

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

This Declaration Certificate for local production and content for designated sectors 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 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. For this RFB local production and content is included as a Contract Condition. Bidders must price and indicate the percentage of local production and content for all designated items as indicated in this declaration certificate for local production and content for designated sectors as well as on Annexure C.
- 1.2. 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.
- 1.3. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

- x is the imported content in Rand  
y is the bid price in Rand excluding value added tax (VAT)

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

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

### 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:

As part of contracting conditions, the Tenderer must ensure compliance with Department of Trade, Industry and Competition (DTIC) requirements related to designated industries, sectors and sub-sectors for local production and minimum local content thresholds. Unless the DTIC has granted exemption on the respective designated sector or subsector, only locally produced or locally manufactured products with a stipulated minimum threshold for local production and content will be considered and these is included in the table below.

TABLE 1: DEPARTMENT OF TRADE AND INDUSTRY REQUIREMENTS AND THRESHOLDS

ITEM PRESCRIBED		% LOCAL PRODUCTION & CONTENT
<b>1. CEMENT</b>		<b>100%</b>
<b>2. STEEL PRODUCTS AND COMPONENTS FOR CONSTRUCTION &amp; VALUE-ADDED STEEL PRODUCTS</b>		
<b>2.1 STEEL CONVERGENCE PIPES</b>		
a) Spiral Submerged Arc Welding with a size of 500-3500 mm and bare physical properties		100%
b) Spiral Submerged Arc Welding with a size of 500-3500 mm and galvanized physical properties		100%
c) Spiral Submerged Arc Welding with a size of 500-3500 mm and lined and coated physical properties		80%
d) Spiral Submerged Arc Welding with a size of 500-3500 mm and galvanized, lined and coated physical properties		80%
<b>2.2 STEEL PIPES FITTINGS AND SPECIALS</b>		
a) Bare		100%
b) Galvanized		100%
c) Galvanized and coated		80%
d) Galvanized, Lined and Coated		80%
e) Forged Fittings		100%
<b>3. PUMPS, MEDIUM VOLTAGE (MV) MOTOR AND ASSOCIATED ACCESSORIES</b>		
3.1 Pumps		70%
3.2 Medium Voltage Electric Motor		
Power rating of 185 KV-20 000 KV and greater than 1 000 volts	Components and Manufacturing processes	% Local Content
	Casting or frame Fabrication	100%
	Fabrication and winding of the Stator Core	100%
	Accessories	100%
	Assemble and testing of the fully built unit	100%
Total minimum local content per unit		70%
<b>4. PLASTIC PIPES</b>		
a) Polyvinyl Chloride (PVC) Pipes		100%
b) High Density Polyethylene (HDPE) Pipes		100%
c) Polypropylene (PP) Pipes		100%
d) 4.4 Glass Reinforced Plastic (GRP) Pipes		100%
<b>5. ELECTRICAL AND TELECOM CABLES</b>		
<b>5.1 CABLES USED FOR POWER TRANSMISSION</b>		
a) Low Voltage		90%
b) Low Voltage Reticulation		90%
c) Medium and High Voltage		90%
d) ACR		90%
<b>5.2 CABLES USED FOR TELECOMMUNICATIONS</b>		
a) Optical Fibre Cables		90%
b) Copper Telecom Cables		90%
<b>6. VALVES AND ACTUATORS</b>		
a) Valves and Actuators		70%
<b>7. BUILDING CONSTRUCTION MATERIALS</b>		
a. Fabricated Structural Steel Latticed steelwork, reinforcement steel, columns, beams, plate girders, rafters, bracing, cladding supports, stair stringers & treads, ladders, steel flooring, floor grating, hand-railing and balustrading, scaffolding, ducting, down pipes and roof trusses.		100%
b. Joining / Connecting Components Gussets, cleats, stiffeners, splices, cranks, kinks, doglegs, spacers, tabs, brackets.		100%

ITEM PRESCRIBED	% LOCAL PRODUCTION & CONTENT
c. Frames, Doors and Windows.	100%
d. Roof and Cladding Bare steel cladding, galvanised steel cladding, colour coated cladding.	100%
e. Fasteners Bolts, nuts, rivets and nails.	100%
f. 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, washers, bolts, nuts and washers.	100%
g. Ducting and Structural Pipework Non-conveyance tubing fabricated from steel sheeting and plate with structural supports.	100%
h. Gutters, downpipes & launders, fabricated materials made from sheeting associated with roof drainage systems.	100%
i. All cement related products, bricks, paving blocks, etc, as well as any other type of brick material required on this projects.	100%

The individual percentage for all designated products and including industries, sectors, and sub-sectors that have so far been designated for local production with minimum local content thresholds can be found on the following link:

<http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/industrial-procurement/>.

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

*(Tick applicable box)*

YES		NO	
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3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

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

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

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 DTIC must be informed accordingly in order for the DTIC to verify and in consultation with the AO/AA provide directives in this regard.

**LOCAL CONTENT DECLARATION  
(REFER TO ANNEX B OF SATS 1286:2011)**

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

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

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

NB

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

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

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
  - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (Table 1 above)	
Local content %, as calculated in terms of SATS 1286:2011	

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

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

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the local production and content forms part of contracting in this bid and the accuracy of the information furnished in this application will be verified and monitored throughout the duration of the contract. 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 penalties as stipulated in the Conditions of Contract.

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

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

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

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

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