

MBD 6.2: DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) 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 and 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.(1) and 9.(3)) make 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) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286:2011 as follows:

$$LC = 1 - \left(\frac{\text{R}}{\text{R} + \text{R} \times 100} \right)$$

Where

x imported content in Rand
 y bid price 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 South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrialdevelopment/ijsp> 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 advertised competitive bids, written price quotations 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, 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 for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
• Steel value added products	100%
• Gabions	100%
• Reinforcement	100%
• Steel Plates (Road signs)	100%
• Cement products	100%
• Clothing and Textile	100%
• Electrical Steel Pole	100%
• Electrical Cable	90%

4. Does any portion of the services, works or goods offered have any imported content?

YES	NO
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(Tick applicable box)

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 the 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
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5.1. If yes, provide the following particulars:

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

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

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 / Municipality / Municipal Entity):

NB

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

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thedti.gov.za/industrialdevelopment.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 percentages (%) 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 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 / Municipality / Municipal Entity 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 / Municipal / Municipal Entity 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 (PPFA), 2000 (Act No. 5 of

SIGNATURE: _____

WITNESS No. 1 _____

WITNESS No. 2 _____

DATE: _____

DATE: _____

DATE: _____

Our Ref: K054.412.22

01 November 2022

NOTICE TO ALL TENDERERS


**CONTRACT No. PWBS-B035/22/23
CONSTRUCTION OF CREIGHTON TOWN UPGRADE (PHASE 2)**

Dear Sir/Madam

We attach a copy of the following:

1. Form of Receipt of Addendum No. 1 which must be signed and returned to **FMA Engineers (Pty) Ltd** by email at admin@fmaengineers.co.za upon receipt of this Addendum.
 2. Addendum No. 1 to the above-mentioned Contract.
- You are required to incorporate the amendments and additions contained in the Addendum in your Tender Documents and to submit the signed and duly completed Form of Receipt with your Tender in addition with completion of T2: Returnable Documents Page RD.2 (Record of Addenda to Tender Documents).

Yours faithfully,


FMA Engineers (Pty) Ltd

Tenderer's Initials
Addendum No. 1

DATE :

FAX NO :

TELEPHONE NUMBER :

NAME AND ADDRESS OF TENDERER :

NAME OF SIGNATORY :

SIGNED ON BEHALF OF TENDERER :

I/We acknowledge receipt of Addendum No. 1 and have noted its contents.

CONSTRUCTION OF CREIGHTON TOWN UPGRADE (PHASE 2)
CONTRACT No. PWBS-B035/22/23

DR. NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY

For attention: Mr. H. Fuyana

Email: admin@fmaengineers.co.za

FMA Engineers (Pty) Ltd

NB : This form for the receipt of Addendum No. 1 must be completed by the
Tenderer upon receipt of this addendum and emailed back to:

FORM FOR RECEIPT OF ADDENDUM NO. 1

Tenderer's Initials
Addendum No. 1

Signed on behalf of the Tenderer _____
Date _____

**CONTRACT No. PWBS-B035/22/23
CONSTRUCTION OF CREIGHTON TOWN UPGRADE (PHASE 2)**

Tender Document for:

Changes and/or additions to be made in:

Tenderers are required to submit the completed "Addendum No. 1" with their Tender.

No pages may be removed from the Addendum.

Documents):

Each Tenderer for this Contract shall incorporate the following amendments and additions in their Tender and is required to acknowledge receipt and acceptance of the amendments and additions contained in the Addendum and completion of T2: Returnable Documents Page RD.2 (Record of Addenda to Tender Documents)

This Addendum forms part of the Tender Document and comprises **three (03)** pages inclusive of the covering letter and the "Form for Receipt of Addendum No. 1".

ADDENDUM NO. 1

**CONTRACT No. PWBS-B035/22/23
CONSTRUCTION OF CREIGHTON TOWN UPGRADE (PHASE 2)**

DR. NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY

NAME OF TENDERER _____

Tenderer's Initials _____
Addendum No. 1

END OF ADDENDUM NO. 1

- 1.1 T2: Returnable Documents and Schedules RD.13
- 1.2 T2: Returnable Documents and Schedules RD.14
- 1.3 T2: Returnable Documents and Schedules RD.15

1. Replace the following pages on the original issued "Tendered Document":

Tenders are to incorporate the following amendments into their tender documents:

Addendum No 1: Amendments to the Tender Documentation
CONSTRUCTION OF CREIGHTON TOWN UPGRADE (PHASE 2)
CONTRACT No. PWBS-B035/22/23

DR. NKOSAZANA DLAMINI ZUMA LOCAL MUNICIPALITY