



Award of Supply Contract for EO-SAT1 Satellite Solution

To all prospective suppliers,

This notice serves as an addendum to the original Request for Proposal (RFP) for the design, manufacture, testing, and commissioning of a locally developed flight model satellite.

Amendment to Requirements:

1. Local Production and Content Designation

- The award of the contract for the supply of a complete solution for the EO-SAT1 Satellite shall be subject to the requirements for designated sectors for local production and content as prescribed in Denel Procedure Manual. These requirements are determined by the Department of Trade, Industry, and Competition (DTIC).
- Local Production and Content Designation will be based on the designated 80:20 local content principle, where 80% of the total content must be of local origin, and 20% may consist of foreign content.

Local Content Calculation Formula:

The Local Content (LC) percentage shall be calculated using the following formula:

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

Where:

- x represents the imported content, expressed in South African Rand (ZAR).
- y represents the bid price, excluding Value-Added Tax (VAT), expressed in South African Rand (ZAR).
- Denel reserves the right to verify the authenticity of the Local Content claims and to take any necessary action, including disqualification or contract termination, in cases of non-compliance or misrepresentation.

2. Material and Subsystem Restrictions:

All materials and subsystems used in the satellite build must:

- Not be ITAR-controlled (International Traffic in Arms Regulations) or subject to export control restrictions.
- Be free from country-of-origin restrictions that could limit their reuse, launch, or operational capabilities on launch vehicles from other countries.

3. Preference Criteria:

- Priority will be given to local suppliers and entities within BRICS member countries (Brazil, Russia, India, China, and South Africa).
- Collaborative efforts or partnerships involving local suppliers and BRICS countries are encouraged and will be evaluated favorably.

4. Disqualification Criteria:

Denel reserves the right to verify the authenticity of the Local Content claims and to take any necessary action, including disqualification or contract termination, in cases of non-compliance or misrepresentation.

We urge all prospective suppliers to review their proposals to ensure full compliance with this addendum before submission. By submitting a proposal, all Tenderers acknowledge and agree to these conditions and the governing framework of the Denel procurement processes.

We appreciate your cooperation and look forward to innovative proposals that align with these requirements.

Issued by:



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