



Transnet Freight Rail, a division of

TRANSNET SOC LTD

Registration Number 1990/000900/30

[hereinafter referred to as **Transnet**]

REQUEST FOR QUOTATION [RFQ] No RME DBN 017/2016

FOR THE SUPPLY AND DELIVERY OF SAFETY FOOTWEAR

FOR DELIVERY TO: 85 EEL ROAD BAYHEAD, DURBAN

ISSUE DATE: 26 SEPTEMBER 2016

CLOSING DATE: 5 October 2016

CLOSING TIME: 12:00

VALIDITY PERIOD : 14 FEBRUARY 2017

Section 1

NOTICE TO BIDDERS

1 Invitation to bid

| DESCRIPTION | Supply and Delivery of Safety Footwear at 85 Eel Road Bayhead Durban |
|---|--|
| INSPECT / COLLECT DOCUMENTS FROM | <p>This bid may be downloaded free of charge directly from the Transnet Freight Rail tender website at; http://www.transnetfreightrail-tfr.net/Supplier/Pages/Tenders.aspx</p> <p>This RFQ may be requested from the following persons : Mduduzi Khoza e-mail : Mduduzi.khoza@transnet.net or Nonzame Mashalaba e-mail : Nonzame.mashalaba@transnet.net or collected from the TENDER OFFICE, SUPPLY CHAIN SERVICES, BLOCK D, 100 EEL ROAD, BAYHEAD DURBAN.</p> |
| COMPULSORY/NON COMPULSORY BRIEFING SESSION | A formal briefing session <u>will not be held</u> but should Respondents have specific queries they should email these to the Transnet employee(s) indicated in paragraph 6 <i>[Communication]</i> below: |
| CLOSING DATE | <p>12:00 on Wednesday 5 October 2016 This tender shall close punctually at the following address:</p> <p>The Chairperson, Transnet Freight Rail Acquisition Council, Supply Chain Offices, Block D, 100 Eel Road, Bayhead, Durban 4001 or be mailed to : TCPtendersDurban@Transnet.net</p> <p>As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.</p> |
| VALIDITY PERIOD | <p>90 Business Days from Closing Date. End of validity period: 14 February 2017. 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.</p> |
| SPECIAL CONDITIONS | <p>Bidders are to note that this bid may also be downloaded directly from the Transnet Freight Rail tender website free of charge. If Bidders intend to download the bid on the Portal, they are required to indicate their intention to respond to the bid by 4 October 2016 by sending an email with their contact details to the following address: Mduduzi.khoza@transnet.net or Nonzame.mashalaba@transnet.net This is to ensure that any required communication (e.g. addenda to the bid) in relation to this bid reaches those intending to respond.</p> <p>Transnet will not be held liable if Bidders do not respond by this date and do not receive the latest information regarding this Bid as a result thereof.</p> |

2 Responses to RFQ

Responses to this RFQ **[Quotations]** must not include documents or reference relating to any other quotation or proposal. Any additional conditions must be embodied in an accompanying letter.

3 Compulsory local content threshold

In terms of section 9(1) of the Preferential Procurement Regulations, 2011, 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 **"Textile, Clothing, Leather and Footwear Sector,"** Transnet is required to set a stipulated minimum threshold be set for this RFQ.

3.1 Local Content Threshold

A Local Content threshold of **100% [One Hundred percent]** will be required for all Goods to be manufactured by a successful Respondent. For further guidance with regard to the determination of "Local Content," Respondents must refer to the following documentation:

- SABS approved technical specification number SATS 1286:2011
- Guidance on the calculation of Local Content

[available on the DTI website: <http://www.thedti.gov.za>]

3.2 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

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

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. See Section 2 of RFQ.

3.3 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.

4 Broad-Based Black Economic Empowerment [B-BBEE]

Transnet fully endorses and supports the Government's Broad-Based Black Economic Empowerment Programme and it would therefore prefer to do business with local business enterprises who share these same values. As described in more detail in the attached B-BBEE Claim Form Transnet will allow a "preference" to companies who provide a valid B-BBEE Verification Certificate.

The value of this bid is estimated to be below R1 000 000 (all applicable taxes included) and therefore the **80/20** system shall be applicable.

Note: Failure to submit a valid and original B-BBEE certificate or a certified copy thereof at the Closing Date of this RFQ will result in a score of zero being allocated for B-BBEE.

Respondents are warned that a response will be liable for disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer(s) or employee of Transnet in respect of this RFQ between the closing date and the date of the award of the business.

Name: Anne Mongie Email: anne.mongie@transnet.net
Telephone: 031 361 4050

| Name | Email Address | Telephone | Fax |
|-----------------|-----------------------------|--------------|--------------|
| Deborah van Wyk | Deborah.vanWyk@transnet.net | 031 361 4108 | 031 361 2444 |

The successful Respondent shall be in full and complete compliance with any and all applicable national and local laws and regulations.

Changes by the Respondent to its submission will not be considered after the closing date and time.

All prices must be quoted in South African Rand on a fixed price basis, excluding VAT.

Prices quoted which are subject to confirmation will not be considered.

Any Quotation furnished pursuant to this Request shall be deemed to be an offer. Any exceptions to this statement must be clearly and specifically indicated.

- modify the RFQ's goods / service(s) and request Respondents to re-bid on any changes;
- reject any Quotation which does not conform to instructions and specifications which are detailed herein;

- disqualify Quotations submitted after the stated submission deadline;
- not necessarily accept the lowest priced Quotation or an alternative bid;
- reject all Quotations, if it so decides;
- place an order in connection with this Quotation at any time after the RFQ's closing date;
- award only a portion of the proposed goods / service/s which are reflected in the scope of this RFQ;
- split the award of the order/s 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 ;
or
- make no award at all.

Should a contract be awarded on the strength of information furnished by the Respondent, which after conclusion of the contract, is proved to have been incorrect, Transnet reserves the right to cancel the contract.

Transnet reserves the right to undertake post-tender negotiations [PTN] with selected Respondents or any number of short-listed Respondents, such PTN to include, at Transnet's option, any evaluation criteria listed in this RFQ document.

Transnet reserves the right to award business to the highest scoring bidder/s unless objective criteria justify the award to another bidder.

Should the preferred bidder fail to sign or commence with the contract within a reasonable period after being requested to do so, Transnet reserves the right to award the business to the next highest ranked bidder, provided that he/she is still prepared to provide the required goods at the quoted price.

12 National Treasury Central Supplier Database Registration

In terms of paragraph 5.6 of the NATIONAL TREASURY SCM INSTRUCTION NO 4 OF 2016/2017, which became effective on 1 May 2016, Transnet may only award bids to suppliers after verifying that the supplier is registered as prospective suppliers on the National Treasury Central Supplier Database.

Please follow the following steps to register your company on the National Treasury Central Supplier Database and confirm your registration by submitting your National Treasury "MAAA" supplier reference number.

Step 1: Access the CSD site on <https://secure.csd.gov.za/>

Step 2: Register a new CSD account <https://secure.csd.gov.za/Account/Register>

Step 3: Receive an activation email and click activate account

Step 4: Activate account by requesting and entering the OTP

Step 5: Log in the CSD

Step 6: Complete supplier identification information

Step 7: Complete contact information

Step 8: Complete address information

Step 9: Complete bank account information

Step 10: Complete tax information

Step 11: Complete directors/members information (if non-CIPC company)

Step 12: Complete associations (if relevant)

Step 13: Complete commodities information

Step 14: Complete B-BBBEE information (future phase)

Step 15: Maintain users

Step 16: Complete notification information

Step 17: Complete accreditations

Step 18: Click on submit

Step 19: A CSD supplier number and unique registration reference number is auto-generated and communicated

Transnet urges its clients, suppliers and the general public to report any fraud or corruption to

TIP-OFFS ANONYMOUS : 0800 003 056

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RFQ FOR THE SUPPLY AND DELIVERY OF : SAFETY FOOTWEAR
CLOSING VENUE: 100 EEL ROAD, BAYHEAD, DURBAN
CLOSING DATE & TIME : 5 OCTOBER 2016 AT 12H00
VALIDITY PERIOD : 90 (NINETY) Business Days

SECTION 2
EVALUATION CRITERIA AND RETURNABLE DOCUMENTS

1 Evaluation Criteria

Transnet will utilise the following criteria [not necessarily in this order] in choosing a Supplier/Service Provider, if so required:

| Criterion/Criteria | Explanation |
|--|---|
| Administrative responsiveness | Completeness of response and returnable documents |
| Substantive responsiveness | Prequalification criteria, if any, must be met and whether the Bid materially complies with the scope and/or specification given. Compliance to specification (Annexure G) |
| Local Content Threshold | This RFQ is subject to regulation 9 (1) of the Preferential Procurement Policy Framework Act as [Textile, Clothing, Leather and Footwear Sector] has been designated for local production and content. As such, Respondents will be required to meet a stipulated minimum threshold for local production and content as stipulated in the relevant Instruction Note issued by National Treasury. The stipulated minimum threshold is applicable is/are as follows: 100%. |
| Final weighted evaluation based on 80/20 preference point | <ul style="list-style-type: none"> Pricing and price basis [firm] B-BBEE status of company - Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated in Annexure A: B-BBEE Claim Form. |

2 Validity Period

Transnet desires a validity period of 90 [ninety] Business Days from the closing date of this RFQ.
This RFQ is valid until _____.

3 Disclosure of Prices Quoted

Respondents must indicate here whether Transnet may disclose their quoted prices and conditions to other Respondents:

YES ☐ NO ☐

Respondent's Signature

Date & Company Stamp

4 Returnable Documents

Returnable Documents means all the documents, Sections and Annexures, as listed in the tables below.

All Returnable Sections, as indicated in the header and footer of the relevant pages, must be signed, stamped and dated by the Respondent.

- a) Respondents are required to submit with their Quotations the **mandatory Returnable Documents**, as detailed below.

Failure to provide all these Mandatory Returnable Documents at the Closing Date and time of this RFQ will result in a Respondent's disqualification. Respondents are therefore urged to ensure that all these Documents are returned with their Quotations.

Please confirm submission of these mandatory Returnable Documents by so indicating [Yes or No] in the tables below:

| Mandatory Returnable Documents | Submitted [Yes or No] |
|--|----------------------------------|
| SECTION 3 : Quotation Form | |
| ANNEXURE B – Declaration Certificate for Local Production and Content [SBD6.2] | |
| ANNEXURE C – Local Content Declaration: Summary Schedule | |
| ANNEXURE G – Compliance to Specification | |

- b) In addition to the requirements of section (a) above, Respondents are further required to submit with their Quotations the following **essential Returnable Documents** as detailed below.

Failure to provide all these Returnable Documents may result in a Respondent's disqualification. Respondents are therefore urged to ensure that all these documents are returned with their Quotations.

| Essential Returnable Documents | Submitted [Yes or No] |
|--|----------------------------------|
| SECTION 1 : National Treasury – Central Supplier Database | |
| SECTION 2 : List of returnable documents | |
| - SECTION 4 : RFQ Declaration and Breach of Law Form | |
| - Valid and original, or a certified copy, of your entity's B-BBEE Verification Certification as per the requirements stipulated in Annexure A: B-BBEE Claims Form Note: failure to provide these required documents at the closing date and time of the RFQ will result in an automatic score of zero being allocated for preference | |
| - Original valid Tax Clearance Certificate [Consortia / Joint Ventures must submit a separate Tax Clearance Certificate for each party] | |
| ANNEXURE A – B-BBEE Preference Points Claim Form | |
| ANNEXURE D – Imported Content Declaration: Supporting Schedule to Annexure C | |
| ANNEXURE E – Local Content Declaration: Supporting Schedule to Annexure C | |

CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

The successful Respondent will be required to ensure the validity of all returnable documents, including but not limited to its Tax Clearance Certificate and valid B-BBEE Verification Certificate, for the duration of any contract emanating from this RFQ. Should the Respondent be awarded the contract **[the Agreement]** and fail to present Transnet with such renewals as and when they become due, Transnet shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate such Agreement forthwith without any liability and without prejudice to any claims which Transnet may have for damages against the Respondent.

Preview copy

Respondent's Signature

Date & Company Stamp

SECTION 3 QUOTATION FORM

I/We _____
hereby offer to supply the goods/services at the prices quoted in the Price Schedule below, in accordance with the conditions related thereto.

I/We agree to be bound by those terms and conditions in:

- the Standard RFQ Terms and Conditions for the Supply of Goods or Services to Transnet; and
- any other standard or special conditions mentioned and/or embodied in this Request for Quotation.

I/We accept that unless Transnet should otherwise decide and so inform me/us, this Quotation [and, if any, its covering letter and any subsequent exchange of correspondence], together with Transnet's acceptance thereof shall constitute a binding contract between Transnet and me/us.

I/We further agree that if, after I/we have been notified of the acceptance of my/our Quotation, I/we fail to deliver the said goods/service/s within the delivery lead-time quoted, Transnet may, without prejudice to any other legal remedy which it may have, cancel the order and recover from me/us any expenses incurred by Transnet in calling for Quotations afresh and/or having to accept any less favourable offer.

Price Schedule

I/We quote as follows for the goods required, on a "delivered nominated destination - Durban" basis, excluding VAT:

| Item No | Material number | Description of Goods | Unit of Measure | Quantity | Unit Price (ZAR) | Total Price (ZAR) |
|---------|-----------------|---|-----------------|----------|------------------|-------------------|
| 1 | 35157254 | boots, safety type chukka or similar footwear size 5 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0 -2.2 mm; style number; 90504 reference no: 35113512 | PAIR | 17 | | |

Respondent's Signature

Date & Company Stamp

| Item No | Material number | Description of goods | Unit of Measure | Quantity | Unit Price (ZAR) | Total Price (ZAR) |
|---------|-----------------|---|-----------------|----------|------------------|-------------------|
| 2 | 35157266 | boots, safety type chukka or similar footwear size 6 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0-2.2 mm; style number; 90504 reference no: 35113512 | PAIR | 14 | | |
| 3 | 35157278 | boots, safety type chukka or similar footwear size 7 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0-2.2 mm; style number; 90504 | PAIR | 28 | | |
| 4 | 35157291 | boots, safety type chukka or similar footwear size 8 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0-2.2 mm; style number; 90504 reference no: 35157242 | PAIRS | 33 | | |

Respondent's Signature

Date & Company Stamp

| Item No. | Material number | Description of goods | Unit of Measure | Quantity | Unit Price (ZAR) | Total Price (ZAR) |
|---------------------|-----------------|--|-----------------|----------|------------------|-------------------|
| 5 | 35157306 | boots, safety type chukka or similar footwear size 9 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0 -2.2 mm; style number; 90504 reference no: 35157242 | PAIRS | 14 | | |
| 6 | 35157318 | boots, safety type chukka or similar footwear size 10 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0 -2.2 mmm; style number; 90504 reference no: 35157242 | PAIRS | 17 | | |
| 7 | 35157331 | boots, safety type chukka or similar footwear size 11 gender unisex toe type no toe puff material chrome tanned leather color black fastening method eyelets/hooks or d-ring/lace-up sole material dual density polyurethane special features shank reinforcement molded into midsole package type box full grain printed upper leather; thk 2.0 -2.2 mmm; style number; 90504 reference no: 35157242 | PAIRS | 8 | | |
| TOTAL EXCLUDING VAT | | | | | | |
| VAT | | | | | | |
| TOTAL INCLUDING VAT | | | | | | |

Respondent's Signature

Date & Company Stamp

Delivery Lead-Time from date of purchase order : _____ **[days/weeks]**

Notes to Pricing:

- a) All Prices must be quoted in South African Rand, exclusive of VAT
- b) Prices must be quoted on a fixed price basis, including the delivery and offloading cost, to 85 Eel Road, Bayhead, Durban, as specified on the first (cover) page of the RFQ document.
- c) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this price schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being disqualified.

Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.

By signing this Quotation Form the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar, and agrees, with all the conditions governing this RFQ, including those contained in any printed form stated to form part hereof, including but not limited to the documents stated below and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or otherwise:

1. Specifications and drawings included in this RFQ - if applicable; and
2. The following documents all of which are available on Transnet's website or upon request:
 - 2.1. General Bid Conditions;
 - 2.2. Standard RFQ Terms and Conditions for the Supply of Goods or Services to Transnet;
 - 2.3. Supplier Integrity Pact;
 - 2.4. Non-disclosure Agreement; and
 - 2.5. Vendor Application Form and all supporting documents (first time vendors only)

Alternatively, for all existing vendors, please provide vendor number(s) here:

| Transnet Operating Division | Unique Vendor Number | Yes / No |
|-----------------------------|----------------------|----------|
| Transnet Group | | |
| TFR, etc. | | |
| | | |
| | | |

In the Yes/No column above, please confirm that all the information e.g. company address and contact details, banking details etc. are still correct as at the time of allocation of the vendor number(s). Alternatively, Respondents are required to provide the updated information with their bid submission.

Respondent's Signature

Date & Company Stamp

SIGNED at _____ on this _____ day of _____ 20__

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

Name _____

2 _____

Name _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE: _____

NAME: _____

DESIGNATION: _____

preview copy

Respondent's Signature

Date & Company Stamp

SECTION 4

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 any and all relevant information relevant to the Supply of the Goods as well as Transnet information and Employees, and 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 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; and
6. furthermore, 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 the Transnet Group including any person who may be involved in the evaluation and/or adjudication of this Bid.
7. In addition, 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 Group.
8. If such a relationship as indicated in paragraph 6 and/or 7 exists, the Respondent is to complete the following section:

FULL NAME OF OWNER/MEMBER/DIRECTOR/
PARTNER/SHAREHOLDER:

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]

9. 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.

BREACH OF LAW

10. 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 |
|--------|---------------------------------|

preview copy

Respondent's Signature

Date & Company Stamp

**RFQ FOR THE SUPPLY AND DELIVERY OF SAFETY FOOTWEAR AT 85 EEL ROAD,
BAYHEAD, DURBAN**

ANNEXURE A : B-BBEE PREFERENCE POINTS CLAIM FORM

This preference form contains general information and serves as a claim for preference points for Broad-Based Black Economic Empowerment [**B-BBEE**] Status Level of Contribution.

1. INTRODUCTION

- 1.1 A total of 20 preference points shall be awarded for B-BBEE Status Level of Contribution.
- 1.2 Failure on the part of a Bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System [**SANAS**] or a Registered Auditor approved by the Independent Regulatory Board of Auditors [**IRBA**] or an Accounting Officer as contemplated in the Close Corporation Act [**CCA**] together with the bid will be interpreted to mean that preference points for B-BBEE Status Level of Contribution are not claimed.
- 1.3 Transnet reserves the right to require of a Bidder, either before a Bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by Transnet.

2. GENERAL DEFINITIONS

- 2.1 **"all applicable taxes"** include value added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.3 **"B-BBEE status of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation by Transnet for the provision of goods, works or services;
- 2.5 **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 [Act No. 53 of 2003];
- 2.6 **"comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- 2.7 **"consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;
- 2.8 **"contract"** means the agreement that results from the acceptance of a bid by Transnet;
- 2.9 **"EME"** means any enterprise with an annual total revenue of R5 [five] million or less as per the

2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of R10 [ten] million or less as per the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928;

- 2.10 **"firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs and excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **"non-firm prices"** means all prices other than "firm" prices;
- 2.13 **"person"** includes reference to a juristic person;
- 2.14 **"QSE"** means any enterprise with an annual total revenue between R5 [five] million and R35 [thirty five] million as per the 2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of between R10 [ten] million and R50 [fifty] million as per the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928
- 2.15 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.16 **"subcontract"** means the primary contractor's assigning or leasing or 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;
- 2.17 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- 2.18 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.19 **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The Bidder obtaining the highest number of total points for the evaluation criteria as enumerated in Section 2 of the RFP will be awarded the contract, unless objective criteria justifies the award to another bidder.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- 3.3 Points scored will be rounded off to 2 [two] decimal places.
- 3.4 In the event of equal points scored, the Bid will be awarded to the Bidder scoring the highest

number of preference points for B-BBEE.

- 3.5 However, when functionality is part of the evaluation process and two or more Bids have scored equal points including equal preference points for B-BBEE, the successful Bid will be the one scoring the highest score for functionality.
- 3.6 Should two or more Bids be equal in all respect, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 4.1 In terms of the Preferential Procurement Regulations, 2011, preference points shall 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 [Maximum 20] |
|------------------------------------|----------------------------------|
| 1 | 20 |
| 2 | 18 |
| 3 | 16 |
| 4 | 12 |
| 5 | 8 |
| 6 | 6 |
| 7 | 4 |
| 8 | 2 |
| Non-compliant contributor | 0 |

- 4.2 Bidders who qualify as EMEs in terms of the 2007 version of the Codes of Good Practice must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EME's with B-BBEE Status Level Certificates.
- 4.3 Bidders who qualify as EMEs in terms of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928 are **only required to obtain a sworn affidavit** on an annual basis confirming that the entity has an Annual Total Revenue of R10 million or less and the entity's Level of Black ownership.
- 4.4 In terms of the 2007 version of the Codes of Good Practice, Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.5 The Department of Trade and Industry recently revised the Codes of Good Practice on 11 October 2013 [Government Gazette No. 36928]. The Revised Codes will replace the Black Economic Empowerment Codes of Good Practice issued on 9 February 2007. The Revised Codes provide for a transitional period ending 30 April 2015. During the transitional period, companies may elect to be measured in terms of the Revised Codes or the 2007 version of the Codes. Companies which are governed by Sector-specific Codes will be measured in terms of those Sector Codes.
- 4.6 As such, Transnet will accept B-BBEE certificates issued based on the Revised Codes. Transnet will also continue to accept B-BBEE certificates issued in terms of the 2007 version of the Codes

provided it was issued before 1 May 2015. Thereafter, Transnet will only accept B-BBEE certificates issued based on the Revised Codes.

- 4.7 In terms of the Revised Codes of Good Practice, Bidders who qualify as QSEs must comply with all the elements of B-BBEE for the purposes of measurement. QSEs that are at least 51% or 100% Black owned are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R50 million or less and the entity's Level of Black ownership. Large enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.8 A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that the entity submits its B-BBEE status level certificate.
- 4.9 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 4.10 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.
- 4.11 A person will not be awarded points for B-BBEE status level if it is indicated in the Bid documents that such a Bidder intends subcontracting more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not qualify for at least the same number of points that such a Bidder qualified for, unless the intended subcontractor is an EME that has the capability and ability to execute the subcontract.
- 4.12 A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.
- 4.13 Bidders are to note that in terms of paragraph 2.6 of Statement 000 of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928, any representation made by an entity about its B-BBEE compliance must be supported by suitable evidence or documentation. As such, Transnet reserves the right to request such evidence or documentation from Bidders in order to verify any B-BBEE recognition claimed.

5. B-BBEE STATUS AND SUBCONTRACTING

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

B-BBEE Status Level of Contributor _____ = _____ [maximum of 20 points]

Note: Points claimed in respect of this paragraph 5.1 must be in accordance with the table reflected in paragraph 4.1 above and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit in the case of an EME or QSE.

5.2 Subcontracting:

Will any portion of the contract be subcontracted? YES/NO [delete which is not applicable]

If YES, indicate:

- (i) What percentage of the contract will be subcontracted?%
- (ii) The name of the subcontractor
- (iii) The B-BBEE status level of the subcontractor
- (iv) Is the subcontractor an EME? YES/NO

5.3 Declaration with regard to Company/Firm

- (i) Name of Company/Firm.....
- (ii) VAT registration number.....
- (iii) Company registration number.....
- (iv) Type of Company / Firm [TICK APPLICABLE BOX]
 - ☐ Partnership/Joint Venture/Consortium
 - ☐ One person business/sole propriety
 - ☐ Close Corporations
 - ☐ Company (Pty) Ltd
- (v) Describe Principal Business Activities
.....
.....
- (vi) Company Classification [TICK APPLICABLE BOX]
 - ☐ Manufacturer
 - ☐ Supplier
 - ☐ Professional Service Provider
 - ☐ Other Service Providers, e.g. Transporter, etc
- (vii) Total number of years the company/firm has been in business.....

BID DECLARATION

I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the company/firm, certify that points claimed, based on the B-BBEE status level of contribution indicated in paragraph 4 above, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 6 above, the contractor may be required to furnish documentary proof to the satisfaction of Transnet that the claims are correct.
- (iii) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, Transnet may, in addition to any other remedy it may have:
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the Bidder or contractor, its shareholders and directors, and/or associated

- entities, or only the shareholders and directors who acted in a fraudulent manner, from obtaining business from Transnet for a period not exceeding 10 years, after the *audi alteram partem* [hear the other side] rule has been applied; and/or
- (e) forward the matter for criminal prosecution.

WITNESSES:

1.
2.

SIGNATURE OF BIDDER

DATE:.....

COMPANY NAME:

ADDRESS:.....

Preview copy

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, 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:

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

5. Where
6. x is the imported content in Rand
7. 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.

- 1.6. 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 goods | Stipulated minimum threshold |
|---|------------------------------|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 5 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35113512 | 100% |

| Description of goods | Stipulated minimum threshold |
|---|------------------------------|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 6 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35113512 | 100% |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 7 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 | 100% |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 8 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | 100% |

| Description of goods | Stipulated minimum threshold |
|--|------------------------------|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 9 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | 100% |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 10 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | 100% |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 11 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | 100% |

4. Does any portion of the services, works or goods offered have any imported content?
(***Tick applicable box***)

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

- 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.

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 | | NO | |
|-----|--|----|--|

- 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. RME DBN 017/2016

ISSUED BY: TRANSNET FREIGHT RAIL, A DIVISION OF TRANSNET

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 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 |
| Imported content (x), as calculated in terms of SATS 1286:2011 | R |
| Stipulated minimum threshold for local content (paragraph 3 above) | 100% |
| 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 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: _____

preview copy

Annexation - Summary Schedule

(C1) Tender No.

(C2) Tender description:

(C3) Designated product(s)

(C4) Tender Authority:

(C5) Tendering Entity name:

(C6) Tender Exchange Rate:

(C7) Specified local content %

RME DBN 017/2016

Supply and Delivery of Safety Footwear

Textile, Clothing, Leather and Footwear Sector

Transnet Freight Rail, a division of Transnet

EU

GBP

Note: VAT to be excluded from all calculations

| Calculation of local content | | | | Tender summary | | |
|------------------------------|---|--------------------------------|-------------------------|---|-------------------------------------|---|
| Tender item no's | List of items | Tender price - each (excl VAT) | Exempted imported value | Tender value net of exempted imported content | Imported value | Local value (per item) |
| (C8) | (C9) | (C10) | (C11) | (C12) | (C13) | (C14) |
| 3 | BOOTS, SAFETY TYPE CHUKKA FOOTWEAR SIZE 7 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER, THK 2.0-2.2 MM; STYLE NUMBER: 90504 | | | | | |
| 4 | BOOTS, SAFETY TYPE CHUKKA FOOTWEAR SIZE 8 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER, THK 2.0-2.2 MM; STYLE NUMBER: 90504 REFERENCE NO: 35157242 | | | | | |
| | | | | (C20) Total tender value | (C21) Total Exempt imported content | (C22) Total Tender value net of exempt imported content |
| | | | | R 0 | R 0 | R 0 |
| | | | | (C23) Total Imported content | (C24) Total local content | (C25) Average local content % of tender |
| | | | | | | |

Signature of tenderer from Annex B

Date:

Specified local content %

G8P

Note: VAT to be excluded from all calculations

[illegible]

Date:

| | | | | | | |
|-----------------------------|------|--|----|--------|-----|--|
| (D1) Tender No. | | RME DBN 017/2016 | | | | Note: VAT to be excluded from all calculations |
| (D2) Tender description: | | Supply and Delivery of Safety Footwear | | | | |
| (D3) Designated Products: | | Textile, Clothing, Leather and Footwear Sector | | | | |
| (D4) Tender Authority: | | Transnet Freight Rail, a division of Transnet | | | | |
| (D5) Tendering Entity name: | | | | | | |
| (D6) Tender Exchange Rate: | Pula | | EU | R 9.00 | GBP | R 12.00 |

Calculation of imported content

| | |
|-----------------------------------|-----|
| (D19) Total exempt imported value | R 0 |
|-----------------------------------|-----|

Calculation of imported content

| | |
|--|-----|
| (D32) Total imported value by tenderer | R 0 |
|--|-----|

circulation of imported content

| | |
|---|-----|
| (D45) Total imported value by 3rd party | R 0 |
|---|-----|

Calculation of foreign currency payments

Summary of

{051}

| | |
|--|-----|
| (D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above | R 0 |
|--|-----|

Date:

| | | |
|------|------------------------|--|
| (E1) | Tender No. | RME DBN 017/2016 |
| (E2) | Tender description: | Supply and delivery of Safety Footwear |
| (E3) | Designated products: | Textile, Clothing, Leather and Footwear Sector |
| (E4) | Tender Authority: | Transnet Freight Rail, a division of Transnet |
| (E5) | Tendering Entity name: | |

| Local Products (Goods, Services and Works) | Description of items purchased | Local suppliers | Value |
|---|--------------------------------|-----------------|-------|
| | (E6) | (E7) | (E8) |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| (E9) Total local products (Goods, Services and Works) | | | |

| | | | |
|-------|---|--|-----|
| (E12) | Administration overheads and mark-up | (Marketing, insurance, financing, interest etc.) | R 0 |
|-------|---|--|-----|

This total must correspond with Annex C - C24

Date: _____

ANNEXURE F – LOCAL CONTENT GUIDELINE

LOCAL CONTENT LOCAL CONTENT BACKGROUND, DOCUMENTATION, EVALUATION DETAILS AND ADDITIONAL INSTRUCTIONS

1. LOCAL CONTENT EXPLAINED

- The Preferential Procurement Policy Framework Act makes provision for the Department of Trade and Industry (DTI) to designate sectors in line with national development and industrial policies for local production.
- This means 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
- The DTI has designated and determined the stipulated minimum threshold for local production and content.
- The stipulated minimum threshold percentages for local production and content for **Textile, Clothing, Leather and Footwear** can be perused on the National Treasury practice note attached with the RFQ.
- **For further guidance with regard to the determination of "Local Content," Respondents must refer to the following documentation:**
- SABS approved technical specification number SATS 1286:2011
- Guidance on the calculation of Local Content [available on the DTI website: <http://www.thedti.gov.za>]

2. LOCAL CONTENT DOCUMENTATION

Mandatory Returnable Documents

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

Failure to provide all these Mandatory Returnable Documents at the Closing Date and time of this RFQ will result in a Respondent's disqualification.

Essential Returnable Documents

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

IMPORTANT NOTES:

- If certain items cannot be sourced/manufactured locally bidders should seek exemption for such items from the DTI.
- Such an exemption letter should be submitted with the proposal upon tender closing date.

3. LOCAL CONTENT EVALUATION

LOCAL CONTENT WILL BE EVALUATED AS THE FIRST STAGE AS A PRE-QUALIFICATION CRITERIA

Mandatory Returnable Documents

- Annexure B – Declaration Certificate for Local Production and Content [SBD 6.2]
 - All sections of this document **MUST** be completed;
 - The document **MUST** be signed, witnessed and dated;
 - Bidders **MUST** clearly declare their Local Content Percentage commitment per item quoted.
- Annexure C – Local Content Declaration: Summary Schedule
 - All sections of the document **MUST** be completed;
 - The document **MUST** be signed and dated;
 - Bidders **MUST** clearly declare their Local Content Percentage commitment **per item quoted**.

Failure to provide completed documents at the Closing Date and time of this RFQ will result in a Respondent's disqualification.

4. ADDITIONAL INSTRUCTIONS: LOCAL CONTENT QUESTIONS

It is recommended that any clarification questions be submitted in writing by bidders and Transnet Freight Rail will respond to all bidders within 48 hours.

ANNEXURE G : CLAUSE-BY-CLAUSE SCHEDULE

COMPLIANCE WITH SPECIFICATION SCHEDULE OF SAFETY BOOTS

The compliance response is to contain ONLY the following statements, "Noted", "Comply", "Partial Compliance" or "Do not comply".

Noted is to be applied against statements and either of the other responses for all other clauses. Where either "Partial Compliance" is inserted, remarks as to the reason for the deviation from the requirement is required.

| Specification | Compliance response | Explanation / Deviation / Suppliers must submit specification of the product to be offered. |
|--|---------------------|---|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 5 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35113512 | | |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 6 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35113512 | | |

Respondent's Signature

Date & Company Stamp

| Specification | Compliance response | Explanation / Deviation / Suppliers must si specification of the product to be offered. |
|--|---------------------|---|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 7 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 | | |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 8 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | | |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 9 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | | |

Respondent's Signature

Date & Company Stamp

| Specification | Compliance response | Explanation / Deviation / Suppliers must si specification of the product to be offered. |
|--|---------------------|---|
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 10 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MMM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | | |
| BOOTS, SAFETY TYPE CHUKKA OR SIMILAR FOOTWEAR SIZE 11 GENDER UNISEX TOE TYPE NO TOE PUFF MATERIAL CHROME TANNED LEATHER COLOR BLACK FASTENING METHOD EYELETS/HOOKS OR D-RING/LACE-UP SOLE MATERIAL DUAL DENSITY POLYURETHANE SPECIAL FEATURES SHANK REINFORCEMENT MOLDED INTO MIDSOLE PACKAGE TYPE BOX FULL GRAIN PRINTED UPPER LEATHER; THK 2.0 -2.2 MMM; STYLE NUMBER; 90504 REFERENCE NO: 35157242 | | |

Respondent's Signature

Date & Company Stamp



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

Enquiries: Jeyrel Soobramanian Tel: (012) 315 5336 Fax: (012) 315 5343
E- mail: jeyrel.soobramanian@treasury.gov.za

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

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR SECTOR

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 Textiles, Clothing, Leather and Footwear which have been designated as a sector for local production and content.

2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000 which came into effect on 7 December 2011 make provision for the dti to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 9(1) of the Regulations 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.
- 2.3 To this end, the dti has designated and determined the stipulated minimum threshold for the Textiles, Clothing, Leather and Footwear sector for local production and content.

3. SECTOR DESIGNATION

- 3.1 The stipulated minimum threshold percentages for local production and content for the Textiles, Clothing, Leather and Footwear sector is 100%.

3.2. The Designation constitutes sub-sectors from the following (Standardised Industry Classifications) SIC Codes:

| SIC CODE | DESCRIPTION |
|----------|---|
| 31111 | Preparatory activities in respect of animal fibres, including washing, combing and carding of wool. |
| 31112 | Prep activities for vegetable fibres |
| 31113 | Spin, weave and finishing of yarns and fabrics of wool |
| 31114 | Spin, weave and finishing of yarns and fabrics of vegetable fibres |
| 31120 | Finishing of textiles. |
| 31210 | Manufacture of made-up textiles articles, except apparel. |
| 31211 | Manufacture of blankets etc |
| 31212 | Manufacture of tents, tarpaulins, etc |
| 31213 | Manufacture of automotive textile goods |
| 31214 | Manufacture of made-up textiles articles and fibres except apparel. |
| 31219 | Manufacture of other textile articles |
| 31220 | Manufacture of carpets, rugs and mats |
| 31230 | Manufacture of cordage, rope, twine and netting. |
| 31231 | Curtaining excluding where the core business of an enterprise is upholstery or furniture. |
| 31290 | Manufacture of other textiles. |
| 31291 | Manufacture of textiles, clothing, leather goods and other textiles. |
| 31292 | Fashion clothing, textiles and footwear manufacture and design. |
| 31300 | Manufacture of knitted and crocheted fabrics and articles. |
| 31301 | Garment & hosiery knitting mills |
| 31309 | Other knitting mills |
| 31400 | Manufacture of wearing apparel, except fur apparel. |
| 31401 | Manufacture of men's & boys' clothing |
| 31402 | Manufacture of women's & girls' clothing |
| 31403 | Bespoke tailoring |
| 31404 | Manufacture of hats etc |
| 31500 | Dressing and dyeing of fur; manufacture of artificial fur, fur apparel and other art. |
| 31610 | Tanning and dressing of leather. |
| 31620 | Manufacture of luggage, handbags and the like, saddlery and harness. |
| 31621 | Manufacture of travel goods |

| | |
|-------|---|
| 31629 | Manufacture of other leather goods |
| 31700 | Manufacture of footwear. |
| 31701 | Manufacture of footwear from material other than leather. |

4. INVITATION OF BIDS FOR THE TEXTILE, CLOTHING, LEATHER AND FOOTWEAR SECTOR

4.1 Bids in respect of Textiles, Clothing, Leather and Footwear must contain a specific bidding condition that:

- only locally produced or locally manufactured Textiles, Clothing, Leather and Footwear from local raw material or input will be considered.
- If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorisation from the dti should there be a need to import such raw material or input; and
- A copy of the authorisation letter must be submitted together with the bid document at the closing date and time of the bid. For further information, bidders may contact the Clothing, Textile, Footwear and Leather Unit within the dti at telephone 012 394 3717/1390.

4.2 AOs/AAs must stipulate in bid invitations that:

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

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

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

Where

x is the imported content in Rand

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

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

4.4 AOs/AAs must clearly stipulate in the bid documentation that the SABS approved technical specification number SATS 1286:2011 and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)] are accessible to all potential bidders on the dti's official website <http://www.thedti.gov.za/industrialdevelopment/ip.jsp> at no cost.

- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, the attached Declaration Certificates for Local Production and Content (SBD/MBD 6.2) must form part of the bid documentation. The SBD 6.2 is for use by all national and provincial departments, constitutional institutions and public entities listed in schedules 2, 3A, 3B, 3C and 3D to the Public Finance Management Act whilst the MBD 6.2 is for use by all municipalities and municipal entities to which the Municipal Finance Management Act (MFMA) apply.
- 4.6 AOs/AAs must stipulate in the bid documentation that:
- (a) the Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with the **Annex C (Local Content Declaration: Summary Schedule)** must be completed, duly signed and submitted by the bidder at the closing date and time of the bid; and
 - (b) the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.
- 4.7 **Benchmark / market related prices**
- 4.7.1 AOs/AAs are required to ensure that reasonable or market related prices are secured for the Textiles, Clothing, Leather and Footwear, being procured taking into account factors such as benchmark prices, value for money and economies of scale.
- 4.7.2 For this purpose, AOs/AAs may approach the dti to assist, where possible, with benchmark prices for the Textiles, Clothing, Leather and Footwear that have been designated for local production and content. The dti will be in a position to provide price references for the different products that have been designated for local production and content.
- 4.8 Bid specifications for the sectors, sub-sectors or products referred to in paragraph 3 above and the price benchmarking referred to in paragraph 4.7 above must be done in collaboration with the dti. Contact information in this regard is provided in paragraph 8 below.
- 5. EVALUATION OF BIDS FOR TEXTILES, CLOTHING, LEATHER AND FOOTWEAR**
- 5.1 A two stage evaluation process may be followed to evaluate the bids received.
- 5.1.1 **First stage: Evaluation in terms of the stipulated minimum threshold for local production and content**
- 5.1.1.1 Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.
- 5.1.1.2 The declaration made by the bidder in the Declaration Certificate for Local Content (SBD / MBD 6.2) and Annex C (Local Content Declaration: Summary Schedule) must be used for this purpose. If the bid is for more than one product, the local content percentages for each product contained in Declaration C must be used.

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

5.1.1.4 AOs / AAs must ensure that the Declaration Certificate for Local Content (SBD / MBD 6.2) and the Annex C (Local Content Declaration: Summary Schedule) referred to in paragraphs 4.6 (a) and (b) are submitted as part of the bid documentation.

5.1.1.5 The dti has the right to, as and when necessary, request for auditors certificates confirming the authenticity of the declarations made in respect of local content.

5.1.1.6 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

5.1.2.1 Only bids that achieve the minimum stipulated threshold for local production and content may be evaluated further. The evaluation must be done in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations, 2011.

5.1.2.2 AOs/AAs must ensure that contracts for Textiles, Clothing, Leather and Footwear are awarded at prices that are market related taking into account, among others, benchmark prices, value for money and economies of scale.

5.1.2.3 Where appropriate, prices may be negotiated with short listed or preferred bidders. Such negotiations must not prejudice any other bidders.

6. EVALUATION OF BIDS BASED ON FUNCTIONALITY

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

7. POST AWARD AND REPORTING REQUIREMENTS

7.1. Once bids are awarded, the dti must be:
(i) notified of all the successful bidders and the value of the contracts; and
(ii) provided with copies of the contracts, the SBD/MBD 6.2 Certificates together with the Declaration C submitted by the successful bidders.

7.2 The purpose of the requirements of paragraph 7.1 above is for the dti to among others conduct compliance audits with a view to monitor the implementation of the industrial development strategies.

7.3 Contractors 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 for the dti 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 in respect of paragraph 7.1 above must be directed as follows:

The Department of Trade and Industry
Private Bag X84
Pretoria
0001

For Attention:

Mr Tebogo Makube
Chief Director: Industrial Procurement
Tel: (012) 394 3927
Fax: (012) 394 4917
EMAIL: TMakube@trade.gov.za

9. APPLICABILITY

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

10. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION NOTE

- 10.1 Heads of provincial treasuries are requested to bring the contents of this instruction note 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 note 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 note 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 note to the attention of the supply chain management officials of their public entities.

11. NOTIFICATION TO THE AUDITOR-GENERAL

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

12. AUTHORITY FOR THIS INSTRUCTION NOTE AND EFFECTIVE DATE

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



PRAVIN J GORDHAN
MINISTER OF FINANCE

DATE: 16-07-2012

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