential Procurement Regulations, 2017 ('the regulations') made in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on 01 April 2017 make provision for The Department of Trade and Industry (**the dti**) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8 (2) of the regulations prescribes that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 2.3 To this end, the dti has designated and determined the stipulated minimum threshold for the Plastic Pipes for local production and content.

#### **3. SECTOR DESIGNATION**

##### **3.1 Plastic Conveyance Pipes Definition:**

Pipes are hollow cylinders or tubes used to convey water, gas, oil, or other fluid-like substances. Pipes are made in many materials including ceramic, fiberglass, many metals, concrete and plastic. Plastic pipes have a variety of characteristics such as



flexibility, lightweight, endurance, corrosion-proof, etc. that allow plastic pipe systems to fulfil a wide variety of service requirements. They are therefore used in infrastructure applications, such as drinking water supply and distribution, gas transmission and distribution, land and underground drainage, sewerage disposal and underground cable protection, all of which may be divided as pressure and non-pressure pipelines. Plastic piping networks form an integral, expensive, long term and extremely important part of the infrastructure of this country.

### 3.2 Pipe types and diameters:

There are four (4) classes of pipes with varying diameters that are used in water and sanitation infrastructure. Depending on the raw material used, plastic pipes are classified under the following types:

- Polyvinyl chloride (PVC) pipes;
- High density polyethylene (HDPE) pipes;
- Polypropylene (PP) pipes and
- Glass reinforced plastic (GRP) pipes.

These are further divided into different diameter sizes ranging from **10 mm to 3700 mm**.

3.3 The stipulated minimum threshold percentages for local production and content for the Plastic Pipes is **100%**.

3.4 To ensure that local production and content is discharged on manufacturing activities, the following components must be included in bid invitations:

Product Types	Stipulated minimum threshold local content
Polyvinyl chloride (PVC) pipes	100%
High density polyethylene (HDPE) pipes;	100%
Polypropylene (PP) pipes	100%
Glass reinforced plastic (GRP) pipes	100%

## 4. INVITATION OF BIDS FOR PLASTIC PIPES

4.1 Bids in respect of Plastic Pipes must contain a specific bidding condition that only locally produced or locally manufactured Plastic Pipes with a stipulated minimum threshold for local production and content will be considered.

4.1.1 If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, bidders should obtain written approval from **the dti** to supply the remaining portion at a lower local content threshold. Such approval applications should be submitted and approval be

obtained prior to the closure of the bid(s) concerned. **the dti**, in consultation with the procuring organ of state, will grant approval on a case-by-case basis and will consider the following:

- required volumes in the particular bid;
- available collective South African industry manufacturing capacity at that time;
- delivery times;
- availability of input materials and components;
- technical considerations including operating conditions;
- materials of construction; and
- security of supply and emergencies.

4.1.2 Bidders must clearly indicate in their bids the quantities of material and products to be supplied and the level of local content for each product.

4.1.3 Organs of state may contact **the dti** in instances where the stipulated minimum threshold for local content cannot be met in order for **the dti** to verify and in consultation with the AO/AA provide directives in this regard.

4.1.4 For further information, bidders and procuring state organs may contact the Plastics Unit within **the dti** at telephone 012 394 1406 or email **Thokozani Masilela**: [TMasilela@thedti.gov.za](mailto:TMasilela@thedti.gov.za)

4.1.5 Bid specifications for Plastic Pipes referred to above may be done in collaboration with **the dti**.

4.2 AOs/AAs must stipulate in bid invitations that:

4.2.1 The exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) on the date of the advertisement of the bid.

4.2.2 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.

4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:

$$LC = (1 - x/y) * 100$$

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 the SARB on the date of advertisement of the bid.

- 4.4 AOs/AAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 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)] are accessible to all potential bidders on **the dti's** official website [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp) at no cost.
- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act, whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) applies.
- 4.6 AOs/AAs must stipulate in the bid documentation that:
- 4.6.1 the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted by the bidder at the closing date and time of the bid; and
- 4.6.2 the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.

## 5. EVALUATION OF BIDS FOR PLASTIC PIPES

- 5.1 An evaluation process in line with Preferential Procurement Regulations, 2017 must be followed.

## 6. EVALUATION OF BIDS BASED ON FUNCTIONALITY

- 6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in PPR 2017 and the Implementation Guide must be followed.

## 7. POST AWARD AND REPORTING REQUIREMENTS

- 7.1 Once bids are awarded, **the dti** must be:
- (i) notified of all the successful bidders and the estimated value of the contracts; and
  - (ii) provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders.
- 7.2 The purpose of the requirements of paragraph 7.1 above is for **the dti** to, among others, conduct compliance audits with a view to monitor the implementation of the industrial development strategies.



- 7.3 Contractors may not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the minimum threshold as stipulated in regulation 12 (2) of the Preferential Procurement Regulations, 2017.

## **8. CONTACT INFORMATION**

- 8.1 **Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti must be directed as follows:**

The Department of Trade and Industry  
Private Bag X84  
Pretoria  
0001

For Attention:

Dr Tebogo Makube  
Chief Director: Industrial Procurement  
Tel: (012) 394 3927  
Fax: (012) 394 4927  
EMAIL: [TMakube@thedti.gov.za](mailto:TMakube@thedti.gov.za)

## **9. APPLICABILITY**

- 9.1 This Circular applies to all national and provincial departments, constitutional institutions, public entities listed in schedules 2 and 3 to the PFMA, and municipalities and municipal entities to which the MFMA applies.

## **10. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR**

- 10.1 Heads of provincial treasuries are requested to bring the contents of this Circular to the attention of accounting officers and supply chain management officials of their respective provincial departments.
- 10.2 Accounting officers of national and provincial departments are requested to bring the contents of this Circular to the attention of accounting authorities and the supply chain management officials of Schedule 3A and 3C public entities reporting to their respective executive authorities.
- 10.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this Circular to the attention of the supply chain management officials of their municipalities and municipal entities.
- 10.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this Circular to the attention of the supply chain management officials of their public entities.

**11. NOTIFICATION TO THE AUDITOR-GENERAL**

11.1 A copy of this Circular will be forwarded to the Auditor-General for notification.

**12. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE**

12.1 This Circular is issued in terms of regulation 8(3) of the Preferential Procurement Regulations, 2017 and takes effect on **16 September 2019**.



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**WILLIE MATHEBULA**

**ACTING CHIEF PROCUREMENT OFFICER**

**DATE: 16. 08. 19**



## 6.17 Annexure R - NT Instruction Note No 10 of 2019-20 - Electrical Cable Products





## **national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

TO: ACCOUNTING OFFICERS OF ALL NATIONAL DEPARTMENTS AND  
CONSTITUTIONAL INSTITUTIONS

ACCOUNTING OFFICERS OF ALL MUNICIPALITIES AND MUNICIPAL ENTITIES

ACCOUNTING AUTHORITIES OF ALL SCHEDULE 2 AND 3 PUBLIC ENTITIES

HEAD OFFICIALS OF PROVINCIAL TREASURIES

### **NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 10 OF 2019/2020:**

#### **INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR ELECTRICAL CABLE PRODUCTS**

#### **1. PURPOSE**

1.1 The purpose of this Circular is to:

- 1.1.1. introduce amendments to the instruction for Electrical Cable Products dated 30 June 2016; and
- 1.1.2. provide information to accounting officers (AOs) and accounting authorities (AAs) in terms of which they may procure the aforementioned products which have been designated as a sector for local production and content.

#### **2. BACKGROUND**

- 2.1 The Preferential Procurement Regulations, 2017 made in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000), which came into effect on 01 April 2017, make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8 (2) of the Preferential Procurement Regulations, 2017 prescribes that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 2.3 To this end, **the dti** has designated and determined the stipulated minimum threshold for the Electrical Cable Products for local production and content.

2.4 The designation is applicable to all purchases regardless of the procurement method followed and there is no financial threshold.

**3. SECTOR DESIGNATION**

3.1 The stipulated minimum threshold percentages for local production and content for the different types of electrical cables is 90%.

3.2 To ensure that local production and content is discharged on manufacturing activities, the following must be included in bid invitations:

Table 2: Power Cables – cables used for power transmission

<b>Cable Products</b>	<b>Stipulated minimum threshold local content</b>
Low Voltage	90%
Low Cost Reticulation	90%
Medium & High Voltage	90%
ACR	90%

Table 3: Telecom Cables – cables used for telecommunications

<b>Cable Products</b>	<b>Stipulated minimum threshold local content</b>
Optical Fibre Cables	90%
Copper Telecom Cables	90%

3.3 Excluded in the designation is mainly copper, aluminium, polyvinyl chloride (PVC), cross-linked polyethylene (XLPE), aramid yarn, and optical fibre used for fabrication of cable products. This is to encourage local manufacturers to seek the best global competitive prices for primary materials hence the competitive imported materials used in the manufacture of cables will be deemed to have been sourced locally for the purposes of calculating local content

### 3.4 List of Specific Cables designated under this Circular:

Category	Type
<b>LOW VOLTAGE</b>	Housewire, Flat Twin and Earth, Surface Cable, Rip Cord, Cab Tyre, Bells Cable, 1,5mm <sup>2</sup> – 16mm <sup>2</sup> , 2-37 cores, Fire Retardant, Low Halogen and Low Smoke Zero Halogen (LSOH) <b>Main Cable</b> 25mm <sup>2</sup> – 100mm <sup>2</sup> , 1-4 cores, Fire Retardant, Low Halogen and Low Smoke Zero Halogen (LSOH), Flexible Cables, Aerial Cables, ACSR, Split Concentric & Aerial Bundled Conductor (ABC)

Category	Type
<b>MEDIUM VOLTAGE</b>	3,3kV – 22kV, 1-3 cores, Cross linked Polyethylene (XLPE) and Paper Insulated Lead Covered (PILC), Fire Retardant, Low Halogen and Low Smoke Zero Halogen (LSOH)
<b>HIGH VOLTAGE</b>	132kV, Single Core, Corrugated Seamless Aluminium (CSA) Sheathed

**NOTE:** The local Industry manufactures a vast range of engineered telecommunication, Industrial and Instrumentation copper and fibre optic cables, which are not limited to:

Category	Type
<b>COPPER TELECOMMUNICATION CABLES</b>	Standard and high frequency (ADSL) outside plant copper pair telecoms cables (10pair up to 240 pair), Indoor, PABX and high frequency (DSLAM) copper pair telecoms cables up to 200pair, Category 5e and Category 6 copper data cables.
<b>COPPER INDUSTRIAL CABLES</b>	Railway signalling copper cables, Electrical signalling copper cables, Steel wire armoured copper telecoms cables, UVG copper control cables for electrical utilities, Fire Alarm and control copper cables
<b>COPPER INSTRUMENTATION CABLES</b>	Thermocouple extension wire, Tray and direct buried instrumentation and control copper cables compliant to SABS, UL and BS standards accreditation.
<b>FIBRE OPTIC TELECOMMUNICATION CABLES</b>	Outside plant duct fibre optic cables up to 288 Fibre count, Aerial (short span, medium span and long span) self-support fibre optic cables up to 144 fibre count applications up to 144 fibre count
<b>FIBRE OPTIC INDUSTRIAL CABLES</b>	Metallic armoured instrumentation and control fibre optic cables, Steel wire armoured mineshaft fibre optic cables, Field deployable high durability fibre optic cables, Composite (fibre optic and copper core) cables

#### 4. INVITATION OF BIDS FOR ELECTRICAL CABLES PRODUCTS

- 4.1 Bids in respect of Cables must contain a specific bidding condition that only locally produced or locally manufactured Cables with a stipulated minimum threshold for local production and content will be considered.
- 4.1.1 If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, bidders should obtain written approval from **the dti** to supply the remaining portion at a lower local content threshold. Such requests for approval should be submitted and approval be obtained prior to the closure of the bid(s) concerned. **the dti**, in consultation with the procuring organ of state, will grant such approval on a case-by-case basis and will consider the following:
- a) required volumes in the particular bid;
  - b) available collective South African industry manufacturing capacity at that time;
  - c) delivery times;
  - d) availability of input materials and components;
  - e) technical considerations including operating conditions;
  - f) materials of construction; and
  - g) security of supply and emergencies.
- 4.1.2 Bidders must clearly indicate in their bids the quantities of material and products to be supplied and the level of local content for each product.
- 4.1.3 The turn-around time for processing of authorisation requests is 5 working days from the date of receipt. Therefore, such applications should reach **the dti** at least five days before closing date and time of bid.
- 4.1.4 The approval process that **the dti** follows is that if there is a particular designated product and the minimum threshold for local content cannot be met for various reasons, bidders must apply for approval or authorisation (when the tender is still open, before closing date). After checking with the industry, **the dti** will then decide whether or not to grant an authorisation. This is per bid.
- 4.1.5 The tender information / relevant information must be provided on the tenderer's / supplier's letterhead when requesting an authorisation letter:
- a) Procuring entity/government department/state owned company,
  - b) Tender/bid number,
  - c) Closing date,
  - d) Item(s) for which the approval is being requested,
  - e) Detailed specifications issued by the procuring entity,
  - f) Local content that can be met,
  - g) Reason(s) for the request, and
  - h) Supporting letters from local manufacturers/sub-suppliers.

- 4.1.6 Organs of state may contact **the dti** in instances where the stipulated minimum threshold for local content cannot be met in order for **the dti** to verify and in consultation with the AO/AA provide directives in this regard.
- 4.1.7 For further information, bidders and procuring state organs may contact the Director Electrotechnical Unit within **the dti** at telephone 012 394 3659/3622 or email [localcontent@thedti.gov.za](mailto:localcontent@thedti.gov.za)
- 4.1.8 Bid specifications for the cables referred to above may be done in collaboration with **the dti**.
- 4.2 AOs/AAs must stipulate in bid invitations that:
- 4.2.1 The exchange rate to be used for the calculation of local production and content must be the exchange rate published by the South African Reserve Bank (SARB) on the date of the advertisement of the bid.
- 4.2.2 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:
- $LC = (1 - x/y) * 100$   
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 the SARB on the date of advertisement of the bid.
- 4.4 AOs/AAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 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)] are accessible to all potential bidders on **the dti's** official website [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp) at no cost.
- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) applies.
- 4.6 AOs/AAs must stipulate in the bid documentation:
- 4.6.1 that the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be



- completed, duly signed and submitted by the bidder at the closing date and time of the bid;
- 4.6.2 that the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy; and
- 4.6.3 all the information relevant to bidders provided in paragraphs 4.1.1 to 4.1.7.

## **5. EVALUATION OF BIDS FOR CABLE PRODUCTS**

- 5.1 An evaluation process in line with Preferential Procurement Regulations, 2017 must be followed.

## **6. EVALUATION OF BIDS BASED ON FUNCTIONALITY**

- 6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the prescripts contained in Preferential Procurement Regulations, 2017 and paragraph 6 and 11 of the Implementation Guide must be followed.

## **7. POST AWARD AND REPORTING REQUIREMENTS**

- 7.1. Once bids are awarded, **the dti** must be:
- (i) notified of all the successful bidders and the estimated value of the contracts; and
  - (ii) provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders within 30 days of award.
- 7.2 The purpose of the requirements of paragraph 7.1 above is for **the dti** to, among others, conduct compliance audits with a view to monitor the implementation of the industrial development strategies.
- 7.3 Contractors may not be allowed to sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the minimum threshold as stipulated in regulation 8 of the Preferential Procurement Regulations, 2017.

## **8. CONTACT INFORMATION**

- 8.1 Any enquiries in respect of Local Production and Content and all documents to be submitted to the dti must be directed as follows:**

The Department of Trade and Industry  
Private Bag X84  
Pretoria  
0001

For Attention:

Chief Director: Industrial Procurement  
Tel: (012) 394 1435  
Fax: (012) 394 1535  
EMAIL: [localcontent@thedti.gov.za](mailto:localcontent@thedti.gov.za)

**9. APPLICABILITY**

9.1 This Circular applies to all national and provincial departments, constitutional institutions; public entities listed in schedules 2 and 3 to the PFMA, and municipalities and municipal entities to which the MFMA applies.

**10. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR**

10.1 Heads of provincial treasuries are requested to bring the contents of this Circular to the attention of accounting officers and supply chain management officials of their respective provincial departments.

10.2 Accounting officers of national and provincial departments are requested to bring the contents of this Circular to the attention of accounting authorities and the supply chain management officials of their departments, Schedule 3A and 3C public entities reporting to their respective executive authorities.

10.3 Accounting officers of municipalities and municipal entities are requested to bring the contents of this Circular to the attention of the supply chain management officials of their municipalities and municipal entities.

10.4 Accounting authorities of Schedule 2, 3B and 3D public entities are requested to bring the contents of this Circular to the attention of the supply chain management officials of their public entities.

**11. NOTIFICATION TO THE AUDITOR-GENERAL**

11.1 A copy of this Circular will be forwarded to the Auditor-General for notification.

**12. REPEAL OF INSTRUCTION DATED 30 JUNE 2016**

This Circular repeals the Instruction on invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for electrical cable products dated 30 June 2016 and effective on 27 July 2016.

**13. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE**

13.1 This circular is issued in terms of regulation 8(3) of the Preferential Procurement Regulations, 2017 and takes effect on the date of issuance.



**MR WILLIE MATHEBULA**

**ACTING CHIEF PROCUREMENT OFFICER**

**DATE: 19.12.19**



## 6.18 Annexure S - Local Content Guideline

## **Guidance Document for the Calculation of Local Content**

### **1. DEFINITIONS**

Unless explicitly provided in this guideline, the definitions given in SATS 1286:2011 apply.

### **2. GENERAL**

#### **2.1. Introduction**

This guideline provides tenderers with a detailed description of how to calculate local content of products (goods, services and works) by components/material/services and enables them to keep an updated record for verification requirements as per the SATS 1286:2011 Annexure A and B.

The guideline consists of two parts, namely:

- a written guideline; and
- three declarations that must be completed:
  - Declaration C: “Local Content Declaration – Summary Schedule” (see Annexure C);
  - Declaration D: “Imported Content Declaration – Supporting Schedule to Annex C” (see Annexure D); and
  - Declaration E: “Local Content Declaration – Supporting Schedule to Annex C” (see Annexure E).

The guidelines and declarations should be used by tenderers when preparing a tender. A tenderer must complete Declarations D and E, and consolidate the information on Declaration C.

Annexure C must be submitted with the tender by the closing date and time as determined by the Tender Authority. The Tender Authority reserves the right to request that Declarations D and E also be submitted.

If the tender is successful, the tenderer must continuously update Declarations C, D and E with actual values for the duration of the contract.

**NOTE:**

Annexure A is a note to the purchaser in SATS 1286:2011; and  
Annexure B is the Local Content Declaration IN SATS 1286:2011.

**2.2. What is local content?**

According to SATS 1286:2011, the local content of a product is the tender price less the value of imported content, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product.

**2.3. Categories: Imported and Local Content**

The tenderer must differentiate between imported content and local content.

Imported content of a product by components/material/services is separated into two categories, namely:

- products imported directly by the tenderer; and
- products imported by a third party and supplied to the tenderer.

**2.3.1. Imported Content**

Identify the imported content, if any, by value for products by component/material/services. In the case of components/materials/services sourced from a South African manufacturer, agent, supplier or subcontractor (i.e. third party), obtain that information and Declaration D from the third party.



Calculate the imported content of components/materials/services to be used in the manufacture of the total quantity of the products for which the tender is to be submitted.

As stated in clause 3.2.4 of SATS 1286:2011: "If information on the origin of components, parts or materials is not available, it will be deemed to be imported content."

#### 2.3.1.1. Imported directly by the tenderer:

When the tenderer import products directly, the onus is on the tenderer to provide evidence of any components/materials/services that were procured from a non-domestic source. The evidence should be verifiable and pertain to the tender as a whole. Typical evidence will include commercial invoices, bills of entry, etc.

When the tenderer procures imported services such as project management, design, testing, marketing, etc and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

#### 2.3.1.2. Imported by a third party and supplied to the tenderer:

When the tenderer supplies components/material/services that are imported by any third party (for example, a domestic manufacturer, agent, supplier or subcontractor in the supply chain), the onus is on the tenderer to obtain verifiable evidence from the third party.

The tenderer must obtain Declaration D from all third parties for the related tender. The third party must be requested by the tenderer to continuously update Declaration D. Typical evidence of imported content will include commercial invoices, bills of entry etc.

When a third party procures imported services such as project management, design, testing, marketing etc. and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

#### 2.3.1.3. Exempt Imported Content:

Exemptions, if any, are granted by the Department of Trade and Industry (**the dti**). Evidence of the exemptions must be provided and included in Annexure D.

#### **2.3.2. Local Content**

Identify and calculate the local content, by value for products by components/materials/services to be used in the manufacture of the total quantity of the products.

### **3. ANNEXURE C**

#### **3.1. Guidelines for completing Annexure C: Local Content Declaration – Summary Schedule**

*Note: The paragraph numbers correspond to the numbers in Annexure C.*

**C1. Tender Number**

Supply the tender number that is specified on the specific tender documentation.

**C2. Tender description**

Supply the tender description that is specified on the specific tender documentation.

**C3. Designated products**

Supply the details of the products that are designated in terms of this tender (i.e. buses).

**C4. Tender Authority**

Supply the name of the tender authority.

**C5. Tendering Entity name**

Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd).

**C6. Tender Exchange Rate**

Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**C7. Specified local content %**

Provide the specified minimum local content requirement for the tender (i.e. 80%), as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MDB) 6.2.

**C8. Tender item number**

Provide the tender item number(s) of the products that have a local content requirement as per the tender specification.

**C9. List of items**

Provide a list of the item(s) corresponding with the tender item number.  
This may be a short description or a brand name.

**Calculation of local content**

**C10. Tender price**

Provide the unit tender price of each item excluding VAT.

**C11. Exempted imported content**

Provide the ZAR value of the exempted imported content for each item, if applicable. These value(s) must correspond with the value(s) of column D16 on Annexure D.

**C12. Tender value net of exempted imported content**

Provide the net tender value of the item, if applicable, by deducting the exempted imported content (C11) from the tender price (C10).

**C13. Imported value**

Provide the ZAR value of the items' imported content.

**C14. Local value**

Provide the local value of the item by deducting the Imported value (C13) from the net tender value (C12).

**C15. Local content percentage (per item)**

Provide the local content percentage of the item(s) by dividing the local value (C14) by the net tender value (C12) as per the local content formula in SATS 1286.

**Tender Summary**

**C16. Tender quantity**

Provide the tender quantity for each item number as per the tender specification.

**C17. Total tender value**

Provide the total tender value by multiplying the tender quantity (C16) by the tender price (C10).

**C18. Total exempted imported content**

Provide the total exempted imported content by multiplying the tender quantity (C16) by the exempted imported content (C11). These values must correspond with the values of column D18 on Annexure D.

**C19. Total imported content**

Provide the total imported content of each item by multiplying the tender quantity (C16) by the imported value (C13).

**C20. Total tender value**

Total tender value is the sum of the values in column C17.

**C21. Total exempted imported content**

Total exempted imported content is the sum of the values in column C18. This value must correspond with the value of D19 on Annexure D.

**C22. Total tender value net of exempted imported content**

The total tender value net of exempt imported content is the total tender value (C20) less the total exempted imported content (C21).

**C23. Total imported content**

Total imported content is the sum of the values in column C19. This value must correspond with the value of D53 on Annexure D.

**C24. Total local content**

Total local content is the total tender value net of exempted imported content (C22) less the total imported content (C23). This value must correspond with the value of E13 on Annexure E.

**C25. Average local content percentage of tender**

The average local content percentage of tender is calculated by dividing total local content (C24) by the total tender value net of exempted imported content (C22).



## 4. ANNEXURE D

### 4.1. Guidelines for completing Annexure D: “Imported Content Declaration – Supporting Schedule to Annexure C”

*Note: The paragraph numbers correspond to the numbers in Annexure D.*

**D1. Tender number**

Supply the tender number that is specified on the specific tender documentation.

**D2. Tender description**

Supply the tender description that is specified on the specific tender documentation.

**D3. Designated products**

Supply the details of the products that are designated in terms of this tender (i.e. buses).

**D4. Tender authority**

Supply the name of the tender authority.

**D5. Tendering entity name**

Provide the tendering entity name (i.e. Unibody Bus Builders (Pty) Ltd).

**D6. Tender exchange rate**

Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**Table A. Exempted Imported Content**

**D7. Tender item number**

Provide the tender item number(s) of the product(s) that have imported content.

**D8. Description of imported content**

Provide a list of the exempted imported product(s), if any, as specified in the tender.

**D9. Local supplier**

Provide the name of the local supplier(s) supplying the imported product(s).

**D10. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the exempted imported product(s).

**D11. Imported value as per commercial invoice**

Provide the foreign currency value of the exempted imported product(s) disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

**D12. Tender exchange rate**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D13. Local value of imports**

Convert the value of the exempted imported content as per commercial invoice (D11) into the ZAR value by using the tender exchange rate (D12) disclosed in the tender documentation.

**D14. Freight costs to port of entry**

Provide the freight costs to the South African Port of the exempted imported item.

**D15. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the exempted imported product(s) as stipulated in the SATS 1286:2011.

**D16. Total landed costs excl VAT**

Provide the total landed costs (excluding VAT) for each item imported by adding the corresponding item values in columns D13, D14 and D15. These values must be transferred to column C11 on Annexure C.

**D17. Tender quantity**

Provide the tender quantity of the exempted imported products as per the tender specification.

**D18. Exempted imported value**

Provide the imported value for each of the exempted imported product(s) by multiplying the total landed cost (excl. VAT) (D16) by the

tender quantity (D17). The values in column D18 must correspond with the values of column C18 of Annexure C.

**D19. Total exempted imported value**

The total exempted imported value is the sum of the values in column D18. This total must correspond with the value of C21 on Annexure C.

**Table B. Imported Directly By Tenderer**

**D20. Tender item numbers**

Provide the tender item number(s) of the product(s) that have imported content.

**D21. Description of imported content:**

Provide a list of the product(s) imported directly by tender as specified in the tender documentation.

**D22. Unit of measure**

Provide the unit of measure for the product(s) imported directly by the tenderer.

**D23. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the imported product(s).

**D24. Imported value as per commercial Invoice**

Provide the foreign currency value of the product(s) imported directly by tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

**D25. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D26. Local value of imports**

Convert the value of the product(s) imported directly by the tenderer as per commercial invoice (D24) into the ZAR value by using the tender exchange rate (D25) disclosed in the tender documentation.

**D27. Freight costs to port of entry**

Provide the freight costs to the South African Port of the product(s) imported directly by the tenderer.

**D28. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the product(s) imported directly by the tenderer as stipulated in the SATS 1286:2011.

**D29. Total landed costs excl VAT**

Provide the total landed costs (excluding VAT) for each item imported directly by the tenderer by adding the corresponding item values in columns D26, D27 and D28.

**D30. Tender quantity**

Provide the tender quantity of the product(s) imported directly by the tenderer as per the tender specification.

**D31. Total imported value**

Provide the total imported value for each of the product(s) imported directly by the tenderer by multiplying the total landed cost (excl. VAT) (D29) by the tender quantity (D30).

**D32. Total imported value by tenderer**

The total value of imports by the tenderer is the sum of the values in column D31.

**Table C. Imported by Third Party and Supplied to the Tenderer**

**D33. Description of imported content**

Provide a list of the product(s) imported by the third party and supplied to the tenderer as specified in the tender documentation.

**D34. Unit of measure**

Provide the unit of measure for the product(s) imported by the third party and supplied to tenderer as disclosed in the commercial invoice.

**D35. Local supplier**

Provide the name of the local supplier(s) supplying the imported product(s).

**D36. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the imported products.

**D37. Imported value as per commercial invoice**

Provide the foreign currency value of the product(s) imported by the third party and supplied to the tenderer disclosed in the commercial invoice accepted by SARS.

**D38. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D39. Local value of imports**

Convert the value of the product(s) imported by the third party as per commercial invoice (D37) into the ZAR value by using the tender exchange rate (D38) disclosed in the tender documentation.

**D40. Freight costs to port of entry**

Provide the freight costs to the South African Port of the product(s) imported by third party and supplied to the tenderer.

**D41. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the product(s) imported by third party and supplied to the tenderer as stipulated in the SATS 1286:2011.

**D42. Total landed costs excluding VAT**

Provide the total landed costs (excluding VAT) for each product imported by third party and supplied to the tenderer by adding the corresponding item values in columns D39, D40 and D41.

**D43. Quantity imported**

Provide the quantity of each product(s) imported by third party and supplied to the tenderer for the tender.

**D44. Total imported value**

Provide the total imported value of the product(s) imported by third party and supplied to the tenderer by multiplying the total landed cost (D42) by the quantity imported (D43).



**D45. Total imported value by third party**

The total imported value from the third party is the sum of the values in column D44.

**Table D. Other Foreign Currency Payments**

**D46. Type of payment**

Provide the type of foreign currency payment. (i.e. royalty payment for use of patent, annual licence fee, etc).

**D47. Local supplier making the payment**

Provide the name of the local supplier making the payment.

**D48. Overseas beneficiary**

Provide the name of the overseas beneficiary.

**D49. Foreign currency value paid**

Provide the value of the listed payment(s) in their foreign currency.

**D50. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D51. Local value of payments**

Provide the local value of each payment by multiplying the foreign currency value paid (D49) by the tender rate of exchange (D50).

**D52. Total of foreign currency payments declared by tenderer and/or third party**

The total of foreign currency payments declared by tenderer and/or a third party is the sum of the values in column D51.

**D53. Total of imported content and foreign currency payment**

The total imported content and foreign currency payment is the sum of the values in column D32, D45 and D52. This value must correspond with the value of C23 on Annexure C.

## 5. ANNEXURE E

### 5.1. Guidelines to completing Annexure E: “Local Content Declaration- Supporting Schedule to Annexure C”

*The paragraph numbers correspond to the numbers in Annexure E*

#### **E1. Tender number**

Supply the tender number that is specified on the specific tender documentation.

#### **E2. Tender description**

Supply the tender description that is specified on the specific tender documentation.

#### **E3. Designated products**

Supply the details of the products that are designated in terms of this tender (for example, buses/canned vegetables).

#### **E4. Tender authority**

Supply the name of the tender authority.

#### **E5. Tendering entity name**

Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd) Ltd).

#### **Local Goods, Services and Works**

#### **E6. Description of items purchased**

Provide a description of the items purchased locally in the space provided.

#### **E7. Local supplier**

Provide the name of the local supplier that corresponds to the item listed in column E6.

#### **E8. Value**

Provide the total value of the item purchased in column E6.

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

Total local products (goods, services and works) is the sum of the values in E8.

**E10. Manpower costs:**

Provide the total of all the labour costs accruing only to the tenderer (i.e. not the suppliers to tenderer).

**E11. Factory overheads:**

Provide the total of all the factory overheads including rental, depreciation and amortisation for local and imported capital goods, utility costs and consumables. (Consumables are goods used by individuals and businesses that must be replaced regularly because they wear out or are used up. Consumables can also be defined as the components of an end product that are used up or permanently altered in the process of manufacturing, such as basic chemicals.)

**E12. Administration overheads and mark-up:**

Provide the total of all the administration overheads, including marketing, insurance, financing, interest and mark-up costs.

**E13. Total local content:**

The total local content is the sum of the values of E9, E10, E11 and E12. This total must correspond with C24 of Annexure C.