REQUEST FOR PROPOSAL

MANUFACTURE, DELIVER AND COMMISSION ONE NEW HIGH-SPEED PASSENGER FERRY OF PROVEN DESIGN, OPERATING IN THE TABLE BAY AREA BETWEEN THENELSON MANDELA GATEWAY AT THE VICTORIA AND ALFRED WATERFRONT IN CAPE TOWN HARBOUR, AND MURRAY’S BAY HARBOUR AT ROBBEN ISLAND.

LEVEL 3

ANNEXURE A: STANDARD BID DOCUMENTS
RFP
Annexure A: Standard Bid Documents
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1. Annexure A1: SBD 1 – Invitation to Bid
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE ROBBEN ISLAND MUSEUM

BID NUMBER: RIM-FER 01-2017/2018  CLOSING DATE: 17 NOVEMBER 2017  CLOSING TIME: 11:00

DESCRIPTION: MANUFACTURE, DELIVER AND COMMISSION OF ONE NEW HIGH SPEED PASSENGER FERRY OF PROVEN DESIGN, OPERATING IN TABLE BAY AREA BETWEEN NELSON MANDELA GATEWAY AND ALFRED WATERFRONT IN CAPE TOWN HARBOUR AND MURRAY’S BAY HARBOUR AT ROBBEN ISLAND MUSEUM

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

BID DOCUMENTS MAY BE POSTED TO:
Robben Island Museum, Nelson Mandela Gateway Building, Tender Box, V & A WATERFRONT, Cape Town, 8002

DEPOSITED IN THE BID BOX SITUATED AT Tender Box, Robben Island Museum, Nelson Mandela Gateway Building, Tender Box, V & A WATERFRONT, Cape Town, 8002

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(Failure to do so may result in your bid being disqualified)

NAME OF BIDDER
POSTAL ADDRESS
STREET ADDRESS
TELEPHONE NUMBER
CELLPHONE NUMBER
FACSIMILE NUMBER
E-MAIL ADDRESS
VAT REGISTRATION NUMBER

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2) YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 8 1) YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR
A REGISTERED AUDITOR

[Signature]

Annexure A1
Page 4 of 53
(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED? YES or NO

[IF YES ENCLOSURE PROOF]

SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE

TOTAL NUMBER OF ITEMS OFFERED

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Department

Contact Person:

Tel:

Fax:

E-mail address:

ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Contact Person:

Tel:

Fax:

E-mail address:

[Signature]
TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder’s tax obligations.

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 “Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5. Copies of the TCC 001 “Application for a Tax Clearance Certificate” form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.
3. Annexure A3: SBD 3.1 – Pricing Schedule – Firm Prices
PRICING SCHEDULE – FIRM PRICES
(PURCHASES)

Name of Bidder: ................................................................. Bid number: RIM-FER 01-2017/2018
Time 11:00 ........................................................................ Closing date: 17 November 2017

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)</th>
</tr>
</thead>
</table>

- Required by: ROBBEN ISLAND MUSEUM

<table>
<thead>
<tr>
<th>Price</th>
<th>Currency</th>
<th>Rates of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US Dollar</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pound Sterling</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Euro</td>
<td></td>
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<td></td>
<td>Yen</td>
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<tr>
<td></td>
<td>Other</td>
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</tbody>
</table>

- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) ..............................................................
- Period required for delivery ..........................................................................................
- Delivery: *Firm/not firm

NOTE: All delivery costs must be included in the bid price, for the delivery at the prescribed destination.
4. Annexure A4: SBD 4 – Declaration of Interest
ANNEXURE B

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state\(^1\), or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative: ............................................................

2.2 Identity Number: ...........................................................................................................

2.3 Position occupied in the Company (director, trustee, shareholder\(^2\), member):
.................................................................

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:
..........................................................................................................................

2.5 Tax Reference Number: ..............................................................................................

2.6 VAT Registration Number: ..........................................................................................

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

\(^1\) State\(^ \text{ means –} \)
(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(b) any municipality or municipal entity;
(c) provincial legislature;
(d) national Assembly or the national Council of provinces; or
(e) Parliament.

\(^2\) Shareholder\(^ \text{ means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.} \)
2.7 Are you or any person connected with the bidder presently employed by the state? YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder / member: ................................................
Name of state institution at which you or the person connected to the bidder is employed: ................................................
Position occupied in the state institution: ................................................

Any other particulars:

................................................................................................................
................................................................................................................
................................................................................................................
................................................................................................................

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? YES / NO

2.7.2.1 If yes, did you attach proof of such authority to the bid document? YES / NO

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.)

2.7.2.2 If no, furnish reasons for non-submission of such proof:

................................................................................................................
................................................................................................................
................................................................................................................
................................................................................................................

2.8 Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? YES / NO

2.8.1 If so, furnish particulars:

................................................................................................................
................................................................................................................
................................................................................................................
................................................................................................................

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

2.9.1 If so, furnish particulars.

................................................................................................................
2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES/NO

2.10.1 If so, furnish particulars.

________________________________________________________________________

________________________________________________________________________

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES/NO

2.11.1 If so, furnish particulars:

________________________________________________________________________

________________________________________________________________________

3 Full details of directors / trustees / members / shareholders.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Income Tax Reference Number</th>
<th>State Employee Number / Personal Number</th>
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</table>
4 DECLARATION

I, THE UNDERSIGNED (NAME) ........................................................................................................

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 AND 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS
DECLARATION PROVE TO BE FALSE.

_________________________________________  ______________________________
Signature                                    Date

__________________________  ______________________________
Position                                  Name of bidder

November 2011
5. Annexure A5: SBD 5 – The National Industrial Participation Programme
THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1 PILLARS OF THE PROGRAMME

1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US$ 10 million or other currency equivalent to US$ 10 million will have a NIP obligation. This threshold of US$ 10 million can be reached as follows:

(a) Any single contract with imported content exceeding US$10 million.

(b) Multiple contracts for the same goods, works or services each with imported content exceeding US$3 million awarded to one seller over a 2 year period which in total exceeds US$10 million.

(c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US$10 million.

(d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US$10 million.

1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30% of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.

1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.
1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at Elias@tedti.gov.za for further details about the programme.

4 PROCESS TO SATISFY THE NIP OBLIGATION

4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

a. the contractor and the DTI will determine the NIP obligation;

b. the contractor and the DTI will sign the NIP obligation agreement;
c. the contractor will submit a performance guarantee to the DTI;
d. the contractor will submit a business concept for consideration and approval by the DTI;
e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
f. the contractor will implement the business plans; and
g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number ........................................... Closing date: ...........................................

Name of bidder .................................................................................................................

Postal address ..................................................................................................................

 .................................................................................................................................

Signature........................................... Name (in print)......................................................

Date.............................................................
6. Annexure A6: SBD 6.1 – Preference Points Claim Form
PRETATION POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution


1. GENERAL CONDITIONS
1.1 The following preference point system is applicable to this bid:

- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2
a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the 90/10 preference point system shall be applicable;

1.3 Points for this bid shall be awarded for:
(a) Price; and
(b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

<table>
<thead>
<tr>
<th></th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRICE</td>
<td>90</td>
</tr>
<tr>
<td>B-BBEE STATUS LEVEL OF CONTRIBUTOR</td>
<td>10</td>
</tr>
<tr>
<td>Total points for Price and B-BBEE must not exceed</td>
<td>100</td>
</tr>
</tbody>
</table>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is

[Signature]
adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS
(a) “B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
(b) “B-BBEE status level of contributor” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
(c) “bid” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
(d) “Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
(e) “EME” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
(f) “functionality” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
(g) “prices” includes all applicable taxes less all unconditional discounts;
(h) “proof of B-BBEE status level of contributor” means:
   1) B-BBEE Status level certificate issued by an authorized body or person;
   2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
   3) Any other requirement prescribed in terms of the B-BBEE Act;
(i) “QSE” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
(j) “rand value” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE
3.1 THE 90/10 PREFERENCE POINT SYSTEMS
A maximum of 90 points is allocated for price on the following basis: 90/10

\[ P_s = 90 \left( 1 - \frac{P_t - P_{\text{min}}}{P_{\text{min}}} \right) \]

Where
Ps = Points scored for price of bid under consideration
Pt = Price of bid under consideration
Pmin = Price of lowest acceptable bid

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

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
</tr>
</tbody>
</table>

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: = ........(maximum of 10 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.)

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

[YES] [NO]

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted: ........................................%
ii) The name of the sub-contractor………………………………………………………………………………

iii) The B-BBEE status level of the sub-contractor…………………………………………………

iv) Whether the sub-contractor is an EME or QSE (Tick applicable box)

[YES] [NO]

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

<table>
<thead>
<tr>
<th>Designated Group: An EME or QSE which is at last 51% owned by:</th>
<th>EME □</th>
<th>QSE □</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are youth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people with disabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people living in rural or underdeveloped areas or townships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative owned by black people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are military veterans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any EME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any QSE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:…………………………………………………………………………………………

8.2 VAT registration number:…………………………………………………………………………………………

8.3 Company registration number:…………………………………………………………………………………………

8.4 TYPE OF COMPANY/FIRM

☐ Partnership/Joint Venture / Consortium
☐ One person business/sole propriety
☐ Close corporation
☐ Company
☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

8.6 COMPANY CLASSIFICATION

☐ Manufacturer
☐ Supplier
☐ Professional service provider
☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:...........................

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser 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;

[Signature]
(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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.
7. Annexure A7: SBD 6.2 – Declaration Certificate for Local Production and Content
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, 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:

\[ \text{LC} = \left[ 1 - \frac{x}{y} \right] \times 100 \]

Where
\[ x \] is the imported content in Rand
\[ y \] is the bid price in Rand excluding value added tax (VAT)

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


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 bid is/are as follows:

<table>
<thead>
<tr>
<th>Description of services, works or goods</th>
<th>Stipulated minimum threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>_____%</td>
</tr>
<tr>
<td></td>
<td>_____%</td>
</tr>
<tr>
<td></td>
<td>_____%</td>
</tr>
</tbody>
</table>

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

(Tick applicable box)

| 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 on the date of advertisement of the bid.
The relevant rates of exchange information is accessible on www.resbank.co.za

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

<table>
<thead>
<tr>
<th>Currency</th>
<th>Rates of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Dollar</td>
<td></td>
</tr>
<tr>
<td>Pound Sterling</td>
<td></td>
</tr>
<tr>
<td>Euro</td>
<td></td>
</tr>
<tr>
<td>Yen</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

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)

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.
Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

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

(a) The facts contained herein are within my own personal knowledge.

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

<table>
<thead>
<tr>
<th>Bid price, excluding VAT (y)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imported content (x), as calculated in terms of SATS 1286:2011</td>
<td>R</td>
</tr>
<tr>
<td>Stipulated minimum threshold for local content (paragraph 3 above)</td>
<td></td>
</tr>
<tr>
<td>Local content %, as calculated in terms of SATS 1286:2011</td>
<td></td>
</tr>
</tbody>
</table>

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 3.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority/Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(e) I understand that the 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: ___________________________ |
| WITNESS No. 1 ___________________________ DATE: ___________ |
| WITNESS No. 2 ___________________________ DATE: ___________ |
8. Annexure A8: SBD 8 – Declaration of Bidder’s Past SCM Practices

[Blank Page]
DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Standard Bidding Document must form part of all bids invited.

2. It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3. The bid of any bidder may be disregarded if that bidder, or any of its directors have:
   - abused the institution’s supply chain management system;
   - committed fraud or any other improper conduct in relation to such system; or
   - failed to perform on any previous contract.

4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <em>audi alteram partem</em> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury’s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury’s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3.1</td>
<td>If so, furnish particulars:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform or comply with the contract?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4.1 If so, furnish particulars:

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)....................................................
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE
AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE
TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.........................................................  ........................................
Signature                                           Date

.........................................................  ........................................
Position                                            Name of Bidder

[Signature]  Js365bW
9. Annexure A9: SBD 9 – Certificate of Independent Bid Determination
CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Standard Bidding Document (SBD) must form part of all bids invited.

2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.

3. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
   a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
   b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4. This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5. In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

\[1\] Includes price quotations, advertised competitive bids, limited bids and proposals.

\[2\] Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.
CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

__________________________________________
(Bid Number and Description)

in response to the invitation for the bid made by:

__________________________________________
(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: ____________________________ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium\(^a\) will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   (a) prices;
   (b) geographical area where product or service will be rendered (market allocation)
   (c) methods, factors or formulas used to calculate prices;
   (d) the intention or decision to submit or not to submit, a bid;
   (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

\(^a\) Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.......................................................... ..........................................................
Signature Date

..........................................................
Position Name of Bidder

Js914w2
10. Annexure A10: DTI Requirements Guideline
Contents of DTI Requirements Guideline

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Table 1: Minimum threshold for overall local content for Working Vessels/Boats, as determined by the DTI........................................................................................................................................ 43
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1 Introduction

1.1. The Robben Island Museum Ferry Project (RIMFP), managed by RIM’s representative, intends to provide Robben Island Museum (RIM), a world heritage site, with a vessel platform capable of safely, and efficiently, ferrying both local and international passengers/tourists to and from Robben Island (RI).

1.2. Keeping with the spirit of “Proudly South African”, as embodied by RIM, it is imperative that the use of local component/equipment suppliers and manufacturers, as well as the use of locally sourced and worked building materials, be maximised. The Department of Trade and Industry (DTI) plays a pivotal role in this regard and has thus enforced the Preferential Procurement Regulations, 2011, Pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000 (PPPFA) regarding Local Production and Content.

2 Background

2.1. The PPPFA makes provision for the DTI to designate sectors in line with national development and industrial policies for local production. In this regard, the DTI has included the production and procurement/acquisition of Working Vessels (Boats) for use by South African Organs of State and Public Entities as a designated sector where, according to Regulation 9 (1) of the PPPFA;

“An organ of state must, in the case of designated sectors, where in the award of tenders local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, with a stipulated minimum threshold for local production and content will be considered.”

2.2. Therefore, Request for Proposals must be advertised with the specific condition that only locally (South African) produced goods, services or works, or locally manufactured goods shall be considered. The DTI does however stipulate designated sector specific minimum thresholds for Local Production and Content as a requirement.

3 Documents

Applicable Documents
SATS 1286:2011 – Local Goods, Services and Works – Measurement and Verification of Local Content

Reference Documents
Preferential Procurement Policy Framework Act, Act No 5 of 2000
4 DTI Requirements

4.1. NIP Obligation
It is envisaged that the imported content associated with the Bid will not exceed the value of 10 Million US Dollars upon Bid award. All Potential Bidders are still required to complete all forms and documentation as specified and stipulated in the RFP, and comply with all the associated requirements therein regarding Local Content. Additionally, the successful Bidder shall submit details of the Bid contract to the DTI to ensure the effective implementation of the NIP in terms of Multiple Contracts, if any.

4.2. Local Content (LC) Obligation
Definition
4.2.1. The DTI has designated and determined the minimum threshold for the Working Vessels (Boats) sector for Local Production and Content. The table below, Table 1, indicates the required minimum thresholds as stipulated by the DTI.

<table>
<thead>
<tr>
<th>Working Vessel/Boats (All types):</th>
<th>60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Components</td>
<td>• 10% - 100%</td>
</tr>
</tbody>
</table>

Table 1: Minimum threshold for overall local content for Working Vessels/Boats, as determined by the DTI.

4.2.2. The stipulated minimum threshold percentages for Local Production and Content for the Working Vessels (Boats) designated sector is 60%, for all types combined. To ensure that Local Production and Content is discharged on manufacturing activities, the following designated components shown in the table below, Table 2, must be included in the bid invitation (Refer SBD 5):

<table>
<thead>
<tr>
<th>Main Components</th>
<th>Sub-components</th>
<th>% of each component manufactured locally</th>
<th>Average LC in Main Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propellers</td>
<td>SART (Search and rescue transponder)</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Navigational equipment</td>
<td>Radar</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*ECDIS (Electronic chart display information system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*ECS (Electronic chart system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*GPS (Global positioning system)</td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>*EPIRB (Emergency position indicating radio beacon)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*GMDSS (Global Maritime Distress and Safety System)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational instruments</td>
<td>Barometers</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Dividers</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Various flags</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

[Signature]
<table>
<thead>
<tr>
<th>Main Components</th>
<th>Sub-components</th>
<th>% of each component manufactured locally</th>
<th>Average LC in Main Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binoculars</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Night vision glasses</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational charts and publications</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thermometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anemometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclinometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational signal lights</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lamp</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pumps</td>
<td>30%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Electronic control</td>
<td></td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Potentiometers</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printed circuit boards</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resistors</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacitors</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridge rectifiers</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DC voltage batteries</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical 220-440v (Various cables ranging from low voltage DC to AC 440v cables of standard IP55 are used for connecting various consumables such as electrical motors to the electricity supply onboard a ship. Not all the cables can be sourced locally i.e. special cables such as fibre optic cables as well as intrigued cables used in the control of specialized systems)</td>
<td>30%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Air compressors</td>
<td>30%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Galley equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stove – components manufactured locally</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fridge – components locally such as heat exchangers, evaporator coils etc. Electrical components such as plugs and temperature control switch and door seals</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Galley extraction and ventilation systems</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dishwashers – of components manufactured locally</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work tops etc.</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deep fat fryer</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Griller</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lights</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main Components</td>
<td>Sub-components</td>
<td>% of each component manufactured locally</td>
<td>Average LC in Main Components</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Cabin outfitting</td>
<td></td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Specialist equipment, towing equipment etc.</td>
<td>Tow ropes</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mooring Ropes</td>
<td>70%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Hydraulic towing winch</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hydraulic Crane</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Asterisk represents non-designated sub-components*

Table 2: Percentage Local Content Required Per Main Components

4.2.3. In the designation, imported input raw materials such as Bulp Flats/Holland Profile steel and Lloyds Grade A – 5mm or less used for the fabrication of a Working Vessel (ship/boat) are deemed as locally manufactured input materials.

4.2.4. The competitive imported Bulp Flats/Holland Profile steel and Lloyds Grade A – 5 mm or less used in the manufacture of ships/boats will be deemed to have been sourced locally for the purposes of calculating local content. The Bulp Flats/Holland Profile Steel and Lloyds Grade A – 5mm or less should be imported in raw material form and further fabricated in South Africa.

4.2.5. The following components and sub-components are fully exempted:
   a. Main Engines.
   b. Generators.
   c. Fuel Purifiers.
   d. Sub-components of Navigational Equipment listed in Table 2, excluding the SART.

4.2.6. If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, bidders should obtain written exemption from the dti to supply the remaining portion at a lower local content threshold. The dti, in consultation with the procuring organ of state, will grant exemption on a case-by-case basis and will consider the following:
   a. required volumes in the particular bid;
   b. available collective South African industry manufacturing capacity at that time;
   c. delivery times;
   d. availability of input materials and components;
   e. technical considerations including operating conditions; and
   f. materials.

Calculation of LC

4.2.7. For the purposes of calculating and verifying LC the definitions and standardised procedure as specified in SATS 1286:2011; Local Goods, Services, and Works – Measurement and Verification of Local Content, shall be applied.
4.2.8. According to SATS 1286:2011, LC is expressed as a percentage of the total Bid price and shall be calculated using the following formula:

\[ LC = (1 - \frac{x}{y}) \times 100 \]

Where

- \( x \) is the imported content in Rand (ZAR), excluding value added tax (VAT)
- \( y \) is the Bid/offer price in ZAR, excluding VAT

4.2.9. All prices included in the determination of \( x \), imported content, shall be converted to ZAR using the current exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the day that the Bid advertisement is placed.

4.2.10. All documentation required for the calculation of LC shall be in accordance with the prescripts listed in SATS 1286:2011.

4.2.11. RIM and/or its appointed procurement authority may require that the measurement of LC to be verified at any time. LC verification can be conducted by either a South African National Accreditation System (SANAS) accredited verification body, or an auditor registered with the Independent Regulatory Board for Auditors (IRBA), as defined in SATS 1286:2011.

4.2.12. All Potential Bidders are required to submit and complete a Declaration of LC form, Standard Bidding Document (SBD) 6.2 as part of their bidding documents. The SBD 6.2 shall be in line with the requirements as specified in SATS 1286:2011. Inclusive of the SBD 6.2 form, the following LC Declaration Template Annexures, available from http://www.dti.gov.za/industrial_development/ip.jsp must be completed. Bidders are to take note that Annexure C, D and E needs to be returned as part of their Bid Submission. Updated/Revised Annexures D and E in may be requested for by RIM at a later stage, upon which Annexures D and E must be audited and certified as correct.

- a. Annexure C: Local Content Declaration – Summary Schedule
- b. Annexure D: Imported Content Declaration – Supporting Schedule to Annex C
- c. Annexure E: Local Content Declaration – Supporting Schedule to Annex C

Evaluation of LC

4.2.13 All bids will be evaluated in accordance with the minimum threshold for LC as specified in Table 2. The annexures listed in Section 4.2.12. above will be used for the purpose of evaluation.

Disqualification

4.2.14 Any bid that fails to meet and/or complete the following will be summarily disqualified:

- b. Failure to achieve the minimum threshold for LC as stipulated in Table 2, unless accompanied by an exemption/authorization letter from the DTI.
## 5 Enclosure A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRBA</td>
<td>Independent Regulatory Board for Auditors</td>
</tr>
<tr>
<td>LC</td>
<td>Local Content</td>
</tr>
<tr>
<td>PPPFA</td>
<td>Preferential Procurement Policy Framework Act, Act No 5 of 2000</td>
</tr>
<tr>
<td>RFO</td>
<td>Request for Offer</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>RI</td>
<td>Robben Island</td>
</tr>
<tr>
<td>RIM</td>
<td>Robben Island Museum</td>
</tr>
<tr>
<td>RIMFP</td>
<td>Robben Island Museum Ferry Project</td>
</tr>
<tr>
<td>SANAS</td>
<td>South African National Accreditation System</td>
</tr>
<tr>
<td>SARB</td>
<td>South African Reserve Bank</td>
</tr>
<tr>
<td>SATS</td>
<td>South African Technical Standard</td>
</tr>
<tr>
<td>SBD</td>
<td>Standard Bidding Document</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>ZAR</td>
<td>South African Rand</td>
</tr>
</tbody>
</table>
11. Annexure C: Local Content Declaration Summary Schedule

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### Annex C

**Local Content Declaration - Summary Schedule**

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Tender description:</th>
<th>Designated product(s)</th>
<th>Tender Authority:</th>
<th>Tendering Entity name:</th>
<th>Tender Exchange Rate:</th>
<th>Specified local content %</th>
</tr>
</thead>
</table>

**Calculation of local content**

<table>
<thead>
<tr>
<th>Tender item no's</th>
<th>List of Items</th>
<th>Tender price - each (excl VAT)</th>
<th>Exempted imported value</th>
<th>Tender value net of exempted imported content</th>
<th>Imported value</th>
<th>Local value</th>
<th>Local content % (per item)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C8)</td>
<td>(C9)</td>
<td>(C10)</td>
<td>(C11)</td>
<td>(C12)</td>
<td>(C13)</td>
<td>(C14)</td>
<td>(C15)</td>
</tr>
</tbody>
</table>

**Tender summary**

<table>
<thead>
<tr>
<th>Tender Qty</th>
<th>Total tender value</th>
<th>Total exempted imported content</th>
<th>Total imported content</th>
</tr>
</thead>
<tbody>
<tr>
<td>(C16)</td>
<td>(C17)</td>
<td>(C18)</td>
<td>(C19)</td>
</tr>
</tbody>
</table>

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

**Signature of tenderer from Annex B**

<table>
<thead>
<tr>
<th>Date:</th>
<th></th>
</tr>
</thead>
</table>

- **(C20)** Total tender value
- **(C21)** Total Exempt imported content
- **(C22)** Total Tender value net of exempted imported content
- **(C23)** Total Imported content
- **(C24)** Total local content
- **(C25)** Average local content % of tender

---

[Signature]
12.  Annexure D: Imported Content Declaration
(Supporting Annex C)

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# Annex D

## Imported Content Declaration - Supporting Schedule to Annex C

### A. Exempted imported content

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Description of imported content</th>
<th>Local supplier</th>
<th>Overseas supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Exchange Rate</th>
<th>Local value of Imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred landing costs &amp; duties</th>
<th>Total landed cost and VNI</th>
<th>Exempted imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### B. Imported directly by the Tenderer

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Description of imported content</th>
<th>Unit of measure</th>
<th>Local supplier</th>
<th>Overseas supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Exchange Rate</th>
<th>Local value of Imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred landing costs &amp; duties</th>
<th>Total landed cost and VNI</th>
<th>Total imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description of imported content</th>
<th>Unit of measure</th>
<th>Local supplier</th>
<th>Overseas supplier</th>
<th>Foreign currency value as per Commercial Invoice</th>
<th>Tender Exchange Rate</th>
<th>Local value of Imports</th>
<th>Freight costs to port of entry</th>
<th>All locally incurred landing costs &amp; duties</th>
<th>Total landed cost and VNI</th>
<th>Total imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### D. Other foreign currency payments

<table>
<thead>
<tr>
<th>Type of payment</th>
<th>Local supplier making the payment</th>
<th>Overseas beneficiary</th>
<th>Foreign currency value paid</th>
<th>Tender Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Summary

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total exempted value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total imported value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total imported value by tenderer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity Imported</th>
<th>Total Imported Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total imported value by 3rd party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total of foreign currency payments declared by tenderer and/or 3rd party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tender No.</th>
<th>Total of imported content &amp; foreign currency payments - (D12)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This total must correspond with Annex C - C38.
13. **Annexure E: Local Content Declaration (Supporting Annex C)**
### Annex E

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

<table>
<thead>
<tr>
<th>(E1) Tender No.</th>
<th>(E2) Tender description:</th>
<th>(E3) Designated products:</th>
<th>(E4) Tender Authority:</th>
<th>(E5) Tendering Entity name:</th>
</tr>
</thead>
</table>

Note: VAT to be excluded from all calculations

<table>
<thead>
<tr>
<th>Local Products (Goods, Services and Works)</th>
<th>Description of items purchased</th>
<th>Local suppliers</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(E6)</td>
<td>(E7)</td>
<td>(E8)</td>
<td></td>
</tr>
<tr>
<td>(E9) Total local products (Goods, Services and Works)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| (E10) Manpower costs (Tender's manpower cost) |
| (E11) Factory overheads (Rental, depreciation & amortisation, utility costs, consumables etc.) |
| (E12) Administration overheads and mark-up (Marketing, insurance, financing, interest etc.) |

(E13) Total local content
This total must correspond with Annex C - C2/4

Signature of tenderer from Annex B

Date: ____________________________
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

NATIONAL TREASURY DESIGNATED SECTORS INSTRUCTION NUMBER 8 OF 2016/2017

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR WORKING VESSELS (BOATS)

1. PURPOSE

1.1 The purpose of this Instruction is to:

1.1.1 Introduce amendments to the instruction for Working vessels (Boats) dated 11 August 2014 by amending all clauses that contained the deeming of imported primary steel as locally manufactured.

1.1.2 Regulate the environment within which Accounting Officers (AOs) and Accounting Authorities (AAs) may procure the aforementioned products which have been designated for local production and content.

2. BACKGROUND

2.1 The Preferential Procurement Regulations, 2011 (‘the Regulations’) made in terms of Section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on 7 December 2011 make provision for the Department of Trade and Industry (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 Working Vessels (Boats) for local production and content.

3. SECTOR DESIGNATION

3.1 The stipulated minimum threshold percentages for local production and content for working vessels (Boats) is 60% for all types.

3.2 To ensure that local production and content is discharged on manufacturing activities, the following components which have been designated must be included in bid invitations:

<table>
<thead>
<tr>
<th>Main Components</th>
<th>Sub-components</th>
<th>% of each component manufactured locally</th>
<th>Average LC in Main Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propellers</td>
<td>SART (Search and rescue transponder)</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Radar</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>*ECDIS (Electronic chart display information system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*ECS (Electronic chart system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*GPS (Global positioning system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*EPIRB (Emergency position indicating radio beacon)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*GMDSS (Global Maritime Distress and Safety System)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational equipment</td>
<td>Barometer</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Dividers</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Various flags</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Binoculars</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Night vision glasses</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Navigational charts and publications</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Main Components</td>
<td>Sub-components</td>
<td>% of each component manufactured locally</td>
<td>Average LC in Main Components</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
<td>----------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Thermometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anemometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inclinometer</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Navigational signal lights</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lamp</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pumps</td>
<td>30%</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Potentiometers</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printed circuit boards</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resistors</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacitors</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridge rectifiers</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DC voltage batteries</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic control</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Electrical 220-440v (Various cables ranging from low voltage DC to AC 440v cables of standard IP65 are used for connecting various consumables such as electrical motors to the electricity supply on-board a ship. Not all the cables can be sourced locally i.e. special cables such as fibre optic cables as well as intrigued cables used in the control of specialised systems)</td>
<td>30%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Air compressors</td>
<td>30%</td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Galley equipment</td>
<td>Stove - components manufactured locally</td>
<td>30%</td>
<td>55%</td>
</tr>
<tr>
<td>Main Components</td>
<td>Sub-components</td>
<td>% of each component manufactured locally</td>
<td>Average LC in Main Components</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>Fridge - components locally such as heat exchangers, evaporator coils etc.</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electrical components such as plugs and temperature control switch and door</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>seals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Galley extraction and ventilation systems</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dishwashers - of components manufactured locally</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work tops etc.</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deep fat fryer</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Griller</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lights</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Cabin outfitting</td>
<td></td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Specialist equipment, towing equipment etc.</td>
<td>Tow ropes</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mooring Ropes</td>
<td>70%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Hydraulic towing winch</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hydraulic Crane</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: asterisk represents non-designated sub-components*

3.3 In the designation, imported input raw materials such as Bulp Flats/ Holland Profile steel and Lloyds Grade A – 5mm or less used for fabrication of a working vessel (ship/boat) are deemed as locally manufactured input materials.

3.4 The competitive imported Bulp Flats/Holland Profile steel and Lloyds Grade A – 5 mm or less used in the manufacture of ships/boats will be deemed to have been sourced locally for the purposes of calculating local content. The Bulp Flats/Holland Profile Steel and Lloyds Grade A – 5mm or less should be imported in raw material form and further fabricated in South Africa.

3.5 Components such as main engines, generators, fuel purifiers and subcomponents of the navigational instruments (Electronic chart display information system, Electronic
chart system, Global positioning system, Emergency position indicating radio beacon, Global Maritime Distress and Safety System) are hereby fully exempted and thus importation of the aforementioned components and subcomponents should be granted with an intention to review the exemption after 5 years.

3.6 If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, bidders should obtain written exemption from the dti to supply the remaining portion at a lower local content threshold. The dti, in consultation with the procuring Organ of State, will grant exemption on a case-by-case basis and will consider the following:

- required volumes in the particular bid;
- available collective South African industry manufacturing capacity at that time;
- delivery times;
- availability of input materials and components;
- technical considerations including operating conditions; and
- materials

3.7 Bidders must clearly indicate in their bids the quantities of material and products to be supplied and the level of local content for each product.

3.8 Organs of State may contact the dti in instances where the stipulated minimum threshold for local content cannot be met in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

3.9 For further information, bidders and procuring state organs may contact the Industrial Policy Unit within the dti at telephone 012 394 1742/1374 or email Zukiswa Ncapayi: ZNcapayi@thedti.gov.za

3.10 Bid specifications for the sub-sectors referred to above may be done in collaboration with the dti.

3.11 Subject to market changes, National Treasury in consultation with the dti reserves the right to reintroduce deeming of primary steel as locally produced.

4. INVITATION OF BIDS FOR WORKING VESSELS (BOATS)

4.1 Bids in respect of Working Vessels (Boats) must contain a specific bidding condition that only locally produced or locally manufactured Working Vessels with a stipulated minimum threshold for local production and content will be considered.

4.2 AOAs must stipulate in bid invitations that:
4.2.1 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 the advertisement of the bid.

4.2.2 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:

\[ LC = (1 - \frac{x}{y}) \times 100 \]

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/AAAs 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/industrial_development/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/AAAs must stipulate in the bid documentation that:

4.6.1 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

4.6.2 the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.
5. **EVALUATION OF BIDS FOR WORKING VESSELS**

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**

(a) Bids must be evaluated in terms of the minimum threshold stipulated in the bid documents.

(b) 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.

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

(d) 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 above are submitted as part of the bid documentation.

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

(f) 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**

(a) Only bids that achieve the minimum stipulated threshold for local production and content may be evaluated further. Unless otherwise exempted by the Minister of Finance, the evaluation must be done in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations, 2011.

(b) AOs/AAAs must ensure that contracts for Working Vessels / components are awarded at prices that are market related taking into account, among others, benchmark prices, value for money and economies of scale.

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

5.2 **Benchmark / market related prices**
5.2.1 AOAs are required to ensure that reasonable or market related prices are secured for the Working Vessels / components being procured taking into account factors such as benchmark prices, value for money and economies of scale.

5.2.2 For this purpose, AOAs may approach the dti to assist, where possible, with benchmark prices for the different classes and components of working vessels 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.

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:

7.1.1 Notified of all the successful bidders and the value of the contracts; and

7.1.2 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 must be directed as follows:

The Department of Trade and Industry
Private Bag X84
Pretoria
0001
For Attention:

Dr. Tebogo Makube
Chief Director: Industrial Procurement
Tel: (012) 394 3927
Fax: (012) 394 4927
EMAIL: TMakube@thedti.gov.za

8.2.

9. APPLICABILITY

9.1 This Instruction 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 INSTRUCTIONS

10.1 Heads of Provincial Treasuries are requested to bring the contents of this Instruction 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 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 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 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 will be forwarded to the Auditor-General for notification.

12. REPEAL OF INSTRUCTION DATED 11 AUGUST 2014

This Instruction repeals instruction on invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for the Working vessels (Boats) sector dated 11 August 2014.
13. **AUTHORITY FOR THIS INSTRUCTION AND EFFECTIVE DATE**

13.1 The Minister of Finance has approved the issuance of this instruction in terms of regulation 9(2) of the Preferential Procurement Regulations, 2011.

13.2 This instruction takes effect on **27 July 2016**

KENNETH W BROWN
CHIEF PROCUREMENT OFFICER
DATE: 30/6/2016