DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Municipal Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders 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 at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this hid is/are as follows:

Minimum Threshold for Local Content

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

(Tick applicable box)

gii.		
YES	NO	

3..1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za

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

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

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

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

(CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)	· ONOIDILIT
IN RESPECT OF BID NO.	
ISSUED BY: (Procurement Authority / Name of Institution):	
NB	
The obligation to complete, duly sign and submit this declaration cannot to an external authorized representative, auditor or any other third p behalf of the bidder.	
Guidance on the Calculation of Local Content together with Local Content Templates (Annex C, D and E) is accessible on http://www.thdti.godevelopment/ip.jsp . Bidders should first complete Declaration D. Aff Declaration D, bidders should complete Declaration E and then confirmation on Declaration C. Declaration C should be submitted documentation at the closing date and time of the bid in order to the declaration made in paragraph (c) below. Declarations D and E subject by the bidders for verification purposes for a period of at least 5 years. To bidder is required to continuously update Declarations C, D and E walues for the duration of the contract.	bv.za/industrial ter completing onsolidate the with the bid substantiate should be kept The successful
I, the undersigned, do hereby declare, in my capacity as of	
(a) The facts contained herein are within my own personal knowledge.	
(b) I have satisfied myself that:	
 the goods/services/works to be delivered in terms of the above comply with the minimum local content requirements as specified as measured in terms of SATS 1286:2011; and 	
(c) The local content percentage (%) indicated below has been calculated formula given in clause 3 of SATS 1286:2011, the rates of exchange paragraph 4.1 above and the information contained in Declaration D are been consolidated in Declaration C:	e indicated in
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 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE:	DATE:
WITNESS No. 1	DATE:
WITNESS No. 2	DATE:

	_	_
SATS	1286	2011

					Aı	nnex D							
1				Imported Co	ontent Declaratio	n - Suppor	rting Sched	dule to Anr	пех С				
2) 1) 1) 5)	Tender No. Tender descripti Designated Prod Tender Authorit Tendering Entity Tender Exchang	ucts: y: name:	Pula		Eυ	R 0.09	GBP	R 0,12	Note: VAT to be e	excluded from			
		ed imported cor			50[K 0,09	John		imported conter	*			Summary
[A. Exempte	u imported cor	iteiit			Forign		Calculation of	Imported conter	All locally		_	Summary.
	Tender item no's	Description of im	ported content	Local supplier	Overseas Supplier	currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted importe value
	(D7)	(DS	3)	(09)	(D10)	(D11)	(D12)	(D13)	(D14)	(015)	(D16)	(D17)	(D18)
										(D19) Total exempt in	This total m	ust correspond with
											-	Απ	18x C - C 21
	B. Importe	d directly by the	e Tenderer					Calculation of	f imported conter	nt	,I		Summary
	Tender item no's	Description of im	ported content	Unit of measure	Overseas Supplier	Forign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of Imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Total imported valu
	(D20)	(D2	1)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(030)	(D31)
į													
į		Ť.								(D32) To	otal Imported val	ue by tenderer	R
	C. Importe	d by a 3rd party	and supplied	to the Tend	lerer			Calculation o	f imported conte	nt			Summary
	Description o	f imported content	Unit of measure	Local supplier	Overseas Supplier	Forign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported valu
		(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
										(045) 7-	etal imported value	La bu 3rd nach	R
										(045) 10	rtai imported vaii	ie by ard party	
	D. Other fo	reign currency	payments		Calculation of foreig payment								Summary of payments
	Туре	of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange							Local value of payments
		(D46)	(D47)	(D48)	(D49)	(D50)							(D51)
								(D52) Total of 1	foreign currency pa	ayments declar	ed by tenderer ai	nd/or 3rd party	
	Signature of ter	derer from Annex B							ontent & foreign c				
				= :			. ,		2		19.00	This total m	ust correspond with
	Date:	2		20								An	nex C - C23
-													

SATS 1286.2011

Annex E

Local Content Declaration -	Supporting Schedule to Annex C

ender description: Designated products:			
ender Authority:			
endering Entity name:			
Local Products			
(Goods, Services and	Description of items purchased	Local suppliers	Value
Works)	_		7 41.4.5
	(E6)	(E7)	(E8)
,			
_			
<u> </u>			
<u> </u>			
	/EQ. Total local produ	acts (Goods, Services and Works)	R O
	(13) Total local produ	icts (doods, services and works)	NO.
(E10) Manpower costs (Tel	nderer's manpower cost)		RO
		·	
(E11) Factory overheads (Rer	ital, depreciation & amortisation, utility costs,	consumables etc.)	R O
(542)			
(E12) Administration overheads	and mark-up (Marketing, insurance, finan	icing, interest etc.)	R O
		(E13) Total local content	RO
			6 624
		This total must correspond wit	n Annex C - C24
		<u> </u>	
ignature of tenderer from Annex B			

Date: