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:

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

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) at 12:00 on the
date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is
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>Bolts(Steel)</td>
<td>100 %</td>
</tr>
<tr>
<td>Nuts(Steel)</td>
<td>100%</td>
</tr>
<tr>
<td>Screws(Steel)</td>
<td>100%</td>
</tr>
<tr>
<td>Poles Plastic</td>
<td>100%</td>
</tr>
<tr>
<td>Joints(Steel)</td>
<td>100%</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 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):

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

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

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

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

(b) I have satisfied myself that:

   (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and

(c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

<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 4.1 above and the information contained in Declaration D and E.

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

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017.
Local content requirements:

This bid contains local content. Only locally produced or locally manufactured Steel and Plastic products with a minimum threshold for local production and content will be considered. The Local Content threshold of 100% (One Hundred Percent) for Plastic products (Poles) and The Local Content threshold of 100% (One Hundred Percent) for Steel products will be required for items specified on SBD 6.2. The Declaration Certificate for local content SBD 6.2 together with all Local content Annexures Declaration must be completed, duly signed and submitted by the bidder at the closing date and time of the bid.

Bidders must submit a certificate from a registered auditor confirming that the local content declaration templates have been audited and certified as correct (Local content- Annexure B attached)

Only the South African Bureau of Standards (SABS) approved technical specification number 1286:2011 must be used for local content.

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)

in case of projects \( x \) and \( y \) value of steel products and components in the project

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 at 12:00 on the date of the advertisement of this bid.

SABS approved technical specification number SATS 1286:2011 and guidance on the local content calculation and together with Local Content Declaration, Annexure C, Annexure D (imported Content Declaration and E local content declaration (Supporting Schedule for Annexure C) are attached and are also accessible to all potential bidders on the dti's official website: http:www.thedti.gov.za/industrial development/ip.jsp at no cost.

The rate of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.
If the quantity of steel products and plastics and components for construction required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold stipulated in paragraph 3.3, bidders should obtain written exemption from the Department of Trade & Industry.

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

A person awarded a contract in relation to a designated sector, may not subcontract 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.