



# RFQ / TENDER

Tender No: KGG-19079

Vendor No: 11001386

BOARD LIST  
 BOARD LIST  
 TRANSNET FREIGHT RAIL  
 PROCUREMENT DEPARTMENT  
 2000

Purchaser : Nobahle Mjoli  
 Telephone : 011 584 [REDACTED] 1141  
 Fax Number:

Please quote reference:  
 K62/6000616548

Deliver to:  
 TFR Head Office  
 Supply Chain Services  
 2000 Johannesburg

Closing Date : 29.09.2015  
 Validity Date : 31.01.2016  
 RFQ No : 6000616548  
 End of Validity : 31.10.2015

PREVIEW COPY ONLY

SUPPLY 435 BRANDED THERMAL JACKETS AND TROUSERS AT ISANDO DEPOT.

PLEASE TAKE NOTE OF ANNEXURE F WHICH WILL ASSIST IN COMPLETING THE MANDATORY RETURNABLE DOCUMENTS NAMELY ANNEXURE B(SBD6.2) AND ANNEXURE C LOCAL CONTENT PERCENTAGE NEEDED TO BE DECLARED PER QUOTED ITEM. FAILURE TO PROVIDE COMPLETED DOCUMENTS AT THE CLOSING DATE AND TIME OF RFQ WILL LEAD TO DISQUALIFICATION.

THE RFQ DOCUMENTS ARE OBTAINABLE FROM THE OFFICE OF TRANSNET FREIGHT RAIL, TENDER ADVISE CENTRE, GROUND FLOOR, INYANDA HOUSE 1, WELLINGTON ROAD, PARKTOWN, DURING OFFICE HOURS 08:00 TO 15:00 AND RFQ DOCUMENT IS FOR FREE. RFQ CLOSING DATE: 29 SEPTEMBER 2015.

QUOTATIONS MAYBE FAXED TO : (011) 774-9129/(011) 774-9186.

FOR ANY TECHNICAL ENQUIRIES WITH REGARD TO THIS RFQ YOU CAN CONTACT :MS MURUNWA KHANGALE 083 293 2326.

1.1 QUOTATION/S MUST BE SUBMITTED PUNCTUALLY AT 10:00 ON OR BEFORE CLOSING DATE AND LATE QUOTATIONS WILL NOT BE CONSIDERED.

1.2 IF POSTED:  
 21 WELLINGTON ROAD  
 INYANDA HOUSE 1

DATE: ..... SIGNATURE OF TENDERER(S): .....  
 CONTACT PERSON: ..... TEL No: .....

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PARKTOWN  
2193

1.3 ,IF DELIVERED BY HAND:

TRANSNET FREIGHT RAIL-SUPPLY CHAIN SERVICES  
21 WELLINGTON ROAD  
INYANDA HOUSE 1  
PARKTOWN

## 2. CONDITIONS:

2.2 ANY PURCHASE ORDER PLACED AS A RESULT OF YOUR QUOTATION WILL BE SUBJECT TO THE STANDARD TERMS AND CONDITIONS OF CONTRACT, FORM US7, (LATEST), GENERAL TENDER CONDITIONS, FORM CSS5 (LATEST ) AND CONDITIONS MENTIONED HEREIN.

2.3 TENDERERS MAY OFFER AN EARLIER VALIDITY DATE, BUT THEIR QUOTATION MAY, IN THAT EVENT, BE DISREGARDED FOR THIS REASON.

2.4 TENDERERS ARE REQUIRED TO OFFER ONLY FIRM PRICES. PRICES SUBJECT TO REVIEW IN TERMS OF CLAUSE 32 OF FORM US7 WILL ONLY BE CONSIDERED SHOULD THE DELIVERY PERIOD REQUIRED EXCEED 6 MONTHS.

2.5 BEST DELIVERY TIME MUST BE OFFERED.

2.6 DISCOUNT (TRADE DISCOUNT) CASH DISCOUNT (CONDITIONAL DISCOUNT) VALUE VALUE ADDED TAX (VAT) MUST BE SHOWN SEPARATELY.

2.7 TRANSNET RESERVES THE RIGHT TO NEGOTIATE PRICES AND COMMERCIAL ASPECTS AFTER THE CLOSING DATE OF THE QUOTATION.

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2.8 DIRECT DELIVERY INTIMATES DELIVERY BEING EFFECTED INTO THE WAREHOUSE OR THE ACTUAL POINT OF SUPPLY AND SHOULD THEREFORE INCLUDE ANY TRANSPORTATION MODE DEEMED NECESSARY IN EXECUTING THIS METHOD OF DELIVERY BASIS IN ORDER TO MEET THE REQUIRED DELIVERY DATE.

### 3. EVALUATION CRITERIA:-

#### 3.1. ADMINISTRATIVE RESPONSIVENESS ESSENTIAL:-

LETTER OF GOOD STANDING, ANNEXURE D- IMPORTED CONTENT DECLARATION:

SUPPORTING SCHEDULE TO ANNEXURE C, ANNEXURE E-LOCAL CONTENT DECLARATION:

SUPPORTING SCHEDULE TO ANNEXURE C.

#### 3.2. SUBSTANTIVE RESPONSIVENESS MANDATORY :-

LOCAL CONTENT PRE-QUALIFICATION (100% THRESHOLD)

ANNEXURE B- DECLARATION CERTIFICATE FOR LOCAL PRODUCTION & CONTENT,

ANNEXURE C- LOCAL CONTENT DECLARATION: SUMMARY SCHEDULE

#### 3.3. COMPLIANCE TO SPECIFICATION.

#### 3.4. COMPETITIVE PRICING AND BBBEE.

##### TAX CLEARANCE CERTIFICATES:

The Regulations in terms of the Public Finance Management Act, 1999: Framework for Supply Chain Management as published in Government Gazette No. 25767 dated 5 December 2003, Clause 9 (1) (d) stipulates that the accounting officer or accounting authority of an institution to which these regulations apply must reject any bid from a supplier who fails to provide written proof from the South African Revenue that the supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations.

Tenderers will be disqualified if a valid tax clearance certificate or written proof from the South African Revenue Service that supplier has made arrangements to meet outstanding tax obligations is not submitted with the tender.

##### COMPANY DETAILS:

NAME OF COMPANY: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TEL. NO. \_\_\_\_\_ FAX NO: \_\_\_\_\_

REG. NO. \_\_\_\_\_

##### BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

Transnet fully endorses and supports the Government's Broad-based Black Economic Empowerment Programme and it is strongly of the opinion that all South African Business Enterprises have an equal obligation to redress the imbalances of the past.

Transnet will therefore prefer to do business with local business enterprises who share these same values. Transnet will endeavour to do business with local business enterprises that possess a BBBEE "recognition level" of at least a level 5. Transnet urges Tenderers (large enterprises and QSE's - see below) to have themselves accredited by any one of the various Accreditation Agencies available, who do their BBBEE ratings in accordance with the latest Codes (i.e. those promulgated on 9 February 2007) and whose names appear on the present ABVA (Association of BEE Verification Agencies) - "List of Full Members" as displayed on the ABVA website ([www.abva.co.za](http://www.abva.co.za)).

Although no agencies have, as yet, been accredited by SANAS (SA National Accreditation System), Transnet will, in the interim, accept rating certificates of tenderers who have been verified by any of the listed agencies.

Enterprises will be rated by such agency based on the following:

1. Large Enterprises (i.e. annual turnover >R35million:

" Rating level based on all seven elements of the BBBEE scorecard.

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2. Qualifying Small Enterprises - (QSE) (i.e. annual turnover >R5million but <R35million:

" Rating based on any four elements of the BBBEE scorecard.

NB:

3. Emerging Micro Enterprises - (EME) (i.e. annual turnover <R5m) are exempted from being rated/verified:

" Automatic rating of Level 4 BBBEE irrespective of race of ownership, i.e. 100% BBBEE recognition

" Black ownership >50% or Black Women ownership >30% automatically qualifies as Level 3 BBBEE, i.e. 110% BBBEE recognition

" EME's should provide certified documentary proof of annual turnover (i.e. audited financials) plus proof of Black ownership if Black ownership >50% or Black Women ownership >30% from the EME's Auditor/Accounting Officer.

4. In addition to the above, Tenderers who wish to enter into a Joint Venture or subcontract portions of the contract to BBBEE companies, must state in their tenders the percentage of the total contract value that will be allocated to such BBBEE companies, should they be successful in being awarded any business. A rating certificate in respect of such BBBEE JV-partners and / or sub-contractor/s, as well as a breakdown of the distribution of the aforementioned percentage must also be furnished.

In view of the high emphasis which Transnet places on Broad-based Black Economic Empowerment, Transnet will allow certain preference points for BBBEE in the evaluation of all responses. Depending upon the value of the ensuing business award (i.e. below or in excess of R2m), the 80/20 or 90/10 point preference systems will be utilized where BBBEE will count out of 20 or 10 respectively in the evaluation process.

EACH RESPONDENT IS REQUIRED TO FURNISH PROOF OF THE ABOVE TO TRANSNET. FAILURE TO DO SO WILL RESULT IN A SCORE OF ZERO BEING ALLOCATED FOR BBBEE.

Turnover: Kindly indicate your company's annual turnover for the past year R\_\_\_\_\_

" If annual turnover <R5m, please attach certified confirmation from your Auditor/Accounting Officer

" If annual turnover >R5m please attach original or certified copy of accreditation certificate and detailed scorecard by an ABVA accreditation agency (registered as a "Full Member")

### PAYMENT TERMS

The following payment terms will apply as from 1 October 2008.

" All suppliers will be paid 30 days from receipt of month end statement, i.e. payment term F055.

### CONDITIONS:

This quotation is subject to the provisions of the Standard Terms and Conditions of Contract, Form US7, (Latest ) and the General Tender Conditions, Form CSS5 (Latest) and any other standard or special conditions mentioned and/or embodied in the quotation request.

### SCHEDULE OF REQUIREMENTS

PRICES TENDERED ARE TO BE "DIRECT" AND EXCLUDE VAT.

IN THIS REGARD THE TENDERER'S ATTENTION IS DIRECTED TO PARAGRAPH 16 OF FORM CSS5 (LATEST).

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TRANSNET INSISTS ON HONESTY AND INTEGRITY BEYOND REPROACH AT ALL TIMES AND WILL NOT TOLERATE ANY FORM OF IMPROPER INFLUENCING, BRIBERY, CORRUPTION, FRAUD, OR ANY OTHER UNETHICAL CONDUCT ON THE PART OF BIDDERS/ TRANSNET EMPLOYEES. IF, IN THE OPINION OF TRANSNET'S CHIEF OPERATING OFFICER, A TENDERER / CONTRACTOR / SUPPLIER HAS OR HAS CAUSED TO BE PROMISED, OFFERED OR GIVEN TO ANY TRANSNET EMPLOYEE, ANY BRIBE, COMMISSION, GIFT, LOAN, ADVANTAGE OR OTHER COSIDERATION, TRANSNET SHALL BE ENTITLED TO REVOKE THE TENDER / CONTRACT BY FOLLOWING ITS INTERNAL POLICIES THAT GOVERN THE ECLUSION PROCESS. IN SUCH AN EVENT TRANSNET WILL BE ENTITLED TO PLACE ANY TENDERER / CONTRACTOR / SUPPLIER WHO HAS CONTRAVENED THE PROVISIONS OF TRANSNET'S BUSINESS ETHICS ON ITS LIST OF EXCLUDED TENDERERS. THIS LIST WILL ALSO BE DISTRIBUTED TO ALL OTHER STATE OWNED ENTERPRISES AND GOVERNMENT DEPARTMENTS.

TRANSNET INVITES ITS VALUED SUPPLIERS TO REPORT ANY ALLEGATIONS OF FRAUDCORRUPTION OR OTHER UNETHICAL ACTIVITIES TO TRANSNET TIP-OFFS ANONYMOUS,AT ANY OF THE FOLLOWING ADDRESSES / CONTACT NUMBERS:-

TOLL-FREE ANONYMOUS HOTLINE - 0800 003 056  
EMAIL - Transnet@tip-offs.com  
FAX NUMBER - 0800 007 788  
FREEPOST DN 298, UMHLANGA ROCKS, 4320

CONFIDENTIALITY IS QUARANTEED

Item	Qty	Material	Description
00010	47	THERMAL JACKETS & TROUSERS-MECHANICAL	R..... Each
Delivery Date: 31.10.2015			
FULL DETAILS OF DESCRIPTION			
00020	15	THERMAL JACKETS & TROUSERS-RADIO	R..... Each
Delivery Date: 31.10.2015			
FULL DETAILS OF DESCRIPTION			

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### 3. ADDITIONAL INFORMATION REQUIRED: (WHERE APPLICABLE)

#### 3.1 THE FOLLOWING ADDITIONAL INFORMATION IS REQUIRED:

- (A) DISCOUNT: .....
- (B) SETTLEMENT DISCOUNT:.....
- (C) PRICE/S FIRM: .....
- (D) PRICE/S FIRM UNTIL ..... THEREAFTER SUBJECT TO REVIEW.
- (E) PRICE/S NOT FIRM: .....
- (F) SABS MARK: .....
- (G) SABS PERMIT NO: .....
- (H) BRAND/MAKE/TYPER: .....
- (I) FULL NAME AND ADDRESS OF MANUFACTURER.:  
.....  
.....  
.....
- (J) FULL NAME AND ADDRESS OF INSPECTION POINT:  
.....  
.....  
.....
- (K) COUNTRY OF ORIGIN: .....

Comply : \_\_\_\_\_ Does not Comply : \_\_\_\_\_ Not applicable : \_\_\_\_\_

Justification : .....

#### (L) SURPLUS MATERIAL:

TENDERERS MUST INDICATE IF THEY WILL BE PREPARED TO PURCHASE BACK FROM TRANSNET ANY SURPLUS MATERIAL WHICH MAY BECOME AVAILABLE FROM ANY RESULTING PURCHASE ORDER/CONTRACT ORIGINATED FROM THE QUOTATION SUBMITTED:

#### (M) PAYMENT OVERSEAS:

ONLY IF TRANSNET LIMITED IS REQUESTED BY THE TENDERER TO EFFECT PAYMENT OVERSEAS DIRECT TO THE TENDERER'S PRINCIPAL/SUPPLIER THE FOLLOWING INFORMATION IS REQUIRED:

\* EXCHANGE RATE ON WHICH THE QUOTATION PRICE IS BASED: R1,00 (S.A. CURRENCY) BEING EQUAL TO ..... (FOREIGN CURRENCY)

\* PERCENTAGE IN RELATION TO THE QUOTATION PRICE TO BE REMITTED OVERSEAS:  
.....

\* NAME OF COUNTRY TO WHICH PAYMENT IS TO BE MADE:  
.....  
.....

\* APPLICABLE DATE OF EXCHANGE RATE:  
.....

\* BENEFICIARY'S NAME AND FULL ADDRESS:  
.....  
.....  
.....

DATE: .....

SIGNATURE OF TENDERER(S): .....

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.....  
\* BENEFICIARY'S BANKERS AND FULL ADDRESS:  
.....  
.....  
.....

\* APPLICABLE ACCOUNT NUMBER:  
.....

(N) DELIVERY DATE:

TENDERERS MUST FURNISH THEIR ACTUAL DELIVERY AND MANUFACTURING PERIOD HEREUNDER NOTWITHSTANDING THE DELIVERY DATES SPECIFIED BY TRANSNET.

THE FOLLOWING MUST ALSO BE FURNISHED IN REGARD TO THE ABOVE:

1. PERIOD REQUIRED TO OBTAIN RAW MATERIAL ....(DAYS)
2. MANUFACTURING PERIOD. ....(DAYS)
3. PERIOD TO TRANSPORT MATERIAL TO DESTINATION. ....(DAYS)

MATERIAL NO.	1.(PERIOD)	2.(PERIOD)	3.(PERIOD)
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

INDICATE THE PERCENTAGE (%) OF THE PRICE THAT IS SUBJECT TO THE VARIABLE COPPER FEE: .....%.

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DATE: .....

SIGNATURE OF TENDERER(S): .....

**Scope of work: Supply of Corporate Gifts to Transnet Freight Rail**

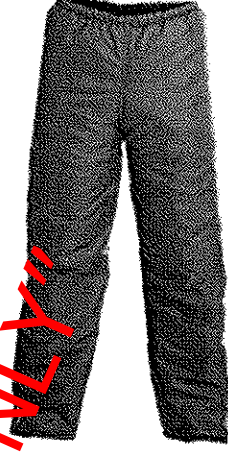
**Background**

- Transnet Freight Rail, a division of Transnet SOC Limited would like to invite quotations for the supply of 435 Company branded thermal jackets and trousers.
- Items to be delivered in Isando Admin Building.

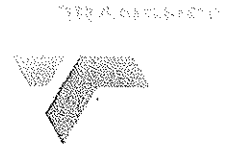
**Specifications**

<b>Material</b>	<ul style="list-style-type: none"> <li>✓ Sizes S – 8XL</li> <li>✓ Water resistant 210D nylon under</li> <li>✓ Thermoguard padding</li> <li>✓ Comfortex Lining</li> <li>✓ Chunky Nylon Zip</li> <li>✓ Elasticated sleeves</li> <li>✓ 50mm plain silver reflective tape</li> <li>✓ Cord with stoppers in hood</li> <li>✓ Interior pocket</li> <li>✓ Adjustable Velcro closure at cuffs</li> <li>✓ Transnet branding on the left hand side</li> <li>✓ Elastic cord with stoppers in bottom hem</li> <li>Two hand pockets with zips</li> <li>Foldaway hood in collar</li> <li>Interior pocket</li> </ul>																										
<b>Colour</b>	Lime Green and Navy																										
<b>Branding</b>	I Position, Transnet Freight Rail Logo																										
<b>Packaging</b>	Individually packed																										
<b>Quantity</b>	435																										
<b>Sizes</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Size</th> <th style="width: 50%;">Qty</th> </tr> </thead> <tbody> <tr><td>XS</td><td>1</td></tr> <tr><td>S</td><td>66</td></tr> <tr><td>M</td><td>100</td></tr> <tr><td>L</td><td>167</td></tr> <tr><td>XL</td><td>62</td></tr> <tr><td>2XL</td><td>22</td></tr> <tr><td>3XL</td><td>13</td></tr> <tr><td>4XL</td><td>1</td></tr> <tr><td>5XL</td><td>1</td></tr> <tr><td>6XL</td><td>1</td></tr> <tr><td>8XL</td><td>1</td></tr> <tr> <td colspan="2" style="text-align: center;"><b>435</b></td> </tr> </tbody> </table>	Size	Qty	XS	1	S	66	M	100	L	167	XL	62	2XL	22	3XL	13	4XL	1	5XL	1	6XL	1	8XL	1	<b>435</b>	
Size	Qty																										
XS	1																										
S	66																										
M	100																										
L	167																										
XL	62																										
2XL	22																										
3XL	13																										
4XL	1																										
5XL	1																										
6XL	1																										
8XL	1																										
<b>435</b>																											





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**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:

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

Where

x is the imported content in Rand

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

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

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

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

## 2. DEFINITIONS

- 2.1. **"bid"** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **"bid price"** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **"designated sector"** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **"duly sign"** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **"imported content"** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **"local content"** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **"stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

## 3. The stipulated minimum threshold(s) for local production and content (refer to annex a of sats 1286:2011) for this bid is/are as follows:

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
.....	.....%
.....	.....%

\_\_\_\_\_ %

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

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

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

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 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 directive in this regard.

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

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

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

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

NB

1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on [http://www.thdti.gov.za/industrial\\_development/ip.jsp](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)	
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:** \_\_\_\_\_  
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ISBN 978-0-626-26620-2

**SATS 1286:2011**

Edition 1

## **SABS STANDARDS DIVISION**

Technical specification

**Local goods, services and works —  
Measurement and verification of local content**

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This document does not have the status of a South African National Standard.

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Published by SABS Standards Division  
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## SATS 1286:2011

Edition 1

### Table of changes

Change No.	Date	Scope

### Foreword

This South African technical specification was approved by National Committee SABS TC 180, *Conformity assessment (CASCO)*, in accordance with procedures of the SABS Standards Division, in compliance with annex 3 of the WTO/TBT agreement.

This SATS was published in November 2011.

This document is being issued as a South African technical specification because there is a need for clarity and the ability to measure and validate the local content of goods, works and services in order to implement a procurement system that takes the local content into account.

This document will in future be revised and issued as a national standard.

Reference is made in 1.1 and 2.6 to the "relevant national legislation". In South Africa, this means the Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

Reference is made in the note to 2.10 to a "national accreditation body". In South Africa, this means the South African National Accreditation System (SANAS).

Reference is made in 5.1(a) to an "accredited verification body". In South Africa, this means a body accredited by the South African National Accreditation System (SANAS).

Reference is made in 5.1(b) to an "independent registered auditor". In South Africa, this means a registered auditor approved by the Independent Regulatory Board for Auditors (IRBA) in terms of the Auditing Profession Act, 2005 (Act No. 26 of 2005).

Annexes A and B form an integral part of this document.

### Introduction

Preferential procurement policies and their associated regulations, such as local content requirements, are mechanisms used by the government and organs of state in the adjudication of tenders, to give consideration to procuring locally manufactured products that comply with specified requirements. Governments may identify specific industries which are deemed to be of critical importance to the economic sustainability and industrial development of their country.

In order to calculate and verify local content, a standardized approach is essential, and this document specifies the approach used in South Africa.

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Edition 1

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## Local goods, services and works — Measurement and verification of local content

### 1 Scope

**1.1** This technical specification specifies requirements and procedures to define, measure, declare and verify the local content of goods, services and works when required for procurement and other purposes, in terms of the relevant national legislation (see foreword):

NOTE The product should contain no less than the level of local content as determined by the relevant national legislation (see foreword) and other procurement requirements.

**1.2** This technical specification does not specify the required safety, quality or other properties of the product.

The responsibility to include the above requirements rests with the procurement authority.

### 2 Definitions

For the purposes of this document, the following definitions apply.

#### 2.1

##### **component**

elementary part (element or portion) of a product

#### 2.2

##### **imported content**

that portion of the tender price represented by

- a) the cost of imported components, and
- b) the cost of parts or materials which have been or are still to be imported (whether by the suppliers or the suppliers' subcontractors or any other third party) the costs of which are inclusive of the costs abroad,

plus freight and other direct importation costs, such as landing cost, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry excluding value added tax (VAT)

#### 2.3

##### **local content**

that portion of the tender price that is not included in the imported content, provided that local manufacturing takes place and is calculated in accordance with the local content formula (see 3:1)

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**2.4**  
**manufacture**  
any kind of working or processing, including assembly or specific operations

**2.5**  
**material**  
ingredient, raw material, component or part used in the manufacture of a product

**2.6**  
**products**  
produced goods, services or works, or manufactured goods as defined in the relevant national legislation (see foreword)

**2.7**  
**tender price**  
price offered by the tenderer, excluding value added tax (VAT)

**2.8**  
**tenderer**  
person or organization that submits a tender offer

[ISO 10845-1:2010]

**2.9**  
**verification**  
confirmation through the provision of objective evidence that the specified requirements have been fulfilled.

**2.10**  
**verification body**  
body that provides assurance of the claims of local content made by the supplier

NOTE In order to provide assurance as to the competence of the verification body, the user may require that the verification body be accredited to perform these functions by a national accreditation body (see foreword).

### **3 Local content measurement**

#### **3.1 Calculation of local content**

The local content percentage of the product shall be as specified (see annex A). The local content, LC, expressed as a percentage of the tender price, shall be calculated as follows:

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

where

x is the imported content (see 2.2), in Rand (ZAR);

y is the tender price (see 2.7), in Rand (ZAR).

Prices referred to in the determination of x shall all be converted to Rand (ZAR) by using the exchange rate as specified (see annex A).

### 3.2 Documentation required for the calculation of local content

3.2.1 Documentation used for the purposes of measuring local content shall include, but is not limited to, details of all imported components, parts or materials indicating origin, manufacturer, freight cost and other direct importation costs, such as landing cost, dock duties, and import duty and sales duty, i.e. landed cost.

3.2.2 Documentary proof used for calculating  $x$  in the measurement of local content and proof of the tender price  $y$  shall be kept accessible for a period of no less than five years.

3.2.3 The tenderer shall be responsible for the accuracy of the information, including the imported content in the supply chain.

3.2.4 If information on the origin of components, parts or materials is not available, it will be deemed to be imported content.

### 3.3 Control of documents and records by the tenderer

Documents and records to provide evidence of compliance with the requirements of this technical specification shall be controlled.

A documented procedure to define the controls needed for the identification, storage, protection, retrieval, retention and disposition of records shall be established.

Records shall remain legible, readily identifiable and retrievable.

## 4 Declaration

The tenderer shall attach the declaration in annex B 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) to the purchaser stating the local content percentage of the product, calculated in accordance with 3.1, and confirming the final tender price.

## 5 Verification

5.1 The procurement authority may require that the measurement of local content be verified. The verification shall be conducted by:

- a) an accredited verification body (see foreword); or
- b) an independent registered auditor (see foreword).

5.2 Those conducting the verification shall have defined and documented procedures for the verification activities.

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**Annex B**  
(normative)

**Local content declaration**

**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 TENDER No. ....  
ISSUED BY: (Procurement Authority): .....

NB The obligation to complete and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the tenderer.

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

- (a) The facts herein contained are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services to be delivered in terms of the above-specified tender comply with the minimum local content requirements as specified in the tender, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286 and the following figures:

	Rand (ZAR)
Tender price, excluding VAT	
Less imported content as calculated in terms of SATS 1286	
Local content	
Local content %	

If the tender is for more than one product, a schedule of the local content by product shall be attached.

- (d) I accept that the Procurement Authority has the right to request that the local content be verified in terms of the requirements of SATS 1286.
- (e) I understand that the awarding of the tender 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, may result in the procurement authority imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

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

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

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

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

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

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



Annex D

Imported Content Declaration - Supporting Schedule to Annex C

(01) Tender No. \_\_\_\_\_  
 (02) Tender description: \_\_\_\_\_  
 (03) Designated Products: \_\_\_\_\_  
 (04) Tender Authority: \_\_\_\_\_  
 (05) Tendering Entity name: \_\_\_\_\_  
 (06) Tender Exchange Rate: \_\_\_\_\_

Note: VAT to be excluded from all calculations

EU R 9.00 GBP R 12.00

A. Exempted imported content

Tender item no's	Description of imported content	Local supplier	Overseas Supplier	Calculation of imported content						Summary	
				Foreign currency value as per Commercial Invoice (011)	Tender Exchange Rate (012)	Local value of imports (013)	Freight costs to port of entry (014)	All locally incurred landing costs & duties (015)	Total landed cost excl VAT (016)	Tender Qty (017)	Exempted Imported value (018)
(07)	(08)	(09)	(010)								
										(019) Total exempt imported value	R 0

This total must correspond with Annex C - C 21

B. Imported directly by the Tenderer

Tender item no's	Description of imported content	Unit of measure	Overseas Supplier	Calculation of imported content						Summary	
				Foreign currency value as per Commercial Invoice (021)	Tender Rate of Exchange (025)	Local value of imports (026)	Freight costs to port of entry (027)	All locally incurred landing costs & duties (028)	Total landed cost excl VAT (029)	Tender Qty (030)	Total imported value (031)
(020)	(021)	(022)	(023)								
										(032) Total imported value by tenderer	R 0

This total must correspond with Annex C - C 21

C. Imported by a 3rd party and supplied to the Tenderer

Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Calculation of imported content						Summary	
				Foreign currency value as per Commercial Invoice (037)	Tender Rate of Exchange (038)	Local value of imports (039)	Freight costs to port of entry (040)	All locally incurred landing costs & duties (041)	Total landed cost excl VAT (042)	Quantity Imported (043)	Total imported value (044)
(033)	(034)	(035)	(036)								
										(045) Total imported value by 3rd party	R 0

This total must correspond with Annex C - C 21

D. Other foreign currency payments

Type of payment	Local supplier making the payment (047)	Overseas beneficiary (048)	Calculation of foreign currency payments		Summary of payments	
			Foreign currency value paid (049)	Tender Rate of Exchange (050)	Local value of payments (051)	
(046)						
						(052) Total of foreign currency payments declared by tenderer and/or 3rd party

(052) Total of foreign currency payments declared by tenderer and/or 3rd party

Signature of tenderer from Annex B

(053) Total of imported content & foreign currency payments - (022), (045) & (052) above

Date: \_\_\_\_\_

This total must correspond with Annex C - C 23



### Annex E

#### Local Content Declaration - Supporting Schedule to Annex C

(E1) Tender No.	
(E2) Tender description:	
(E3) Designated products:	
(E4) Tender Authority:	
(E5) Tendering Entity name:	

**Note: VAT to be excluded from all calculations**

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	(E6)	(E7)	(E8)
	<b>(E9) Total local products (Goods, Services and Works)</b>		<b>R 0</b>

(E10) <b>Manpower costs</b> (Tenderer's manpower cost)	<b>R 0</b>
(E11) <b>Factory overheads</b> (Rent, depreciation & amortisation, utility costs, consumables etc.)	<b>R 0</b>
(E12) <b>Administration overheads and mark-up</b> (Marketing, insurance, financing, interest etc.)	<b>R 0</b>
<b>(E13) Total local content</b>	<b>R 0</b>

**This total must correspond with Annex C - C24**

Signature of tenderer from Annex B

Date: \_\_\_\_\_

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