



Reference: RCS/C.6

TREASURY CIRCULAR NO. 6/2018

- THE PREMIER
- THE MINISTER OF ECONOMIC OPPORTUNITIES
- THE MINISTER OF COMMUNITY SAFETY
- THE MINISTER OF CULTURAL AFFAIRS AND SPORT
- THE MINISTER OF EDUCATION
- THE MINISTER OF FINANCE
- THE MINISTER OF HEALTH
- THE MINISTER OF HUMAN SETTLEMENTS
- THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
- THE MINISTER OF SOCIAL DEVELOPMENT
- THE MINISTER OF TRANSPORT AND PUBLIC WORKS
- THE SPEAKER: PROVINCIAL PARLIAMENT
- THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT
- THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER IH MEYER)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER A WINDE)
- THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER A WINDE)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
- THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER A WINDE)
- THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER D PLATO)
- THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
- THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)
- THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)
- THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
- THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
- THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
- THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
- THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
- THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
- THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
- THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
- THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
- THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
- THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)
- THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
- THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
- THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS U BRINK) (ACTING)
- THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
- THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
- THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
- THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
- THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
- THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUIS)
- THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV C SMITH)
- THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
- THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAM)
- THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
- THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)
- THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR T ARENDE)
- THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF G MANEVELDT)
- THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)

For information

THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (DR L COETZEE)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MR M JONES)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR D SOUTHGATE) (ACTING)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS V LETSWALO)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS U BRINK) (ACTING)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS N PALMER) (ACTING)
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR A DYAKALA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

NATIONAL TREASURY DESIGNATED SECTORS:

CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500 MM TO 350 MM (STEEL CONVEYANCE PIPES)

CIRCULAR NUMBER 3 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

CIRCULAR NUMBER 2 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR RAIL PERMANENT WAY SECTOR

1. PURPOSE

1.1 The purpose of this communique is to disseminate the attached National Treasury Circulars which aims to regulate the environment within which an accounting officer

or accounting authority procure in terms of the designated sectors as determined by the National Treasury.

1.2 The following Circulars are attached hereto marked:

- a) Annexure A - Circular number 4 of 2017/2018: invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for large bore spiral submerged arc welded steel conveyance pipes: 500 mm to 350 mm;
- b) Annexure B - Circular number 3 of 2017/2018: invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for pumps, medium voltage (mv) motors and associated accessories; and
- c) Annexure C - Circular number 2 of 2017/2018: invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for rail.

1.3 The Circulars are issued in terms of Regulation 8(1) of the Preferential Procurement Regulations, 2017.

2. TO NOTE

2.1 Departments should note that:

- a) Circular number 4 of 2017/2018 was signed off on 22 January 2018 with an effective date of 18 February 2018.
- b) Circular number 3 of 2017/2018 was signed off on 12 December 2017 with an effective date of 10 January 2018.
- c) Circular number 2 of 2017/2018 was signed off on 13 November 2017 with an effective date of 2 December 2017.
- d) It is noted that the time between issuance and the effective date was not sufficient for the Western Cape Government (WCG) to conclude an impact assessment on the requirements and subsequently determine the way forward for implementation. There was further no consultation process embarked upon by the National Treasury prior to the issuance of the circulars.
- e) Given the above-mentioned context, should institutions receive any audit related queries in respect of the implementation of the circulars, such queries must be responded to in consultation with the Provincial Treasury.

3. REPEAL AND REPLACE

- 3.1 "Annexure A" repeals and replaces the Instruction on the invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for steel conveyance pipes dated 30 June 2016 which became effective on 27 July 2016.
- 3.2 "Annexure D" An amended WCBD 6.2 (Annexure D) is attached which repeals and replaced the WCBD 6.2 issued via Treasury Circular 12 of 2017.

4. REQUEST

- 4.1 Accounting officers/accounting authorities are requested to:
- a) Utilise the annexed Circulars when implementing local production and content requirements;
 - b) ensure that the content of the Circulars are brought to the attention of all relevant officials within their institution and schedule 3A and 3C public entities reporting to their executive authorities; and
 - c) Any enquiries relating to this circular may be directed to:
SCM Helpdesk: SupplyChainManagement.HDPFMA@westerncape.gov.za


MS TASNEEM RAKIEP
ACTING DIRECTOR: PROVINCIAL GOVERNMENT: SUPPLY CHAIN MANAGEMENT
DATE: 12/03/2018



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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 CIRCULAR NUMBER 4 OF 2017/2018:
INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM
THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL
SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL
CONVEYANCE PIPES)**

1. PURPOSE

The purpose of this Circular is to provide information to accounting officers (AOs) and accounting authorities (AAs) in terms of which they may procure Steel Conveyance Pipes, which have been designated as a sector for local production and content.

2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2017 ("the regulations") issued in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) which came into effect on the of 1st April 2017, make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8(1) and 8(2) of the Preferential Procurement Regulations 2017 prescribe that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered
- 2.3 **the dti** has designated and determined the stipulated minimum threshold for large bore Steel Conveyance Pipes for local production and content.

3. SECTOR DESIGNATION

- 3.1 This Circular is applicable where an organ of state purchases directly from the manufacturer, in a case of turnkey projects (design, build, operate and/ or transfer) and

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL CONVEYANCE PIPES)

/or on purchases for maintenance and repairs where a contract is awarded for a project in which the designated products are part of the bill of quantities or materials to be utilized in the entire project.

- 3.2 A large bore spiral submerged arc welded steel conveyance pipe is a building material made from hot rolled steel sheets in coils which are basically an alloy of iron and carbon and are slit to the required width to suit the diameter of the required pipe. These slits are then submerged arc, spirally welded together to form the pipe. These pipes are widely used in the construction industry, and can also be found in a variety of manufacturing and industrial applications. These pipes are mainly used to convey liquids and gasses from one point to another and in the case of water supply; they convey the water from a bulk water supply such as dams to reservoirs. From reservoirs, the smaller electric resistance welded (ERW) pipes are used to transfer the water as municipal supply to commercial and residential buildings.
- 3.3 Pipe fittings or pipe specials refers to tees, bends, tapers, collars, flange adapters, blank flanges, expansion joints, mechanical joints, ring girders and similar accessories that are used as connections in a pipeline or tubing system that conveys liquid and/or solid materials. The work involves selecting and preparing pipe or tubing, joining it together by various means and the location and repair of leaks. Pipe fittings and specials are manufactured from a wide variety of materials including carbon steel, stainless steel, brass, copper, bronze and cast iron.
- 3.4 Flanges connect pipes, valves, pumps and other equipment to form a piping system. A flange can add support to a pipeline, close or block an existing pipeline, or they can be used for creating joints and attaching additional pieces to the system. Flange joints are made by bolting together two flanges with a *gasket* between them to provide a seal.
- 3.5 There is a distinction between bare, galvanized and lined and coated large bore spiral submerged arc welded steel conveyance pipe. The distinction similarly applies to pipe fittings and specials, excluding forged components.
 - 3.5.1. The bare large bore spiral submerged arc welded steel conveyance pipe as is implied by the name, has not been lined, coated or galvanized. It is thus more prone to corrosion (rusting) and abrasion (inside) of the pipe as well as cathodic erosion (outside) of the pipe by direct current (DC) underground;
 - 3.5.2. Galvanized large bore spiral submerged arc welded steel conveyance pipe is where the bare pipe is dipped in a hot zinc bath and both inside and outside surfaces are coated with zinc to avoid corrosion;
 - 3.5.3. Bare or galvanized pipes can be lined (inside) and coated (outside) steel pipes by applying protective coatings in the form of paints to protect them from corrosion. This pipe is typically used to convey water.
- 3.6 To ensure that local production and content is discharged on manufacturing activities, the following steel conveyance pipes must be included in bid invitations:

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL CONVEYANCE PIPES)

Manufacturing Process of Steel Conveyance Pipe	Size	% Local Content	Physical Properties
Spiral submerged arc welding	500mm - 3500mm	100%	Bare
Spiral submerged arc welding	500mm - 3500mm	100%	Galvanized
Spiral submerged arc welding	500mm - 3500mm	80%	Lined and coated
Spiral submerged arc welding	500mm - 3500mm	80%	Galvanized, lined and coated

Steel Pipe Fittings And Specials	Percentage Local Content
Bare	100%
Galvanized	100%
Lined and Coated	80%
Galvanized, Lined and Coated	80%
Forged fittings (Flanges)	100%

- 3.7 All primary steel products i.e. coils, sheets and plates used in the fabrication of steel conveyance pipes are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local steelmaking capacity.
- 3.8 In the designation, imported input raw materials (i.e. zinc ingots and additives for the galvanising processes) used in the fabrication of the large bore spiral submerged arc welded steel conveyance pipe are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 3.9 The imported input raw materials, as specified in 3.8, used in the manufacture and fabrication of steel conveyance pipes will be deemed to have been sourced locally for the purposes of calculating local content.
- 3.10 Organs of state and bidders 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.
- 3.11 For further information, bidders and procuring state organs may contact the Metals Fabrication, Capital and Rail Transport Equipment unit within **the dti** at telephone 012 394 1356/3138/3522 or email Thandi Phele: TPhele@thedti.gov.za
- 3.12 Bid specifications for the designated products in this circular may be done in collaboration with **the dti**.

4. INVITATION OF BIDS FOR SPIRAL SUBMERGED ARC WELDED CONVEYANCE PIPES (500MM TO 3 500MM)

4.1 Bids in respect of Steel Conveyance Pipes must contain a specific bidding condition that:

4.1.1. Only locally manufactured Steel Conveyance Pipes with the stipulated minimum threshold for local production and content will be considered;

4.1.2. If the quantity of large bore spiral submerged arc welded steel conveyance pipes required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold stipulated in paragraph 3.3 at any particular time, bidders and the procuring entities should obtain written approval from **the dti. the dti**, in consultation with the procuring organ of state, will grant approval on a case-by-case basis and will consider the following:

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

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

4.2 AOs/AAs 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) on the date of advertisement of the bid; and

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:

$$LC = \left[\frac{1 - x/y}{100} \right] * 100$$

Where

- x is the imported content in Rand
y is the bid price in Rand excluding value added tax (VAT)

(in the case of turnkey products/projects x and y will only refer to the value of spiral submerged arc welded conveyance pipes in the project)

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL CONVEYANCE PIPES)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB on the date of advertisement of the bid.

- 4.4 **AOs/AAs 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/industrialdevelopment/ip.jsp> at no cost.**
- 4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, 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) applies.
- 4.6 AOs/AAs must stipulate in the bid documentation that:
- (a) 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;
 - (b) the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.
- 4.7 **Market related prices**
- 4.7.1 AOs/AAs are required to ensure that reasonable or market related prices are secured for the large bore spiral submerged arc welded steel conveyance pipes being procured taking into account factors such as value for money and economies of scale.
- 4.8 Bid specifications for the sub-sectors referred to in paragraph 3 above may be done in collaboration with the dti. Contact information in this regard is provided in paragraph 8 below.
- 5. EVALUATION OF BIDS FOR STEEL CONVEYANCE PIPES**
- 5.1 An evaluation process in line with the Preferential Procurement Regulations, 2017 must be followed to evaluate the bids received.
- 6. EVALUATION OF BIDS BASED ON FUNCTIONALITY**
- 6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL CONVEYANCE PIPES)

prescripts contained in regulation 5 of the Preferential Procurement Regulations, 2017 and paragraph 6 of the Implementation Guide must be followed.

7. POST AWARD AND REPORTING REQUIREMENTS

7.1. Once bids are awarded, **the dti** must be:

- (i) notified of all the successful bidders and the estimated value of the contracts; and
- (ii) 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

9. APPLICABILITY

9.1 This circular 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.

NATIONAL TREASURY DESIGNATED SECTORS CIRCULAR NUMBER 4 OF 2017/2018: INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR LARGE BORE SPIRAL SUBMERGED ARC WELDED STEEL CONVEYANCE PIPES: 500MM TO 3500MM (STEEL CONVEYANCE PIPES)

10. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION NOTE

- 10.1 Heads of provincial treasuries are requested to bring the contents of this circular 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 circular 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 circular 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 circular 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 Circular will be forwarded to the Auditor-General for notification.

12. REPEAL OF INSTRUCTION DATED 30 JUNE 2016

This Circular repeals Instruction on invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for steel conveyance pipes dated 30 June 2016 and effective on 27 July 2016.

13. AUTHORITY FOR THIS INSTRUCTION NOTE AND EFFECTIVE DATE

- 13.1 This Circular is issued in terms of Regulation 8(1) and 8(2) of PPR, 2017 and takes effect on 18 February 2018



WILLIE MATHEBULA
ACTING CHIEF PROCUREMENT OFFICER
DATE: 22. 01. 2018



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 CIRCULAR NUMBER 3 OF 2017/2018:
INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM
THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM
VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES**

1. PURPOSE

- 1.1 The purpose of this circular is to provide information to accounting officers (AOs) and accounting authorities (AAs) in terms of which they may procure Pumps, Medium voltage (MV) motors and associated accessories that have been designated as a sector for local production and content.

2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2017 ("the regulations") issued in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) which came into effect on the 1 April 2017, make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8 (2) of the Preferential Procurement Regulations 2017 prescribes that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 2.3 **The dti** has designated and determined the stipulated minimum threshold for Pumps, Medium voltage (MV) motors and associated accessories for local production and content.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

3. SECTOR DESIGNATION

3.1 A **Pump** is a mechanical device used to raise or move liquids, compress gas or force air into inflatable objects such as tires. Pumps are commonly used in the power generation industry, petroleum refineries, mining industry, waste water industry, portable drinking water industry and other industries for different applications. Pumps are generally classified by the way they add energy to a fluid. Broadly speaking there are two types of pumps, namely centrifugal and positive displacement pumps.

A **Medium Voltage (MV) motor** is an electrical device which converts electrical energy into mechanical energy, with a power rating of between 185 kW and 20 000 kW and greater than 1000 volts. These devices are used to drive capital equipment such as pumps, compressors, fans, conveyor belts, mill etc. Capital equipment is operated in environments and industries such as: power generation, petrochemical, water reticulation, mining and general purpose processes. MV motors have a design life of 25 years, provided that it they efficiently used and serviced.

3.2 This Circular provides information about Pumps and MV motors, which are both designated. These two products in most cases are procured as a system and can be procured, repaired, overhauled or maintained individually. Therefore, the designation applies in both circumstances.

3.3 Table 1 and 2 provides the stipulated minimum threshold for local content and production for Pumps, MV motors and associated accessories. Pumps are categorised by type of pumps whilst MV motors are categorised by components and manufacturing processes.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

Table 1: Minimum Local Content Designated for Pumps

Category	Type of Pumps	% local content per unit	Minimum Pressure	Maximum Pressure	Sizes
End Suction Centrifugal	Single Stage End Suction Centrifugal Pumps	70%	1 bar	16 bar	DN25 -DN300
	Single Stage End Suction Centrifugal Solid Handling Pumps	70%	0,5 bar	16 bar	DN40 - DN400
Multistage Centrifugal	Multi Stage Centrifugal Pumps: medium - high	70%	10 bar	63 bar	DN32 - DN350
Horizontal split casing Pumps	Horizontal split casing Pumps	70%	1 bar	18 bar	DN80-DN300
Vertical Turbine Pumps	Vertical Turbine Pumps: Radial, Mixed, and Axial	70%	0.3 bar	40 bar	DN 100 - DN500
Positive Displacement	Positive displacement Pumps	70%	5 bar	45 bar	DN25-DN150
	Diaphragm Pumps	70%	2.5 bar	7 bar	DN25 -DN50
Self Priming Centrifugal Pumps	Single Stage End Suction Self-Priming Pumps	70%	0,3 bar	16 bar	DN25-DN150
Slurry Pumps	Vertical Cantilever Slurry Pumps	70%	1 bar	10 bar	DN40-DN300
	Single stage Slurry Pumps	70%	0,5 bar	50 bar	DN32-DN300
Vacuum Pumps	Liquid ring vacuum Pumps	70%	1.13 CFM	950 CFM	
Centrifugal Process Pumps	Vertical Spindle Centrifugal Process Pumps	70%	0.3 bar	40 bar	DN25-DN300
	Single Stage Centrifugal Process Pumps	70%	0.3 bar	40 bar	DN25-DN300
	Single Stage Centrifugal Chemical Pumps	70%	0.3 bar	25 bar	DN25 -DN300

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

Table 2: Minimum Local Content Designated on a Fully-Built Unit and components and manufacturing processes against which the overall Local Content must be discharged, per Medium voltage (MV) motor

Type of MV motor	Power rating	Components and manufacturing processes	% local content
Medium Voltage electric motor	185kW to 20 000kW and greater than 1 000 Volts	Casting or Frame Fabrication	100%
		Fabrication and winding of the Stator Core	100%
		Fabrication and winding of the Rotor Core	100%
		Accessories	100%
		Assembly and testing of the fully-built unit	100%
		Total Minimum Local Content (per unit)	70%

- 3.4 Each individual Pump and/or MV Motor, designated above, is subject to the minimum 70% local content threshold.
- 3.5 The averaging out of local content either across any number of Pumps and/or MV motors combinations, or locally made and imported Pumps, MV motors and other items, is not allowable.
- 3.6 the minimum of 70% local content in the case of each individual Pump must be made up of the following:
- 3.6.1. a combination of the use of locally produced and certified castings, forgings and/or fabrication, and
 - 3.6.2. verifiable manufacturing activities that shall include as a minimum: machining; drilling; application of wear coatings and lining; painting; assembly and testing with a full material traceability.
- 3.7 All Pumps and MV motors manufacturers may have to adhere, *inter alia*, to appropriate and reasonable safety, quality, manufacturing processing standards and accreditation as required by the procuring entities at the time of the procurement based on the required application.
- 3.8 The following primary input materials and components used in the manufacture of Pumps, MV motors and associated accessories are exempted upfront in this designation.
- 3.8.1 Pumps:
 - (a) Ball and Roller bearings
 - (b) Rubber for lining pumps
 - (c) Mechanical seals

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

(d) Steel billets and/or bars used in the fabrication of the shafts

3.8.2 MV Motors:

- (a) Anti-friction bearings
- (b) Electrical steel
- (c) Special copper alloys, insulation material and resin

3.9 The designated local content thresholds stipulated in Table 1 and 2 under paragraph 3.3 (on the components/manufacturing processes and on the overall in case of MV motors) apply to new purchases, refurbishments, replacements and general overhauls.

4. INVITATION OF BIDS FOR PUMPS, MV MOTORS AND ASSOCIATED ACCESSORIES

4.1 Bids in respect of Pumps and MV motors as stipulated in table 1 and 2 above must contain a specific bidding condition which states that:

4.1.1. Only locally manufactured Pumps and MV motors with a stipulated minimum threshold for local production and content (in paragraph 3.3) will be considered.

4.1.2. If a certain type and/or a number of Pumps and MV motors for any transaction required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold, both on the overall and at the components levels, stipulated in paragraph 3.3 at any particular time of procurement or order placement, bidders and/or the procuring entities should obtain written approval from **the dti** to supply the remaining portion at a lower local content threshold. Such approval requests must be submitted and approval be obtained prior to the closure of the bid(s) concerned. **the dti**, in consultation with the SA industry and procuring organ of state, may grant such approval on a case-by-case basis and will consider the following:

- (a) required volumes in the particular bid;
- (b) available collective SA industry manufacturing capacity at that time;
- (c) delivery times;
- (d) availability of input materials and components;
- (e) technical considerations including operating conditions and technical compliance protocol;
- (f) quality and reliability;
- (g) materials of construction;
- (h) security of supply and emergencies;
- (i) localisation plans aimed at establishing and/or increasing local manufacturing capacity through ramping-up of capital investments in the initial phases;
- (j) replacements of components on the existing fleet (i.e. Pumps and MV motors procured prior to the implementation of this Practice Note) in order to honour the warranties and guarantees.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

- 4.1.3. Bidders must clearly indicate in their bids the quantities of Pumps, MV motors and associated accessories to be supplied and the level of local content for each product.
- 4.1.4. 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.
- 4.1.5. For further information, bidders and procuring state organs may contact the Metals Fabrication, Capital and Rail Transport Equipment unit within **the dti** at telephone 012 394 1356/5868/5577 or email Thandi Phele at tphele@thedti.gov.za.

4.2 AOs/AAs 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) on the date of advertisement of the bid; and
- 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:

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

Where

x is the imported content in Rand

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

(in the case of turnkey products/projects x and y will only refer to the value of Pumps, Medium Voltage (MV) motor and associated accessories in the project)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB on the date of advertisement of the bid.

4.4 **AOs/AAs 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/industrialdevelopment/ip.jsp> at no cost.**

4.5 For the purpose of paragraphs 4.1, 4.2 and 4.3 above, 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

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

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) applies.

4.6 AOs/AAs must stipulate in the bid documentation that:

(a) 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;

(b) the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.

4.7. Bid specifications for the sub-sectors referred to in paragraph 3 above may be done in collaboration with **the dti**. Contact information in this regard is provided in paragraph 8 below.

5. EVALUATION OF BIDS FOR PUMPS, MEDIUM VOLTAGE (MV) MOTOR AND ASSOCIATED ACCESSORIES

5.1 An evaluation process in line with Preferential Procurement Regulations, 2017 must be followed.

6. EVALUATION OF BIDS BASED ON FUNCTIONALITY

6.1 Whenever it is deemed necessary to evaluate bids on the basis of functionality, the provisions contained in the regulations and paragraph 6 of the Implementation Guide must be followed.

7. POST AWARD AND REPORTING REQUIREMENTS

7.1. Once bids are awarded, **the dti** must be:

- (i) notified of all the successful bidders and the estimated value of the contracts; and
- (ii) 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 may 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 minimum threshold as stipulated in regulation 8 of the Preferential Procurement Regulations, 2017.

INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

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

9. APPLICABILITY

9.1 This circular 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 applies.

10. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

10.1 Heads of provincial treasuries are requested to bring the contents of this circular 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 circular 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 circular 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 circular to the attention of the supply chain management officials of their public entities.

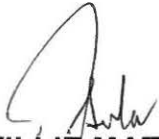
INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR PUMPS, MEDIUM VOLTAGE (MV) MOTORS AND ASSOCIATED ACCESSORIES

11. NOTIFICATION TO THE AUDITOR-GENERAL

11.1 A copy of this Circular will be forwarded to the Auditor-General for notification.

12. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE

12.1 This circular is issued in terms of regulation 8(3) of the Preferential Procurement Regulations, 2017 and takes effect on 10 January 2018



WILLIE MATHEBULA

ACTING CHIEF PROCUREMENT OFFICER

DATE: 12.12.2017



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 CIRCULAR NUMBER 2 OF 2017/2018:
INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM
THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR RAIL PERMANENT WAY
SECTOR**

1. PURPOSE

- 1.1 The purpose of this circular is to regulate the environment within which accounting officers (AOs) and accounting authorities (AAs) may procure Rail Permanent Way Sector which have been designated as a sector for local production and content.

2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2017 ('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 01 April 2017 make provision for the Department of Trade and Industry (**the dti**) to designate sectors in line with national development and industrial policies for local production.
- 2.2 Regulation 8(1) and 8(2) of the Preferential Procurement Regulations 2017 prescribe that in the case of a designated sector, an organ of state must advertise the invitation to tender with a specific condition that only locally produced services or goods 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 Rail Permanent Way sector for local production and content.

3. SECTOR DESIGNATION

- 3.1 A permanent way is the structure consisting of the rails, fasteners, railroad ties (sleepers) and ballast or slab track, plus the underlying subgrade. It enables trains to move by providing a dependable surface for their wheels to roll.
- 3.2 In this circular, the Rail Permanent Way sector system/subsystem and components have been recommended for designation.
- 3.3 Rail permanent way sector system/subsystem and components refers to:
- 3.3.1 **Rails** which are widely used in the making of rail tracks and consist of two parallel steel tracks and lies steadily on the railway sleepers. These will also include rail joints.
- 3.3.2 **Ballasts** refer to gravel or coarse stone used to form the bed of a railway track.
- 3.3.3 **Ballastless track** consists of steel rail resting on concrete supports via rubberised cork absorption pads with galvanised steel tie beams which wrap around the concrete members rather than being cast into the concrete as with other ladder tracks.
- 3.3.4 **Turnouts, crossings and accessories** comprise of mechanical installations enabling railway plays an important role is as afar as safety is concerned, it allows the train to switch from one track to another. This will also include frogs and blades.
- 3.3.5 **Railway sleepers** support and restrain the rails. They transfer and spread the vertical load from the bottom of the rail to the ballast. Sleepers can be made of steel, concrete or wood, plastics or other materials.
- 3.3.6 **Rail fastening system and accessories** is used to fix rails to railway sleeper or railroad ties, which is usually comprised of rail anchors, rail tie plates, fishplate, chairs, fasteners, spikes, track bolt, nut and bolt, oval neck, diamond neck, button-head, cast iron shoulders, pressed mild steel shoulders, elastic clips, gage tie bar, check rail, screw & track spike, etc.
- 3.3.7 **Maintenance of way plant & equipment** includes railway track maintenance and construction machines for 1067mm and 1435mm gauge, both rail-bound and road rail. These include track maintenance equipment (i.e. sleeper, rail drilling, rail grinding, ballast tamping, ballast screener, ballast regulator and drain cleaning machines) as well as conditioning monitoring machinery, track safety equipment and track lubricators, cranes and material handlers.

3.4 Table 1 indicates the stipulated minimum local content rail permanent sector

Table1: Rail Permanent Sector

System/ Sub-systems and Component	Local content threshold
Rail Permanent Way sector	90%

3.5 Table 2 provides the stipulated minimum threshold for local content for Rail Permanent Way Sector. To ensure that the minimum local content designated is applied on manufacturing activities, the following system/subsystem and components which have been designated must also be included in bid invitations of bids for CAPEX & OPEX:

Table 2: Rail Permanent Way Sector system/subsystem and components

No	System/ Sub-systems and Components	Local content threshold
1.	Rails and rail joints	100%
2.	Ballasts	100%
3.	Ballastless	100%
4.	Turnouts /switches and crossings	100%
5.	Railway sleepers	100%
6.	Rail fastening and accessories	100%
7.	Railway maintenance of way plant & equipment	70%
8.	Assembly and testing of fully built units	100%

3.6 All primary steel related products: flat products (plates, coils and seamless tubes) and long products (rounds, forged, angles, sections and wire related products) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local steelmaking capacity.

3.7 All castings and forgings related products made of ductile iron; aluminium; stainless steel; and mild steel, relating to the assembly and manufacture of Rail permanent way sector (system/subsystem and components as indicated in paragraph 3.2 to 3.5) are included in this designation and must be manufactured and sourced locally. This is to support and sustain the existing local foundry industry and the creation of additional castings and forging capabilities.

- 3.8 In this designation, imported input raw materials (i.e. concrete products additives, steel products additives, coke - refractories, raw copper rod, paper and boards for insulation; aluminum billets and rod; ceramics, porcelain, reinforced fibre glass, polymers (i.e Hytrel) and epoxy resins are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 3.9 The imported input raw materials and finished components indicated in 3.8 used for the assembly and manufacture of Rail Permanent Way Sector will be deemed to have been sourced locally for the purposes of calculating local content.
- 3.10 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.
- 3.11 For further information, bidders and procuring state organs may contact the Metal Fabrication, Capital and Transport Equipment Unit within **the dti** at telephone 012 394 1356/3138/3522 or email Thandi Phele: TPhele@thedti.gov.za

4. INVITATION OF BIDS FOR RAIL PERMANENT WAY SECTOR

- 4.1 Bids in respect of Rail Permanent Way Sector must contain a specific bidding condition that:
- 4.1.1. Only locally produced or locally manufactured Rail Permanent Way Sector with a stipulated minimum threshold for local production and content will be considered.
- 4.1.2. If the quantity of materials and/or products required cannot be wholly sourced from South African (SA) based manufacturers and/or at the designated local content threshold stipulated in paragraph 3.4 and 3.5 at any particular time, bidders and the procuring entity should obtain written approval from **the dti** to supply the remaining portion at a lower local content threshold. Such approval requests should be submitted and approvals should be obtained prior to the closure of the bid(s) concerned. **the dti**, in consultation with the procuring organ of state and the local industry, may grant such approval on a case-by-case basis and will consider the following:
- required volumes in the particular bid;
 - available collective SA industry manufacturing capacity at that time;
 - delivery times;
 - security of supply;
 - availability of input materials, key components; and
 - technical considerations including operating conditions.
- 4.2 AOs/AAs 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) on the date of advertisement of the bid; and

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:

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

Where

x is the imported content in Rand

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

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the SARB on the date of advertisement of the bid.

4.4 AOs/AAs 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) applies.

4.6 AOs/AAs must stipulate in the bid documentation that:

(a) The Declaration Certificate for Local Production and Content (SBD / MBD 6.2) together with **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

(b) The rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy.

4.7 Market related prices:

4.7.1 AOs/AAs are required to ensure that reasonable or market related prices are secured for Rail Permanent Way being procured taking into account factors such as value for money and economies of scale.

4.8. Bid specifications for the sector referred in paragraph 3 above may be done in collaboration with **the dti**. Contact information in this regard is provided in paragraph 8 below.

5. EVALUATION OF BIDS FOR RAIL PERMANENT WAY SECTOR

- 5.1 An evaluation process in line with Preferential Procurement Regulations, 2017 must be followed.

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 5 of the PPR of 2017 and paragraphs 6 of the Implementation Guide must be followed.

7. POST AWARD AND REPORTING REQUIREMENTS

- 7.1. Once bids are awarded, **the dti** must be:
- (i) Notified of all the successful bidders and the value of the contracts; and
 - (ii) 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** in respect of paragraph 7.1 above 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

9. APPLICABILITY

9.1 This circular 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 applies.

10. DISSEMINATION OF INFORMATION CONTAINED IN THIS CIRCULAR

10.1 Heads of provincial treasuries are requested to bring the contents of this circular 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 circular 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 circular 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 circular 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 Circular will be forwarded to the Auditor-General for notification.

12. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE

12.1 This circular is issued in terms of Regulation 8(1) and 8(2) of PPR, 2017 and takes effect on 2 December 2017.



WILLIE MATHEBULA
ACTING CHIEF PROCUREMENT OFFICER

DATE: 12-11-2017

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

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

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

- x is the imported content in Rand
y is the bid price in Rand excluding value added tax (VAT)

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

The SABS approved technical specification number SATS 1286:2011 is accessible on http://www.thedti.gov.za/industrial_development/ip.jsp at no cost.

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;
2. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

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

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

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

- 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):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

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

IN RESPECT OF BID NO.

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

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.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:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.
The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 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: _____

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

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

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

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

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

Where

- x is the imported content in Rand
y is the bid price in Rand excluding value added tax (VAT)

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

The SABS approved technical specification number SATS 1286:2011 is accessible on <http://www.thedti.gov.za/industrial-development/ip.jsp> at no cost.

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

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

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

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

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

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):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

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

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

<p>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)</p> <p>IN RESPECT OF BID NO.</p> <p>ISSUED BY: (Procurement Authority / Name of Institution):</p>

NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thedti.gov.za/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:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 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: _____