



# LOCALCONTENT

## LOCAL CONTENT VERIFICATION PROCESS

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GM: LOCAL CONTENT  
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- 2. SABS TRAINING**
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## SYSTEM CERTIFICATION – MANAGEMENT SYSTEMS

- ISO 9001  
QUALITY MANAGEMENT SYSTEMS
- ISO 14001  
ENVIRONMENTAL
- OHSAS 18001  
OCCUPATIONAL HEALTH AND SAFETY
- ISO 22001  
FOOD SAFETY
- HACCP  
FOOD HYGIENE
- ISO TS 16949  
AUTOMOTIVE
- ISO 27001  
INFORMATION SECURITY
- SANS 16001  
HIV/AIDS
- ISO 13485  
MEDICAL DEVICES



## PRODUCT CERTIFICATION – SABS MARK SCHEME



- CERTIFICATION OF A PRODUCT IS A MEANS OF PROVIDING ASSURANCE THAT IT COMPLIES WITH SPECIFIED STANDARDS
- OUR SABS MARK SCHEME IS A HIGHLY RECOGNIZABLE SYMBOL OF CREDIBILITY AND A POWERFUL MARKETING TOOL
- THE USE OF THE SABS MARK ON A PRODUCT STRENGTHENS POINT-OF-SALE IMPACT AND GIVES IT GREATER PRESTIGE IN THE MARKET PLACE
- SYNONYMOUS WITH QUALITY, RELIABILITY AND DEPENDABILITY



## SABS LABORATORIES FOR PRODUCT CERTIFICATION

LABORATORY	LABORATORY SERVICES
<b>Materials and Mechanical</b>	Building construction, Fibres & Polymers, Fluid & Technology, Mechanical & Packaging
<b>Food and Health</b>	Food chemistry, Pesticide chemistry, Pharmaceutical chemistry, Food microbiology, Radiation, Condom lab, Water analysis
<b>Electro Technical</b>	Electronics, Appliances, Lightning, Explosion prevention, National Electrical Test Facility
<b>Automotive and Transportation</b>	Vehicle components, vehicle systems, emissions and noise, battery testing
<b>Chemical</b>	Industrial chemistry and petroleum, Rubber and plastics, Paints and sealants
<b>Mining and Minerals</b>	Coal analysis, Iron ore, Petrography, Minerals laboratory





## SABS TRAINING SERVICES

### PROVIDES TRAINING IN:



- QUALITY MANAGEMENT ISO 9001 SERIES
- ENVIRONMENTAL MANAGEMENT ISO 14001 SERIES



- OHSAS 18001 SERIES
- HACCP SANS 10330 SERIES



- INFORMATION SECURITY MANAGEMENT SYSTEM ISO 27001 SERIES
- LOCAL CONTENT VERIFICATION (PUBLIC PROCUREMENT OFFICER REQUIREMENTS)



## LOCAL CONTENT VERIFICATION AGENCY

- AMENDMENTS TO THE PPPFA – LOCAL CONTENT REQUIREMENTS
- SABS APPOINTED LOCAL CONTENT VERIFICATION AGENCY BY *the dti* IN SEPTEMBER 2012
- PROVIDE TRAINING OF LOCAL CONTENT REQUIREMENTS – PROVINCIAL SUPPLY CHAIN, AGENCIES AND MUNICIPALITIES
- ASSIST SUPPLY CHAIN WITH ENSURING ADHERENCE TO MINIMUM NATIONAL STANDARDS AND SPECIFICATIONS IN THE DRAFTING OF TENDER SPECIFICATIONS - QUALITY PRODUCTS



## LCV - DESIGNATED SECTORS

INDUSTRY/SECTOR/SUB-SECTOR	MINIMUM THRESHOLD FOR LOCAL CONTENT
TEXTILE, CLOTHING, LEATHER AND FOOTWEAR	100%
SCHOOL FURNITURE	100%
OFFICE FURNITURE	80%
CANNED / PROCESSED VEGETABLES	80%
PHARMACEUTICAL PRODUCTS	73%
BUSES (BUS BODY)	80%
POWER PYLONS	100%
ROLLING STOCK	65%
POWER CABLES	80%
SET-TOP BOXES FOR TV DIGITAL MIGRATION	30%





## **LOCAL CONTENT VERIFICATION PROCESS FLOW**

- **INFORMATION FORWARDED TO SABS**
- **QUOTATION PROCESS – SCOPING OF WORK**
- **VERIFICATION AUDIT PROCESS**
- **APPROVAL BOARD – VERIFICATION DECISION**
- **CERTIFICATE CREATION**
- **DATA BASE ENTRY AND MAINTENANCE**



## LOCAL CONTENT VERIFICATION PROCESS FLOW

- INFORMATION, SBD OR MBD 6.2 DOCUMENTATION FORWARDED TO SABS
- WINNING BID INFORMATION CAN BE ROUTED TO SABS VIA: DROP BOX ON *the dti* WEBSITE



## LOCAL CONTENT VERIFICATION PROCESS FLOW

- **SCOPING OF THE VERIFICATION PROCESS SABS, *the dti* AND STATE OWNED ORGANISATION**
- **QUOTATION FORWARDED TO WINNING BIDDER**



## **LOCAL CONTENT VERIFICATION PROCESS FLOW**

- **AUDIT IS PLANNED AS PER THE ORGANIZATION SCHEDULE AT LEAST THREE WEEKS IN ADVANCE**
- **VERIFICATION AUDIT PROCESS FOR INITIAL TENDER AND SURVEILLANCE**



## LOCAL CONTENT VERIFICATION PROCESS FLOW

- VERIFICATION AUDIT CONDUCTED IN TWO PARTS:
  - ✓ VERIFICATION OF THE DOCUMENTATION TO ENSURE LOCAL CONTENT IS AS PER THE DESIGNATED REQUIREMENT.
  - ✓ FACTORY SHOP FLOOR TECHNICAL VERIFICATION OF THE LOCAL CONTENT AS DESCRIBED IN THE DOCUMENTATION VERIFIED ABOVE
- THE AUDIT WILL CONSIST OF AT LEAST TWO TIERS AT THE FINAL ASSEMBLY LEVEL AND SUB-ASSEMBLY LEVEL DEPENDING ON THE DISCUSSIONS WITH *the dti* OR RELEVANT STATE ORGANISATION.



## **LOCAL CONTENT VERIFICATION PROCESS FLOW**

- **AUDIT TEAM PREPARES AUDIT REPORT**
- **AUDIT REPORT WILL CONTAIN**
  - ✓ **AUDIT TRAIL OF INFORMATION & DOCUMENTATION VERIFIED**
  - ✓ **CONCLUSION WITH RESPECT TO THE VERIFICATION PROCESS AGAINST THE DESIGNATED SECTOR**



## **LOCAL CONTENT VERIFICATION PROCESS FLOW**

### **APPROVALS :**

- **AUDIT REPORT AND CONCLUSION FORWARDED TO THE RELEVANT MANAGER**
- **MANAGER WILL VERIFY AUDIT DOCUMENTATION AND ROUTE DOCUMENTATION TO APPROVALS BOARD**
- **APPROVALS BOARD WILL AGAIN VERIFY ALL AUDIT INFORMATION**
- **APPROVAL BOARD WILL MAKE A VERIFICATION DECISION**



## LOCAL CONTENT VERIFICATION PROCESS FLOW

### CERTIFICATE:

- APPROVAL BOARD WILL MINUTE THE DECISION OF APPROVAL OF EITHER COMPLIANCE OR NON-CONFORMANCE AS DEPICTED IN THE REPORT AGAINST THE DESIGNATED SECTOR.
- IF ORGANIZATION IS IN COMPLIANCE - CERTIFICATE IS CREATED AND ROUTED TO THE ORGANIZATION
- IF ORGANIZATION IS IN NON-COMPLIANCE - A NON-CONFORMANCE REPORT WILL BE ROUTED TO THE ORGANIZATION, *the dti* & ORGANISATION OF STATE





## **LOCAL CONTENT VERIFICATION PROCESS FLOW**

### **DATABASE ENTRY:**

- **APPROVAL BOARD MINUTES AND CERTIFICATE WILL TRIGGER THE DATABASE ENTRY**
- **DATABASE WILL CONTAIN ALL THE RELEVANT INFORMATION AS PER THE CERTIFICATE**
- **ON LINE ACCESS FOR ALL ORGANS OF STATE**
- **ONCE THE CERTIFICATE HAS EXPIRED – DATABASE INFORMATION IS UPDATED ACCORDINGLY**



## Annex C

### Local Content Declaration - Summary Schedule

(C1) **Tender No.** GP 00111  
 (C2) **Tender description:** 30 and 60 Seater commuter buses  
 (C3) **Designated product(s)** Buses  
 (C4) **Tender Authority:** Gauteng Purchasing Department  
 (C5) **Tendering Entity name:** Unibody Bus Builders (Pty) Ltd  
 (C6) **Tender Exchange Rate:** Pula  EU  GBP   
 (C7) **Specified local content %**

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

#### Calculation of local content

Tender item no's	List of items	Tender price - each (excl VAT)	Exempted imported value per unit	Tender value net of exempted imported content	Imported value	Local value	Local content % (per item)
				(C10-C11)		(C12-C13)	C14/C15
(C8)	(C9)	(C10)	(C11)	(C12)	(C13)	(C14)	(C15)
GP 00010	30 Seater commuter bus	R 250 000	R 96 000	R 154 000	R 25 000	R 129 000	84%
GP 00011	60 Seater commuter bus	R 400 000	R 180 000	R 220 000	R 31 000	R 189 000	86%

#### Tender summary

Tender Qty	Total tender value	Total exempted imported content	Total Imported content
	(C10xC16)	Annex D D18	Annex D
(C16)	(C17)	(C18)	(C19)
400	R 100 000 000	R 38 400 000	R 10 000 000
200	R 80 000 000	R 36 000 000	R 6 200 000

(C20) Total tender value R 180 000 000

(C21) Total Exempt imported content R 74 400 000

(C22) Total Tender value net of exempt imported content (C20-C21) R 105 600 000

(C23) Total Imported content R 16 200 000

(C24) Total local content (C22-C23) R 89 400 000

(C25) Average local content % of tender (C24/C22) 84.66%

Signature of tenderer from Annex B

e:



Annex E

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

(E1)	<b>Tender No.</b>	GP 00111
(E2)	<b>Tender description:</b>	30 and 60 Seater commuter buses
(E3)	<b>Designated products:</b>	Buses
(E4)	<b>Tender Authority:</b>	Gauteng Purchasing Department
(E5)	<b>Tendering Entity name:</b>	Unibody Bus Builders (Pty) Ltd

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

Local Products (Goods, Services and Works)	Description of items purchased	Local suppliers	Value
	(E6)	(E7)	(E8)
	Sheet Steel	Arcelor	R 34 000 000
	Fabric for seats	Galvenor Textiles	R 7 750 000
	Fabric for headlinings	Galvenor Textiles	R 1 250 000
	Welding consumables	ABR Supplies	R 250 000
	Tyres and wheels	Dunlop	R 1 000 000
	Hardware items (nuts, bolts, rivets, etc)	Various Local Suppliers	R 500 000
	Laser cutting services	Red Hot Cutting	R 245 000
	Other goods and services (small items)	Various	R 5 000

**(E9) Total local products (Goods, Services and Works)** R 45 000 000 50%

**(E10) Manpower costs** ( Tenderer's manpower cost) R 20 000 000 22%

**(E11) Factory overheads** (Rental, depreciation & amortisation, utility costs, consumables etc.) R 15 000 000 17%

**(E12) Administration overheads and mark-up** (Marketing, insurance, financing, interest etc.) R 9 400 000 11%

**(E13) Total local content** R 89 400 000 100%

This total must correspond with Annex C - C24



## Annex D

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

(D1) Tender No.	GP 00111
(D2) Tender description:	30 and 60 Seater commuter buses
(D3) Designated Products:	Buses
(D4) Tendering Authority:	Gauteng Purchasing Department
(D5) Tendering Entity name:	Unibody Bus Builders (Pty) Ltd
(D6) Tender Exchange Rate:	USD R 7.00

Note: VAT to be excluded from all calculations

EU R 9.00 GBP R 12.00

#### B. Imported directly by the Tenderer

Tender Item no's	Description of imported content	Unit of measure	Overseas Supplier	Calculation of imported content						Summary	
				Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Total imported value
(D20)	(D21)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(D30)	(D31)
GP 00010	Instrumentation	Each	Gearmax USA	\$2 000	R 7.00	R 14 000	R 1 500	R 750	R 16 250	400	R 6 500 000
GP 00010	Air conditioner	Each	Benteler Ger	€ 500	R 9.00	R 4 500	R 1 000	R 500	R 6 000	400	R 2 400 000
GP 00011	Instrumentation	Each	Gearmax USA	\$3 100	R 7.00	R 21 700	R 1 750	R 800	R 24 250	200	R 4 850 000
GP 00011	Air conditioner	Each	Benteler Ger	€ 550	R 9.00	R 4 950	R 1 250	R 600	R 6 800	200	R 1 360 000
(D32) Total imported value by tenderer											R 15 110 000

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

Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Calculation of imported content						Summary	
				Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)
Sheet steel	tonne	Arcelor SA	Arcelor Belgium	€ 500	R 9.00	R 4 500	R 250	R 50	R 4 800	100	R 480 000
Hinges	each	Ramsay SA	Hingus GB	£5.00	R 12.00	R 60	R 10	R 5	R 75	1 200	R 90 000
Steel tubing	tonne	Mac Steel	TTC - UK	£500	R 12.00	R 6 000	R 300	R 45	R 6 345	4	R 25 380
Other - nuts and bolts	each	Mac Steel	TTC - UK	value too small to itemise							R 1 620
(D45) Total imported value by 3rd party											R 597 000

#### D. Other foreign currency payments

Type of payment	Local supplier making the payment	Overseas beneficiary	Calculation of foreign currency payments		Summary of payments	
			Foreign currency value paid	Tender Rate of Exchange	Local value of payments	
(D46)	(D47)	(D48)	(D49)	(D50)	(D49xD50)	(D51)
Royalty payment for use of patent	Unibody	Oban USA	\$10 000	R 7.00		R 70 000
Annual licence fees - pro-rated	Unibody	MB - Germany	€ 35 000	R 9.00		R 315 000
Engineering support	MBSA	MB - Germany	€ 12 000	R 9.00		R 108 000
(D52) Total of foreign currency payments declared by tenderer and/or 3rd party						R 493 000

Signature of tenderer from Annex B

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above R 16 200 000

Date: \_\_\_\_\_

This total must correspond with Annex C - C 23



Annex D

Imported Content Declaration - Supporting Schedule to Annex C

(D1)	Tender No.											
(D2)	Tender description:											
(D3)	Designated Products:											
(D4)	Tender Authority:											
(D5)	Tendering Entity name:											
(D6)	Tender Exchange Rate:	Pula		EU	R 9.00	GBP	R 12.00					

Note: VAT to be excluded from all calculations

A. Exempted imported content

Calculation of imported content

Summary

Tender item no's	Description of imported content	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Exchange Rate	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Tender Qty	Exempted imported value
(D7)	(D8)	(D9)	(D10)	(D11)	(D12)	(D13)	(D14)	(D15)	(D16)	(D17)	(D18)

(D19) Total exempt imported value R 0

This total must correspond with Annex C - C 21



**B. Imported directly by the Tenderer**

				Calculation of imported content						Summary	
Tender item no's	Description of imported content	Unit of measure	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excel VAT	Tender Qty	Total imported value
(D20)	(D21)	(D22)	(D23)	(D24)	(D25)	(D26)	(D27)	(D28)	(D29)	(D30)	(D31)
										(D32)Total imported value by tenderer	R 0



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

C. Imported by a 3rd party and supplied to the Tenderer				Calculation of imported content						Summary	
Description of imported content	Unit of measure	Local supplier	Overseas Supplier	Foreign currency value as per Commercial Invoice	Tender Rate of Exchange	Local value of imports	Freight costs to port of entry	All locally incurred landing costs & duties	Total landed cost excl VAT	Quantity imported	Total imported value
(D33)	(D34)	(D35)	(D36)	(D37)	(D38)	(D39)	(D40)	(D41)	(D42)	(D43)	(D44)

(D45) Total imported value by 3rd party R 0



**D. Other foreign currency payments**

**Calculation of foreign currency payments**

Type of payment	Local supplier making the payment	Overseas beneficiary	Foreign currency value paid	Tender Rate of Exchange
(D46)	(D47)	(D48)	(D49)	(D50)

**Summary of payments**

**Local value of payments**

(D51)

(D52) Total of foreign currency payments declared by tenderer and/or 3rd party

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

R 0

This total must correspond with Annex C - C 23

Signature of tenderer from Annex B

Date: \_\_\_\_\_







# LOCALCONTENT

**THANK YOU**

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