

## DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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, 2011, 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, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids 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.
- 1.3. Where necessary, for bids 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) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 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_development/ip.jsp) at no cost.**

1.6 A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

## 2. Definitions

2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;

2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);

2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;

2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the 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).

2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;

2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;

2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. **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:**

## Description of services, works or goods

## Stipulated minimum threshold

COMMODITY	COMPONENTS	THRESHOLD
POWERLINE HARDWARE	ANCHOR ASSY,ST SOIL 380x220x70 D3035 BOLT,ASSY:M12;HEX;GR 4.8;STL;1 D3082 BOLT,EYE GALV M20X254MM BOLT,PIGTAIL ASSY M16X380mm D3003 BRACKET, EQUIP. PLATFORM 620mm ANGLE IRON D3023 BRACKET-EQUIP.PLATFORM 900mm ANGLE D3023 BRACKET, LV FUSE HOLDER 40X8X505 D3182 BRACKET,L FUSE-CUT/OUT 22kV WDXARM D3086 BRACKET, POLE TOP 302 x 60x 110mm ARM D3046 BRACKET, TYPE F METER BOX 2400mm LONG D3022 BRACKET-STRUT 10X60X720 D3109 BRACKET-STRUT SWIVEL WOOD POLE D3150 BUCKLE,STRAP 12 C254 D3110 CABLE END, 4-25mm SQ 4 CORE D3148 CABLE GLAND ADJUST NO.1 D3070 also recloser CABLE TIE-STRAP 280LGX9-0W UV ST. D3075 CLAMP,EARTH ROD 16 RODPH/BRNZ D3093 CLAMP,IPC BIMET 35-95B/35-95I D3039 CLAMP, IPC BN-SERV 35-95R BARE / 6-35T INS D3039 CLAMP,REV PIST 3B 5.0-16.0 ST/WIRE D7022 CLAMP-P/G 2B AL-AL 4 -15 DIA M+T D3058 CLAMP-STRAIN O/H CONC 4/10MM2 D3067 CLAMP-SUSP ABC 35-50SQ BARE NEUT D3061 CLAMP-THIMBLE CLEV A/ALLOY 40KN D3007 CLAMP,IPC BIMET 35-95R / 6-25T D3039 CLIP-BONDING ST GALV 22D HOLE D3033 COACH SCREW-GALV 75X12MM HEX HD D3090 COND,CU BARE STR 7/1.72 AN 16SQ D3139 DEAD END,HELICALLY FORMED FOX/35 D3065 DISCONNECTOR 1PHASE 22kV 400A D3087 also CTVT &recloser EARTH ROD Cu 1500x16D THREADLESS D3091 END CAP-CABLE 35-70MM2 ABC D3079 FERRULE,TINNED CU SEALING 12MM LG D3196 FERRULE-CRIMP CU 70-0SQ NON-BUTT D3076 FUSE-CUT/OUT BASE 22KV INLAND D3086 FUSE-LINK 10K OUTDOOR CUT-OUT D3199 FUSE HOLDER, 1000V 160A DIN TYPE D3182 FUSEHOLDER 22kV 100A FUSE-CUT/OUT D3086 FUSE, 160A 500V 120KA SIZE D3181 FUSE, 80A 500V 120KA D3181 GRIP,STRAIN O/H 35SQ B/NTRL ABC D3060 GRIP,STRAIN O/H 70SQ B/NTRL ABC D3060 GUY GRIP,DBL WRAP MAKE OFF 7/4.00 D7047 GUYGRIP-D/END ST COND.3/3.35 D3069 GUYGRIP,D/END ST COND 7/4.0 D3069 INSUL,L/ROD 22kV 40kN 450C/L 20C D3042 INSUL,LINE POST 22kV 10kN 31 D3017 INSUL-STRAIN-STAY LV PORCELAIN D3144 INSUL-STRAIN-STAY MV PORCELAIN D3144 JOINT,NON-TEN AL 4-3-9.0 D I/C D3098 LINE TAP,BR TIN COND 4x16SQ D3101	100%

POWERLINE HARDWARE	LUG,AL 6.3- 9.0DIA 1B M12 0DEG I/C D3074 LUG,CRIMP CU 16,0SQX12,0 F/H YCA16M132 D3102 NAIL-CLOUT 40MM GALV D3169 NUT,EYE 40KN M16X2,0-6H BOLT D3004 NUT-EYE 70KN M20X2-5-6H BOLT D3004 PIN-INSUL M20X2-5-6G 250 SHANK D3050 PIPE,LDPE TYPE 1 CLS 3 10ID 13.20D D3127 PIPE,LDPE TYPE 1 CLS 3 61.8ID 68OD D3127 PIPE-HDPE TYPE 4 CLS 10 20ID 25OD 2.5m D3127 PLATE BLANK ALUM POLE MK 25x10mm D3049 PLATE,STAY M12 300x300x6 55x14 SLT D3172 PLATE-STAY FOR 2000xM20 STAY ROD D3012 PLATFORM, EQUIP H-POLE 2.6m LONG D3020 PLATFORM,REGUL H-POLE 2600mm LG. D3016 PLATFORM,REGUL H-POLE 3000mm LG. D3016 ROD,THREADED GALV M20X450 WASH+NUTSD3015 ROD-THREADED GALV M20X350 WASH+NUT D3015 ROD, THREADED GALV. M20 x 600mm WASH+NUTS D3015 SADDLE-CABLE NYLON 9-5ID BI-PIN D3111 SET SCREW-HX GALV M12X40 NUT+WASH D3082 SHACKLE-D STRAIGHT H/BACK PIN 70KN D3010 SIGN-DANGER 150X150X0.5 ELEC SHOCK D3202 SPINDLE LONG M20x300 REGULAR D3050 SUPPORT CRADLE-VOLT REG x1POLE MNT.D3220 STAPLE-GALV WIRE 40MM LG X 4MM W D3129 STAY BRACKET LIGHT DUTY 45 DEG D3032 STAYROD 1500XM12 NON-ADJUST D3011 STAYROD 2000xM20 96kN NON-ADJUST D3012 STRAPPING, ALMIN 7,6x1.3 (5m=ea) D3130 STRAP-TIE ST GALV 910X50X6 D3031 STRAPPING,S/ST 12.0x0.75 304 D3131 TAP CONN,TOFF FOX/35-SQRLACAC I/C TAP CONN,TOFF SQR/ACA-SQR/ACA I/C D3153 THIMBLE-ST TO FIT 16mm WIRE D3026 TIE,SIDE GRVE B/FOX INLAND D3080 TIE, TOP GRVE B/FOX INLAND D3081 WIRE STRAND,ST 3x3.35 1100MPA1500mD3125 WIRE, METER SEALING S/ST 3132 WIRE,BARBED GALV 12SWG 12.5kg D3170 WIRE,CU 16SQ 7/1.79 STR PVC BLK D3137 WIRE STRAND-ST 7X4-00 1100MPA100M D3124	100%
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4. Does any portion of the services, works or goods offered have any imported content?  
(*Tick applicable box*)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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- 4.1 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 at 12:00 on the date of advertisement of the bid.

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

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?  
**(Tick applicable box)**

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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5.1. If yes, provide the following particulars:

- (a) Full name of auditor: .....
- (b) Practice number: .....
- (c) Telephone and cell number: .....
- (d) Email address: .....

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. 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.thdti.gov.za/industrialdevelopment/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
  - (ii) the declaration templates have been audited and certified to be correct.
- (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 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R (rate based)
Imported content (x), as calculated in terms of SATS 1286:2011	R0
Stipulated minimum threshold for local content (paragraph 3 above)	100%
Local content %, as calculated in terms of SATS 1286:2011	100%

**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. 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 4.1 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 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

**WITNESS No. 1** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_ **DATE:** \_\_\_\_\_

