

Request for Quotations – Scope of work
for the supply and delivery of OHTE wires and cables as per sans 1507 to be delivered at
Elandsfontein Transnet Freight Rail (RNC) Elandsfontein depot, once off
RFQ Number CRAC-ELF-38695



Dear Bidder,

SBD 1 FORM

PART A - INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS FOR THE SUPPLY AND DELIVERY OF OHTE WIRES AND CABLES AS PER SANS 1507 TO BE DELIVERED AT ELANDSFONTEIN TRANSNET FREIGHT RAIL (RNC) ELANDSFONTEIN DEPOT, ONCE OFF , A DIVISION TRANSNET SOC LTD

| | | | | | | | |
|-------------|-----------------------|-------------|-----------------------|---------------|--------------------------|---------------|-----------------|
| BID NUMBER: | CRAC-ELF-38695 | ISSUE DATE: | 26 AUGUST 2022 | CLOSING DATE: | 15 SEPTEMBER 2022 | CLOSING TIME: | 10:00 AM |
|-------------|-----------------------|-------------|-----------------------|---------------|--------------------------|---------------|-----------------|

DESCRIPTION RFQ FOR THE SUPPLY AND DELIVERY OF OHTE WIRES AND CABLES AS PER SANS 1507 TO BE DELIVERED AT ELANDSFONTEIN TRANSNET FREIGHT RAIL (RNC) ELANDSFONTEIN DEPOT, ONCE OFF

BID RESPONSE DOCUMENTS SUBMISSION

Transnet has implemented a new electronic tender submission system, the e-Tender Submission Portal, in line with the overall Transnet digitalization strategy where suppliers can view advertised tenders, register their information, log their intent to respond to bids and upload their bid proposals/responses on to the system.

RESPONDENTS ARE TO UPLOAD THEIR BID RESPONSE PROPOSALS ONTO THE TRANSNET SYSTEM AGAINST EACH TENDER/RFQ SELECTED.

The Transnet e-Tender Submission Portal can be accessed as follows:

- Log on to the Transnet eTenders management platform website/Portal (transnetetenders.azurewebsites.net) (please use **Google Chrome** to access Transnet link/site free of charge);
- Click on "ADVERTISED TENDERS" to view advertised tenders;
- Click on "SIGN IN/REGISTER – for bidder to register their information (must fill in all mandatory information);
- Click on "SIGN IN/REGISTER" - to sign in if already registered;
- Toggle (click to switch) the "Log an Intent" button to submit a bid;
- Submit bid documents by uploading them into the system against each tender selected.
- No late submissions will be accepted. The bidder guide can be found on the Transnet Portal transnetetenders.azurewebsites.net

Note to the bidders:

Bidders are required to ensure that electronic bid submissions are done at least a day before the closing date to prevent issues which they may encounter due to their internet speed, bandwidth or the size of the number of uploads they are submitting. Transnet will not be held liable for any challenges experienced by bidders as a result of the technical challenges. Please do not wait for the last hour to submit. A Bidder can upload 30mb per upload and multiple uploads are permitted.

| BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO | | TECHNICAL ENQUIRIES MAY BE DIRECTED TO: | |
|---|---|--|---|
| CONTACT PERSON | Ismael Kapa | CONTACT PERSON | Ismael Kapa |
| TELEPHONE NUMBER | 011 878 7131 | TELEPHONE NUMBER | 011 878 7131 |
| FACSIMILE NUMBER | N/A | FACSIMILE NUMBER | N/A |
| E-MAIL ADDRESS | Ismael.kapa@Transnet.net | E-MAIL ADDRESS | Ismael.kapa@Transnet.net |

SUPPLIER INFORMATION

| | |
|----------------|--|
| NAME OF BIDDER | |
|----------------|--|

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| | | | | | |
|--|--|--|--|--|---|
| POSTAL ADDRESS | | | | | |
| STREET ADDRESS | | | | | |
| TELEPHONE NUMBER | CODE | | NUMBER | | |
| CELLPHONE NUMBER | | | | | |
| FACSIMILE NUMBER | CODE | | NUMBER | | |
| E-MAIL ADDRESS | | | | | |
| VAT REGISTRATION NUMBER | | | | | |
| SUPPLIER COMPLIANCE STATUS | TAX COMPLIANCE SYSTEM PIN: | | OR | CENTRAL SUPPLIER DATABASE | UNIQUE REGISTRATION REFERENCE NUMBER: MAAA: |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE | TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No | | B-BBEE STATUS LEVEL SWORN AFFIDAVIT | [TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| [A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT MUST BE SUBMITTED FOR PURPOSES OF COMPLIANCE WITH THE B-BBEE ACT] | | | | | |
| 1.ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF] | | 2.ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER QUESTIONAIRE BELOW] | |
| QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS | | | | | |
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| DOES THE ENTITY HAVE A BRANCH IN THE RSA? | | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | |
| IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 1.3 BELOW. | | | | | |



PART B
TERMS AND CONDITIONS FOR BIDDING

1. TAX COMPLIANCE REQUIREMENTS

- 1.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 1.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 1.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 1.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 1.5 IN BIDS WHERE UNINCORPORATED CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 1.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

DATE: _____

1. **COMPULSORY LOCAL CONTENT THRESHOLD**

In terms of section 8(1) of the Preferential Procurement Regulations, 2017, and the Instruction Note issued by National Treasury on the “Invitation and Evaluation of Bids based on a stipulated minimum threshold for local content and production for the **Electrical Cable Products** Sector,” Transnet is required to set a stipulated minimum threshold be set for this RFQ.

1.1. **Local Content Threshold**

A Local Content threshold of **90%** will be required for the goods specified in SBD 6.2 to be manufactured by a successful Respondent.

- **A bid that fails to meet the minimum stipulated threshold for local production and content will be regarded as an unacceptable bid.**
- **Respondents are to note that Transnet will not round off final Local Content scores for the purposes of determining whether the Local Content threshold has been met.**

Only locally produced or locally manufactured material with a minimum threshold for local production and content will be considered. 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, a bidders should obtain written approval from the dtic to supply the remaining portion at a lower local content threshold. Such approval application should be submitted and obtained prior to the closing of the bid. The dtic, in consultation with Transnet, will grant such 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.

1.2. **Local Content Notes**

- 1.2.1. 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 tender;
- 1.2.2. Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content;
- 1.2.3. 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 at 12:00 on the date of advertisement of the bid.

- 1.2.4. 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 tenderers on the DTI's official website; <http://www.the dti.gov.za/industrial development/ip.jsp> at no cost.
- 1.2.5. The rates of exchange quoted by the tenderer in paragraph 4.1 of Returnable Schedule (the Declaration Certificate for Local Production and Content for Designated Sectors) will be verified for accuracy.
- 1.2.6. Declaration Certificate for Local Production and Content (SBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted a the closing date and time of the bid;
- 1.2.7. Tenderers must familiarise themselves with all the information provided in the Local Content instruction notes with particular reference to paragraph 4 of the instruction notes.
- 1.2.8. Respondents are to ensure that they complete the local content annexures in line with the provisions made in the Guidance Document for the calculation of Local Content. Failure to comply will lead to disqualification.

1.3. Mandatory RFQ Annexures

The regulatory and mandatory RFQ Annexures, which must be completed by all Respondents in order to declare Local Content, are as follows:

- Annexure B – Declaration Certificate for Local Production and Content [SBD 6.2]
- Annexure C – Local Content Declaration: Summary Schedule
- Annexure B and C must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained.
- To the extent that an exemption from Local Content has been granted by the DTI, the exemption letter from DTI will be a mandatory returnable document.
- Annexures D and E are Supporting Schedules to Annexure C. They are named as follows:
 - Annexure D – Imported Content Declaration: Supporting Schedule to Annexure C
 - Annexure E – Local Content Declaration: Supporting Schedule to Annexure C
- Annexure F - Guidance Document for the calculation of Local Content

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. Declarations D and E should be kept by Respondents for verification purposes for a period of at least 5 years. The successful Respondent is required to continuously update Declarations C, D and E with the



actual values for the duration of the contract. In addition to what is stated above regarding Annexures D and E, please note that these declarations are to be submitted as part of the Essential Returnable Documents.

1.4. Challenges meeting the Local Content Threshold

Should, after the award of a Bid, the Supplier experience challenges in meeting the stipulated minimum threshold for Local Content, Transnet is required to inform the DTI accordingly in order for the DTI to verify the circumstances and provide directives in this regard.

1.5. Exchange Rate Verification

The rate of exchange quoted by the Respondent in the declaration certificates (Annexure B – Declaration Certificate for Local Production & Content [SBD 6.2] and Annexure C – Local Content Declaration: Summary Schedule) will be verified for accuracy as per the requirement of National Treasury Instruction Notes and Circulars.

1.6. Local Content Obligations

Respondents are to note that the Local Content commitments made by the successful Respondent(s) will be incorporated as a term of the contract and monitored for compliance. Should the successful Respondent fail to meet its Local obligations, non-compliance penalties shall be applicable as per the contract or Standard RFQ Terms and Conditions for the Supply of Goods and Services. Breach of Local Content obligations also provide Transnet cause to terminate the contract in certain cases where material non-compliance with Local Content requirements are not achieved.

2. EVALUATION: B-BBEE AND PRICE

The following will be considered in the evaluation:

| EVALUATION CRITERIA |
|----------------------------|
| ▪ Price (80) |
| ▪ B-BBEE (20) |

2.1. Price schedule:

Transnet Corporate Centre invites you to supply a quote for supply and delivery of OHTE wires and cables as per sans 1507 as per the Scope of work below.

NB: - for fair price comparison, bidders must indicate whether they are VAT registered.

| Item | Scope of work | Delivery Date | Numeric Quantity | UOM | Unit price (ZAR) | Total Price (ZAR) |
|------------------------------|--|---------------|------------------|-------|------------------|-------------------|
| 1 | Supply and delivery of 107mm ² single core copper contact wire 500m | | 500 | Meter | | |
| 2 | Supply and delivery of 161mm ² single core copper contact wire | | 500 | Meter | | |
| 3 | Supply and delivery of 50mm ² 4-core SWA Copper cable | | 500 | Meter | | |
| 4 | Supply and delivery of 95mm ² 3-core HT 11KV Copper cable | | 200 | Meter | | |
| 5 | Supply and delivery of 16m ² 4-core LT 400V Copper cable | | 500 | Meter | | |
| 6 | Supply and delivery of 12m x3m storage container | | 02 | Each | | |
| TOTAL PRICE EXCL. VAT | | | | | | |
| VAT (15%) | | | | | | |
| TOTAL PRICE INCL. VAT | | | | | | |

2.2. B-BBEE:

In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (80/20 system) |
|------------------------------------|---------------------------------|
| 1 | 20 |
| 2 | 18 |
| 3 | 14 |
| 4 | 12 |
| 5 | 8 |
| 6 | 6 |
| 7 | 4 |
| 8 | 2 |
| Non-compliant contributor | 0 |

3. NB: Please note that the following documentation are to be submitted together with the quotation:

3.1. Mandatory Returnable documents:

3.1.1. SBD1 Form

- 3.1.2. Completed pricing schedule
- 3.1.3. ANNEXURE B – Declaration Certificate for Local Production and Content [SBD6.2]
- 3.1.4. ANNEXURE C – Local Content Declaration: Summary Schedule
(Annexure B and C must be completed and submitted even if a complete Local Content exemption letter from DTI has been obtained.
- 3.1.5. A Local Content exemption letter from DTI (where applicable)

Failure to submit the above stated documents at the Closing Date and time of this RFQ your quotation will be disqualified.

3.2. Essential Returnable documents:

- 3.2.1. Valid proof of Respondent's compliance to B-BBEE requirements (Valid B-BBEE certificate or Sworn Affidavit).
- 3.2.2. RFQ Declaration and Breach of Law Form
- 3.2.3. Protection of Personal Information

Failure to submit the above stated documents may result in your quotation been disqualified.

Kindly note that if your company is interested in submitting a quotation then a response has to be submitted on or before **15 September 2022 at 10h00**.

LATE TENDERS WILL BE DISQUALIFIED.

Validity Period

Transnet requires a **validity period of 180 [30 June 2023] Business Days from the closing date of this RFQ**, excluding the first day and including the last day. Bidders are to note that they may be requested to extend the validity period of their bid, on the same terms and conditions, if the internal evaluation process has not been finalised within the validity period. However, once the adjudication body has approved the process and award of the business to the successful bidder(s), the validity of the successful bidder(s)' bid will be deemed to remain valid until a final contract has been concluded.

4. DISCLAIMERS

Please note that **Transnet reserves the right to:**

- a) Modify the RFQ's Goods/Services and request Respondents to re-bid on any such changes;
- b) Reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- c) Disqualify Proposals submitted after the stated submission deadline [closing date];
- d) Award a contract in connection with this Proposal at any time after the RFQ's closing date;
- e) Award a contract for only a portion of the proposed Goods/Services which are reflected in the scope of this RFQ;
- f) Split the award of the contract between more than one Supplier/Service provider, should it at Transnet's discretion be more advantageous in terms of, amongst others, cost or developmental considerations;
- g) Cancel the bid process;

- h) Validate any information submitted by Respondents in response to this bid. This would include, but is not limited to, requesting the Respondents to provide supporting evidence. By submitting a bid, Respondents hereby irrevocably grant the necessary consent to Transnet to do so;
- i) Request audited financial statements or other documentation for the purposes of a due diligence exercise;
- j) Not accept any changes or purported changes by the Respondent to the bid rates after the closing date and/or after the award of the business, unless the contract specifically provided for it;
- k) to cancel the contract and/request that National Treasury place the Respondent on its Database of Restricted Suppliers for a period not exceeding 10 years, on the basis that a contract was awarded on the strength of incorrect information furnished by the Respondent or on any other basis recognised in law;
- l) To award the business to the next ranked bidder, provided that he/she is still prepared to provide the required Goods/Services at the quoted price, should the preferred bidder fail to sign or commence with the contract within a reasonable period after being requested to do so. Under such circumstances, the validity of the bids of the next ranked bidder(s) will be deemed to remain valid, irrespective of whether the next ranked bidder(s) were issued with a Letter of Regret. Bidders may therefore be requested to advise whether they would still be prepared to provide the required Goods/Services at their quoted price, even after they have been issued with a Letter of Regret.

Note that Transnet will not reimburse any Respondent for any preparatory costs or other work performed in connection with its Proposal, whether or not the Respondent is awarded a contract.

All clarifications prior to closing should be submitted onto the system or be directed to **Ismael Kapa** via email: Ismael.kapa@transnet.net

5. DISCLOSURE OF CONTRACT INFORMATION

Johannesburg Stock Exchange Debt Listing Requirements

Transnet may also be required to disclose information relating to the subsequent contract i.e. the name of the company, goods/services provided by the company, the value and duration of the contract, etc. in compliance with the Johannesburg Stock Exchange (JSE) Debt Listing Requirements.

Domestic Prominent Influential Persons (DPIP) OR Foreign Prominent Public Officials (FPPO)

Transnet is free to procure the services of any person within or outside the Republic of South Africa in accordance with applicable legislation. Transnet shall not conduct or conclude business transactions, with any Respondents without having:

- Considered relevant governance protocols;
- Determined the DPIP or FPPO status of that counterparty; and
- Conducted a risk assessment and due diligence to assess the potential risks that may be posed by the business relationship.

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As per the Transnet Domestic Prominent Influential Persons (DPIP) and Foreign Prominent Public Officials (FPPO) and Related Individuals Policy available on Transnet website <https://www.transnet.net/search/pages/results.aspx?k=FPIDP#k=DPIP>, Respondents are required to disclose any commercial relationship with a DPIP or FPPO (as defined in the Policy) by completing the following section:

| The below form contains personal information as defined in the Protection of Personal Information Act, 2013 (the "Act"). By completing the form, the signatory consents to the processing of her/his personal information in accordance with the requirements of the Act. Consent cannot unreasonably be withheld. | | | | | | |
|--|---------------------------|--|----------------|--|--|------------|
| Is the Respondent <i>(Complete with a "Yes" or "No")</i> | | | | | | |
| A DPIP/FPPO | | Closely Related to a DPIP/FPPO | | Closely Associated to a DPIP/FPPO | | |
| List all known business interests, in which a DPIP/FPPO may have a direct/indirect interest or significant participation or involvement. | | | | | | |
| No | Name of Entity / Business | Role in the Entity / Business (Nature of interest/ Participation) | Shareholding % | Registration Number | Status (Mark the applicable option with an X) | |
| | | | | | Active | Non-Active |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |

Respondents declaring a commercial relationship with a DPIP or FPPO are to note that Transnet is required to annually publish on its website a list of all business contracts entered into with DPIP or FPPO. This list will include successful Respondents, if applicable.



RFQ DECLARATION AND BREACH OF LAW FORM

NAME OF ENTITY: _____

We _____ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFQ Clarification purposes;
2. We have received all information we deemed necessary for the completion of this Request for Quotation [RFQ];
3. We have been provided with sufficient access to the existing Transnet facilities/sites and all relevant information relevant to the Supply of the Goods as well as Transnet information and Employees, and have had sufficient time in which to conduct and perform a thorough due diligence of Transnet's operations and business requirements and assets used by Transnet. Transnet will therefore not consider or permit any pre- or post-contract verification or any related adjustment to pricing, service levels or any other provisions/conditions based on any incorrect assumptions made by the Respondent in arriving at his Bid Price.
4. At no stage have we received additional information relating to the subject matter of this RFQ from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFQ documents;
5. We have complied with all obligations of the Bidder/Supplier as indicated in the Transnet Supplier Integrity Pact which includes but are not limited to ensuring that we take all measures necessary to prevent corrupt practices, unfairness and illegal activities in order to secure or in furtherance to secure a contract with Transnet;
6. We are satisfied, insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFQ and the requirements requested from Bidders in responding to this RFQ have been conducted in a fair and transparent manner;
7. We declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of Transnet including any person who may be involved in the evaluation and/or adjudication of this Bid;
8. We declare that an owner / member / director / partner / shareholder of our entity **is / is not** [delete as applicable] an employee or board member of the Transnet;
9. In addition, we declare that an owner / member / director / partner / shareholder/employee of our entity **has / has not been** [delete as applicable] a former employee or board member of Transnet in the past 10 years. I further declare that if they were a former employee or board member of Transnet in the past 10 years that they **were/were not** involved in the bid preparation or had access to the information related to this RFQ; and
10. If such a relationship as indicated in paragraph 7, 8 and/or 9 exists, the Respondent is to complete the following section:

FULL NAME OF OWNER/MEMBER/DIRECTOR/

PARTNER/SHAREHOLDER/EMPLOYEE: _____

ADDRESS: _____

Indicate nature of relationship with Transnet:



[Failure to furnish complete and accurate information in this regard will lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet]. Information provided in the declarations may be used by Transnet and/or its affiliates to verify the correctness of the information provided]

11. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.

BIDDER'S DISCLOSURE (SBD4)

12 PURPOSE OF THE FORM

12.1 Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

12.2 Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

13 Bidder's declaration

13.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state?

YES/NO

13.1.1. If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.



13.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

13.2.1. If so, furnish particulars:
.....
.....

13.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

13.3.1. If so, furnish particulars:
.....
.....

14 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 14.1 I have read and I understand the contents of this disclosure;
- 14.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 14.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 14.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 14.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 14.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.



14.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 12, 13 and 14 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

BREACH OF LAW

We further hereby certify that *I/we have/have not been* [delete as applicable] found guilty during the preceding 5 [five] years of a serious breach of law, including but not limited to a breach of the Competition Act, 89 of 1998, by a court of law, tribunal or other administrative body. The type of breach that the Respondent is required to disclose excludes relatively minor offences or misdemeanours, e.g. traffic offences. This includes the imposition of an administrative fine or penalty.

Where found guilty of such a serious breach, please disclose:

NATURE OF BREACH:

DATE OF BREACH: _____

Furthermore, I/we acknowledge that Transnet SOC Ltd reserves the right to exclude any Respondent from the bidding process, should that person or entity have been found guilty of a serious breach of law, tribunal or regulatory obligation.

SIGNED at _____ on this ____ day of _____ 20__

| | |
|---|--|
| For and on behalf of _____ duly authorised hereto | AS WITNESS: |
| Name: | Name: |
| Position: | Position: |
| Signature: | Signature: |
| Date: | Registration No of Company/CC _____ |
| Place: | Registration Name of Company/CC _____ |



PROTECTION OF PERSONAL INFORMATION

1. The following terms shall bear the same meaning as contemplated in Section 1 of the Protection of Person information act, No.4 of 2013.("POPIA"):

consent; data subject; electronic communication; information officer; operator; person; personal information; processing; record; Regulator; responsible party; special information; as well as any terms derived from these terms.
2. Transnet will process all information by the Respondent in terms of the requirements contemplated in Section 4(1) of the POPIA:

Accountability; Processing limitation; Purpose specification; Further processing limitation; Information quality; Openness; Security safeguards and Data subject participation.
3. The Parties acknowledge and agree that, in relation to personal information that will be processed pursuant to this RFQ, the Responsible party is "Transnet" and the Data subject is the "Respondent". Transnet will process personal information only with the knowledge and authorisation of the Respondent and will treat personal information which comes to its knowledge as confidential and will not disclose it, unless so required by law or subject to the exceptions contained in the POPIA.
4. Transnet reserves all the rights afforded to it by the POPIA in the processing of any of its information as contained in this RFQ and the Respondent is required to comply with all prescripts as detailed in the POPIA relating to all information concerning Transnet.
5. In responding to this bid, Transnet acknowledges that it will obtain and have access to personal information of the Respondent. Transnet agrees that it shall only process the information disclosed by Respondent in their response to this bid for the purpose of evaluating and subsequent award of business and in accordance with any applicable law.
6. Transnet further agrees that in submitting any information or documentation requested in this RFQ, the Respondent is consenting to the further processing of their personal information for the purpose of, but not limited to, risk assessment, assurances, contract award, contract management, auditing, legal opinions/litigations, investigations (if applicable), document storage for the legislatively required period, destruction, de-identification and publishing of personal information by Transnet and/or its authorised appointed third parties.
7. Furthermore, Transnet will not otherwise modify, amend or alter any personal data submitted by the Respondent or disclose or permit the disclosure of any personal data to any third party without the prior written consent from the Respondent. Similarly, Transnet requires the Respondent to process any personal information disclosed by Transnet in the bidding process in the same manner.
8. Transnet shall, at all times, ensure compliance with any applicable laws put in place and maintain sufficient measures, policies and systems to manage and secure against all forms of risks to any information that may be shared or accessed pursuant to this RFQ (physically, through a computer or any other form of electronic communication).
9. Transnet shall notify the Respondent in writing of any unauthorised access to information, cybercrimes or suspected cybercrimes, in its knowledge and report such crimes or suspected crimes to the relevant authorities in accordance with applicable laws, after becoming aware of such crimes or suspected crime. The Respondent must take all necessary



remedial steps to mitigate the extent of the loss or compromise of personal information and to restore the integrity of the affected personal information as quickly as is possible.

10. The Respondent may, in writing, request Transnet to confirm and/or make available any personal information in its possession in relation to the Respondent and if such personal information has been accessed by third parties and the identity thereof in terms of the POPIA. The Respondent may further request that Transnet correct (excluding critical/mandatory or evaluation information), delete, destroy, withdraw consent or object to the processing of any personal information relating to the Respondent in Transnet's possession in terms of the provision of the POPIA and utilizing Form 2 of the POPIA Regulations.
11. In submitting any information or documentation requested in this RFQ, the Respondent is hereby consenting to the processing of their personal information for the purpose of this RFQ and further confirming that they are aware of their rights in terms of Section 5 of POPIA

Respondents are required to provide consent below:

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

12. Further, the Respondent declares that they have obtained all consents pertaining to other data subject's personal information included in its submission and thereby indemnifying Transnet against any civil or criminal action, administrative fines or other penalty or loss that may arise as a result of the processing of any personal information that the Respondent submitted.
13. The Respondent declares that the personal information submitted for the purpose of this RFQ is complete, accurate, not misleading, is up to date and may be updated where applicable.

Signature of Respondent's authorised representative: _____

Should a Respondent have any complaints or objections to processing of its personal information, by Transnet, the Respondent can submit a complaint to the Information Regulator on <https://www.justice.gov.za/inforeg/>, click on contact us, click on complaints.IR@justice.gov.za

LOCAL CONTENT

- ❖ Annexure B
- ❖ Annexure C
- ❖ Annexure D
- ❖ Annexure E
- ❖ Instruction Note



**MANDATORY RETURNABLE DOCUMENT:
FAILURE TO FULLY COMPLETE, DECLARE, SIGN, DATE & WITNESS
THIS ANNEXURE B THE BID WILL BE NON-RESPONSIVE & DISQUALIFIED**

ANNEXURE B

SBD 6.2

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, 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) makes provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) 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. In terms of Regulation 16(2) of the Preferential Procurement Regulations, 2017, any sector designated and minimum threshold determined for local production and content for purposes of regulation 9 of the 2011 Regulations and in force immediately before the repeal of the 2011 Regulations, are regarded as having been done under regulation 8(1) of the 2017 Regulations.
- 1.4. 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.
- 1.5. 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.
- 1.6. 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> at no cost.

- 1.7. A bid will 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:**

**MANDATORY RETURNABLE DOCUMENT:
FAILURE TO FULLY COMPLETE, DECLARE, SIGN, DATE & WITNESS
THIS ANNEXURE B THE BID WILL BE NON-RESPONSIVE & DISQUALIFIED**

| Description of services, works or goods | Stipulated minimum threshold |
|--|------------------------------|
| Supply and delivery of 107mm ² single core copper contact wire 500m | 90% |
| Supply and delivery of 161mm ² single core copper contact wire 500m | 90% |
| Supply and delivery of 50mm ² 4- core SWA Copper cable | 90% |
| Supply and delivery of 95mm ² 3- core HT 11KV Copper cable | 90% |
| Supply and delivery of 16m ² 4- core LT 400V Copper cable | 90% |

3. 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"/> |
|-----|--------------------------|----|--------------------------|

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 at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on 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.

4. 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: CRAC-ELF-38695

ISSUED BY: TRANSNET SOC LTD

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/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 asof.....(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 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

BALLAST STONES

| | |
|--|------------|
| 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) | 90% |
| 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. 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 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____ **DATE:** _____

WITNESS No. 1 _____ **DATE:** _____

WITNESS No. 2 _____ **DATE:** _____

FAILURE TO FULLY COMPLETE, DECLARE & SIGN THIS WILL RESULT IN THE BID BEING NON-RESPONSIVE & DISQUALIFIED

FAILURE TO FULLY COMPLETE, DECLARE & SIGN THIS WILL RESULT IN THE BID BEING NON-RESPONSIVE & DISQUALIFIED

**MANDATORY RETURNABLE DOCUMENT:
FAILURE TO FULLY COMPLETE, DECLARE, SIGN & DATE THIS ANNEXURE C
WILL RESULT IN THE BID BEING NON-RESPONSIVE & DISQUALIFIED**

Annex C

Local Content Declaration - Summary Schedule

Note: VAT to be excluded from all calculations

(C1) Tender No. RFQ NO: CRAC-ELF-38695
 (C2) Tender description: supply and delivery of OHTE wires and cables as per sans 1507
 (C3) Designated product(s) CABLES & Wire
 (C4) Tendering Authority: TRANSNET-FREIGHT-RAIL A DIVISION OF TRANSNET SOC
 (C5) Tendering Entity name: PULA EU
 (C6) Tender Exchange Rate: GBP
 Select/Amend to reflect the applicable foreign currency
 (C7) Specified local content 90%

| Tender item no's | List of items | Calculation of local content | | | | Tender summary | | | |
|------------------|---|--------------------------------|-------------------------|---|----------------------------|----------------|--------------------|---------------------------------|------------------------|
| | | Tender price - each (excl VAT) | Exempted imported value | Tender value net of exempted imported content | Local content % (per item) | Tender Qty | Total tender value | Total exempted imported content | Total Imported content |
| 1 | Supply and delivery of 107mm2 single core copper contact wire | | | | | | | | |
| 2 | Supply and delivery of 161mm2 single core copper contact wire | | | | | | | | |
| 3 | Supply and delivery of 50mm2 4- core SWA Copper cable | | | | | | | | |
| 4 | Supply and delivery of 95mm2 3- core HT 11KV Copper cable | | | | | | | | |
| 5 | Supply and delivery of 16m2 4- core LT 400V Copper cable | | | | | | | | |

(C20) Total tender value #REF!
 (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 90 % of tender

Signature of tenderer from Annex B

X

Date:

Annex E

NB: THESE SHADED SECTIONS MUST BE COMPLETED BY THE TENDERER

ESSENTIAL RETURNABLE DOCUMENT:

**FAILURE TO FULLY COMPLETE, DECLARE, SIGN & DATE THIS ANNEXURE E
MAY RESULT IN THE BID BEING NON-RESPONSIVE & DISQUALIFIED**

Local Content Declaration - Supporting Schedule to Annex C

| | |
|------------------------------------|---|
| (E1) Tender No. | CRAC-ELF-38695 |
| (E2) Tender description: | supply and delivery of OHTE wires and cables as per sans 1507 |
| (E3) Designated products: | CABLES & WIRE |
| (E4) Tender Authority: | TRANSNET FREIGHT RAIL A DIVISION OF TRANSNET SOC |
| (E5) Tendering Entity name: | |

Note: VAT to be excluded from all calculations

| Local Products (Goods, Services and Works) | Description of items purchased (E6) | Local suppliers (E7) | Value (E8) |
|---|---|-------------------------|---------------|
| 1 | Supply and delivery of 107mm2 single core copper contact wire | | |
| 2 | Supply and delivery of 161mm2 single core copper contact wire | | |
| 3 | Supply and delivery of 50mm2 4- core SWA Copper cable | | |
| 4 | Supply and delivery of 95mm2 3- core HT 11KV Copper cable | | |
| 5 | Supply and delivery of 16m2 4- core LT 400V Copper cable | | |

(E9) Total local products (Goods, Services and Works) #REF!

(E10) **Manpower costs** (Tenderer's manpower cost) R -

(E11) **Factory overheads** (Rental, depreciation & amortisation, utility costs, consumables etc.) R -

(E12) **Administration overheads and mark-up** (Marketing, insurance, financing, interest etc.) R -

(E13) Total local content: R

This total must correspond with Annex C - C24

Signature of tenderer from Annex B

X

Date: _____



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 10 OF
2016/2017**

**INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM
THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR RAIL SIGNALLING
SYSTEM AND ASSOCIATED COMPONENTS**

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 rail-signalling systems and associated components 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 rail signalling systems and associated components for local production and content.

3. SECTOR DESIGNATION

3.1 A rail signalling system is used to control the flow of railway traffic in a safe, efficient and reliable manner as a means of preventing trains from colliding with each other. Being guided by fixed rails, trains are uniquely susceptible to collision; furthermore, trains cannot stop quickly, and frequently operate at speeds that do not allow stopping within sighting distance of the driver. Also, rail signalling systems are one of the key factors to assure the safety, punctuality, reliability and effectiveness (train speed and traffic density) of the railway operation.

3.2 **Table 1** indicates the stipulated minimum local content for rail signalling systems and associated components.

Table 1: Rail signalling system

| Types of systems | Local content thresholds |
|---|--------------------------|
| Rail Signalling System and associated components | 65% |

3.3 **Table 2** provides the stipulated minimum threshold for local content and production for rail signalling systems and associated components categorised by systems and components. To ensure that the minimum local content designated is applied on manufacturing activities, the components and conversion activities in the manufacture of rail signalling system and associated components are further designated and must also be included in bid invitations:

Table 2: Local Content Designated on a Fully-Built Unit and Components and Conversion Activities against which the overall Local Content must be discharged, per rail signalling system and components

| No | Components and manufacturing processes against which the overall local content must be discharged | |
|----|---|------------------------------|
| | Components and manufacturing processes | % local content |
| 1 | Centralised Traffic Control (CTC) Equipment | 40% |
| 2 | Cabinets (Apparatus cases) | 100% |
| 3 | LED Light Signal | 95% |
| 4 | Level Crossing Components | 90% |
| 5 | Auxiliary Power Supplies | 90% |
| 6 | Point Machines | 90% |
| 7 | Cables & wire | 90% (Cable instruction note) |
| 8 | Axle Counter | 75% |
| 9 | Track Circuits | 90% |

**NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 10 OF 2016/2017
INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL
PRODUCTION AND CONTENT FOR RAIL SIGNALLING SYSTEM AND ASSOCIATED COMPONENTS**

| No | Components and manufacturing processes against which the overall local content must be discharged | |
|---|---|-----------------|
| | Components and manufacturing processes | % local content |
| 10 | Electronic Interlocking | 50% |
| 11 | Relay Interlocking | 90% |
| 12 | Assembly and testing of the fully-built units | 100% |
| Total minimum local content (per system) | | 65% |

3.4 The following primary input materials used in the manufacture of railway signalling systems and associated components are deemed as local in this designation:

- a) raw copper rod;
- b) paper and boards for insulation;
- c) aluminium billets and rod;
- d) ceramics;
- e) porcelain;
- f) reinforced fibre glass;
- g) polymers; and
- h) epoxy.

3.5 The designated local content thresholds (on the components/conversion processes and on the overall) apply to new purchases, refurbishments, replacements and general overhauls.

3.5.1 For further information, bidders and procuring state organs may contact the Metals Fabrication, Capital and Rail Transport Equipment unit within the dti at telephone 012 394 1356/3138 or email Thandi Phele at tphele@thedti.gov.za.

3.6 Bid specifications for the rail-signalling system and associated components referred to above may be done in collaboration with the dti.

4. INVITATION OF BIDS FOR RAIL SIGNALLING AND ASSOCIATED COMPONENTS

4.1 Bids in respect of rail signalling system and associated components must contain a specific bidding condition which states that:

4.1.1. Only locally manufactured rail signalling system and associated components with a stipulated minimum threshold for local production and content will be considered.

4.1.2. If the quantity, input materials and/or components of rail signalling systems and associated components cannot be wholly sourced from South African (SA)-based manufacturers to achieve the designated local content threshold, both on the overall and at the components and conversion processes levels, at any particular time of procurement or order placement, bidders entities should obtain written exemption from

the dti. **the dti**, in consultation with the SA industry and procuring Organ of State, will grant exemption on a case-by-case basis and will consider the following:

- a) required volumes in the particular bid;
- b) available collective SA industry manufacturing capacity at that time;
- c) delivery times;
- d) availability of input materials and components;
- e) technical considerations including operating conditions and technical compliance protocol;
- f) quality and reliability;
- g) materials of construction;
- h) security of supply and emergencies;
- i) localisation plans aimed at establishing and/or increasing local manufacturing capacity through ramping-up of capital investments in the initial phases; and
- j) replacement of components on the existing infrastructure (i.e. track circuit procured prior to the implementation of this instruction notes) in order to honour the warranties and guarantees.

4.1.3. Bidders must clearly indicate in their bids the quantities of rail signalling systems and associated components to be supplied and the level of local content for each product.

4.1.4. 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.

4.2 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 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:

$$LC = \left(1 - \frac{x}{y}\right) * 100$$

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 rail signaling systems and associated 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 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) 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;
- 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 RAIL SIGNALLING SYSTEM AND ASSOCIATED COMPONENTS

- 5.1 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**
- a) Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.
- b) 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.
- c) The amendment of the stipulated minimum threshold for local production and content is not allowed.
- d) 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**
- a) 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.

- b) AOs/AAs must ensure that contracts for rail signalling systems and associated 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.
- c) Where appropriate, prices may be negotiated with short-listed or preferred bidders. Such negotiations must not prejudice any other bidders.

5.2 Benchmark / market related prices

- 5.2.1 AOs/AAs are required to ensure that reasonable or market related prices are secured for the rail signalling systems and associated components being procured taking into account factors such as benchmark prices, value for money and economies of scale.
- 5.2.2 For this purpose, AOs/AAs may approach **the dti** for assistance, where possible, with benchmark prices for rail signaling systems and associated components that have been designated for local production and content. **the dti** will be in a position to provide price references for the various products that have been designated for local production and content.

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:
 - 7.1.1 notified of all the successful bidders and the estimated value of the contracts; and
 - 7.1.2 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 must 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 stipulated minimum threshold.
- 7.4 Where, after the award of a bid, contractors experience challenges in meeting the stipulated minimum threshold for local content, the dti must be informed accordingly in order to verify and, in consultation with the AO/AA, provide directives in this regard.

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

9. APPLICABILITY

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

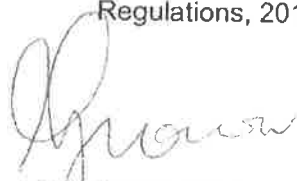
- 10.1 Heads of Provincial Treasuries are requested to bring the contents of this Instruction to the attention of Accounting Officers and Supply Chain Management Officials of their respective Provincial Departments.
- 10.2 Accounting Officers of National and Provincial Departments are requested to bring 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

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

12. AUTHORITY FOR THIS INSTRUCTION NOTE AND EFFECTIVE DATE

This Instruction is issued in terms of Regulation 9(2) of the Preferential Procurement Regulations, 2011 and takes effect on **27 July 2016**



KENNETH BROWN
CHIEF PROCUREMENT OFFICER

DATE: 30/6/2016