



RFB Ref. No:	USAF-IDTV/02/2020
Description	APPOINTMENT OF A PANEL OF SOUTH AFRICAN REGISTERED SUPPLIERS TO SUPPLY OR SUPPLY AND INSTALL LOCALLY PRODUCED 32 INCH INTEGRATED DIGITAL TELEVISIONS (IDTV'S) ON A VOUCHER SYSTEM TO BENEFICIARIES.
Bidding Instructions	<p>Bids received after the closing time and date will not be accepted for consideration. Bids should be in a sealed envelope or box clearly marked with the above bidding company, bid number, bid description and addressed to USAASA SCM Office.</p> <p>The bidder must submit the Pricing Proposal and Technical Proposal in two separate sealed envelopes, where one must be labelled TECHNICAL PROPOSAL and the other labelled PRICING PROPOSAL (SDB 1 AND SDB3.1 MUST BE IN PLACED THE PRICING PROPOSAL ENVELOPE).</p> <p>The bidder must submit one (1) original Technical Proposal and five (5) copies. The bidder must submit one (1) original Pricing Proposal and five (5) copies. The bidders must submit one (1) original Localisation Strategy and five (5) copies. The bidder must submit one (1) USB containing all the above bid proposals and related bidding documents.</p>
Non-Compulsory Online Briefing Session	Bidders are requested to send written questions to USAASA from 15 June 2020 to 26 June 2020 via email. USAASA will respond to the questions and place responses on its website anytime from 18 June 2020 to 30 June 2020. A link will be published on the USAASA website with responses to questions on 18 June 2020. ALL TECHNICAL QUESTIONS MUST ONLY BE EMAILED TO IDTV@USAASA.ORG.ZA
Closing time and date for bid submission and venue	11h00 (Telkom Time) on the 02 July 2020.at USAASA Head Office, Building 01, Thornhill Office Park, 94 Bekker Road, Vorna Valley, Midrand.
No Public Opening of RFB Responses	Bidders will not be invited to observe the closure of the bid due to COVID 19 safety requirements.
RFB Validity Period	60 days
Delivery address and conditions for delivery of bids	<p>USAASA Head Office, Building 01, Thornhill Office Park, 94 Bekker Road, Vorna Valley, Midrand. (Bid Box is placed in the Reception at the ground floor)</p> <p>Bidders must ensure that their bids are delivered timeously to the correct address and directions to the bid box. USAASA will not take any responsibility for late mailed/couriered bids. The bid box will be open from Monday to Friday – 08h00 to 16h30 until the closing date on which the closing time will be 11h00 (Telkom time).</p>



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INVITATION TO BID

SBD 1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE UNIVERSAL SERVICE AND ACCESS AGENCY OF					
BID NUMBER:	USAF-IDTV/02/2020	CLOSING DATE:	2 July 2020	CLOSING TIME:	11H00
DESCRIPTION	APPOINTMENT OF A PANEL OF SOUTH AFRICAN REGISTERED SUPPLIERS TO SUPPLY OR SUPPLY AND INSTALL LOCALLY PRODUCED 32 INCH INTEGRATED DIGITAL TELEVISIONS (IDTV'S) ON A VOUCHER SYSTEM TO BENEFICIARIES.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7.1)					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
SCM OFFICE, USAASA HEAD OFFICE					
BUILDING 1, THORNHILL OFFICE PARK					
94 BEKKER ROAD, VORNA VALLEY					
MIDRAND, 1686					
SUPPLIER INFORMATION					
NAME OF BIDDER					
CONTACT PERSON					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] Yes <input type="checkbox"/> No <input type="checkbox"/>		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	TICK APPLICABLE BOX] Yes <input type="checkbox"/> No <input type="checkbox"/>	
IF YES, WHO WAS THE CERTIFICATE					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN			
	<input type="checkbox"/>	A REGISTERED AUDITOR NAME:			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	Yes <input type="checkbox"/> No <input type="checkbox"/> [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES/WORKS OFFERED?	Yes <input type="checkbox"/> No <input type="checkbox"/> [IF YES, ANSWER SECTION 3 BELOW]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
SIGNATURE OF BIDDER					
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g.					

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TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	USAASA	CONTACT PERSON	Mary-Ann Ratlhogo
CONTACT PERSON	Phumi Mtimkulu	TELEPHONE NUMBER	n/a for this bid
TELEPHONE NUMBER	n/a for this bid	E-MAIL ADDRESS	mary-ann@usaasa.org.za
E-MAIL ADDRESS	phumi@usaasa.org.za		

ADMINISTRATIVE CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR ONLINE	
1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.	
1.4. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.	
2. TAX COMPLIANCE REQUIREMENTS	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA .	
2.4 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF PIN & CSD NUMBER.	
2.5 WHERE A BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED ENABLE THE ORGAN OF STATE TO VERIFY THE BIDDERS TAX STATUS.	
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

Note: Prospective bidders will be evaluated in accordance with the 90/10 preference point system, as prescribed in the Preferential Policy Framework Act 5 of 2000, Preferential Procurement Regulation 2017 and approved USAASA Supply Chain Management Policy 2019. Bidders who do not meet all the Mandatory Requirements will be disqualified and will not be considered for further evaluation on Technical / Functional Requirements. Only the criteria set out in Technical / Functional Criteria will be used to evaluate bids which have passed all other criteria.

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INTRODUCTION

1. PURPOSE AND BACKGROUND

1.1. PURPOSE

The purpose of this bid document to invite manufacturers/suppliers (hereinafter referred to as "bidders") to submit proposals for inclusion to a panel of service providers who will be willing and able to supply locally manufactured IDTV's to indigent households qualifying for a government subsidy.

The subsidy recipient will go to the retailer to redeem the voucher and pay the difference on the total price of the TV. The subsidy recipient will have a choice of redeeming the voucher either against a decoder kit (consisting of decoder, aerial/dish and installation) or an IDTV kit (TV, aerial and installation), noting however that the consumer will have to pay the difference as the voucher value will be one fixed value across the board.

1.2. BACKGROUND

- a) The South African government took a decision to switch to the digital signal in accordance with the resolutions taken at the International Telecommunications Union ("ITU") in Geneva, Switzerland in 2006, the so-called GE-06 agreements.
- b) In recognizing that existing analogue television sets would need to receive digital content, the Broadcasting Digital Migration ("BDM") Policy 2008 as amended provides that equipment for the digital transition would be sourced from local manufacturers. This provision is informed by the desire to support the development of a competitive electronics manufacturing industry in South Africa, thus contributing to job creation and the transformation of the sector.
- c) The Universal Service and Access Agency of South Africa ("USAASA") is established in terms of Section 80 of the Electronic Communications Act Number 36 of 2005 ("the ECA"), as amended, as a statutory body with a sole mandate of promoting the goal of universal access and universal service. In accordance with Section 82(5) of the ECA, and amongst other legislative functions, the Agency is required to manage the Universal Service and Access Fund ("USAF"). The USAF is established in terms of Section 87 of the ECA.
- d) USAASA's participatory mandate is derived from the Broadcasting Digital Migration Policy (7 February 2012) sec. 2.1.4 which reads thus: *"Government must, as a matter of policy, to consider the means to make STBs affordable and available to the poorest TV-owning households. This support by the Government should be seen as part of its commitment to bridging the digital divide in South Africa. The Government has therefore decided, as mandated by section 88(1) (a) of the Electronic Communications Act to subsidise poor TV owing*

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households through USAF [Universal Service and Access Fund]."

- e) *The numbers of indigent households that will not benefit from the subsidization and installation of Set-Top Boxes under Phase One of the Broadcasting Digital Migration Programme is estimated at 3.2 million indigent households. These are the outstanding indigent households that will be targeted for Phase Two that will be rolled out using the voucher system.*
- f) *The vouchers given to qualifying indigent households will have a capped monetary value attached to it which the indigent households redeem to purchase either an Integrated Digital Television Set or use it to pay for installation or aerial or satellite dish kit.*
- g) *If whatever that the beneficiary is redeeming the voucher for is above the value of the voucher, the beneficiary will pay the difference from own pocket.*
- h) *So the bidders must keep in mind that the value of the subsidy attached to the voucher may not be the same as the value of the IDTV and associated accessories.*

2. INVITATION

- 2.1. In the interest of fulfilling its role (within the BDM programme) of disbursing IDTVs, Antenna and Installation subsidies to poor TV-owning households and ensure successful migration of the country to the digital signal, USAASA seeks to appoint a panel of suppliers to provide and deliver IDTVs and related accessories.
- 2.2. The panel of successful bidders will be used to drive the mass availability and adoption of affordable Digital Television Sets (IDTVs, DVB-T2 standard capable that will be acquired through the adopted voucher system to qualifying households in terms of revised service delivery model (dated 13 December 2019) which informs Phase Two of the Broadcasting Digital Migration Programme.
- 2.3. USAASA, therefore, wishes to invite interested bidders that are capable of supplying required quantities (to be determined from time to time) to submit proposals, demonstrating the following:
 - a) Proof of experience, skills, capacity and competencies in supplying IDTVs and DTH STBs inclusive of smartcards and related accessories to consumer and business markets;
 - b) Project management skills and competencies to deliver on the objectives of the project and outcomes to be contained in the Supply Agreement;
 - c) Adherence to the principles contained in the Preferential Procurement Policy Framework;
 - d) Reflect equitable representation in its ownership and control structure and human resources composition; and
 - e) Comply with Employment Equity and Skills Development legal requirements.



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3. SCOPE OF BID

The scope of the project is to ensure that all indigent household issued with a voucher for the acquisition of a locally manufactured IDTV upon redemption of the voucher, are being issued with an IDTV by the supplier nominated in the voucher.

3.1. SCOPE OF WORK

The scope of work encapsulated within this proposal aims to ensure that the following requirements are complied with:

- (a) Supply of locally manufactured 32 inch Integrated Digital Television (IDTV) to indigent households on presentation of a voucher.
- (b) Supply of locally manufactured outdoor antenna, indoor aerial and satellite dish on presentation of a voucher (the indoor aerial and satellite dish must have been manufactured in South Africa).
- (c) Supply of locally manufactured DTH Set-Top-Box (STB) with a smart card (the STB must have been manufactured in South Africa) – refer to **Annexure B**, National Treasury Designated Sectors Circular No. 9 of 2019/2020 and complete SBD 6.2.
- (d) Packaging requirements in compliance with SAPO packaging requirements - refer to **Annexure A**:
 - IDTV;
 - DTH STB with smart card
 - Outdoor antenna or indoor aerial or satellite dish (including related cables and connections required for the unit/units to function); and
 - All related accessories to enable the IDTV to function for the intended purpose e.g. cables and remote control.
- (e) Refer to the standard document attached on IDTVs.



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3.2. DELIVERY ADDRESS

Option 1:

- The goods or services must be delivered at the following SAPO warehouses. The physical addresses of the SAPO warehouses will be provided to the appointed panel of suppliers.

Item no	SAPO Ware-house	Province
1	Silverton	Gauteng
2	WitsPos	Gauteng
3	Polokwane	Limpopo
4	Makado	Limpopo
5	Nelspruit	Mpumalanga
6	Durban	KZN
7	Port Elizabeth	Eastern Cape
8	East London	Eastern Cape
9	Bloemfontein	Free State
10	Upington	Northern Cape
11	Mafikeng	North West

Option 2:

- The physical addresses and contact details of qualifying households will be provided to the appointed panel of suppliers.
- Bidders are required to provide a localization strategy for the use of local installers for household installations. The localization strategy should incorporate the manner in which the bidders are going to ensure that local people participate in the project especially for household installations and any other areas of the project that bidders see the need for local people to participate.



4. TECHNICAL REQUIREMENT OVERVIEW

4.1. PRODUCT REQUIREMENT

a) Specifications

- The specification gives the minimum requirements in which the supplied IDTVs shall comply with. The locally manufactured **IDTV** shall be of a standard 32-inch size with the below minimum spec:
 - HD LED;
 - Built-in digital tuner – DVBT-2;
 - Built-in Speakers;
 - A remote control unit including sealed batteries; and
 - The operations manual inside the packaging.

- Locally manufactured **Outdoor antenna**: minimum specification: - UHF with RF cable.
- Locally manufactured **Indoor aerial**: minimum specification: - UHF with RF cable.
- Locally manufactured **Satellite dish**: minimum specification: - including LNB and the related cable.
- Locally manufactured **DTH STB**: minimum specification: - refer to SANS, SABS, ISO and CKC specifications.
 - **The Outdoor antenna, indoor aerial, satellite dish and DTH STB including all related accessories and cables** must comply with standards/specifications as stated SANS, SABS, ISO AND CKS specifications are available from South African Bureau of Standards Office's countrywide. Obtaining of such specifications will be the responsibility of and for the account of the prospective bidder. To purchase standards, obtain quotes or enquire about the availability of eStandards, please contact Standards Sales at:

Postal Address: Private Bag X191, Pretoria, 0001

Physical Address: 1 Dr Lategan Road, Groenkloof, Pretoria

Tel: (012) 428-6883, Fax: (012) 428-6928, E-mail: sales@sabs.co.za

Website: www.sabs.co.za and follow the "Search/Buy Standards" link



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South African National Accreditation System (SANAS):

The contact details of SANAS are as follows:

Postal Address: Private Bag x 23, Sunnyside, Pretoria, 0132

Physical Address: The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, 0002,

Tel: (012) 394-3760, Fax: (012) 394-0526

A list of institutions is available on the SANAS website <http://www.sanas.co.za> or <http://www.sanas.co.za/contact.php>.

- The IDTV and accessories will have a warranty of twenty-four months from the date of installation.

4.2. LICENSING / SABS APPROVED/ ICASA APPROVED

- a) All locally manufactured IDTVs supplied must conform to the South African National Standards (SANS) and supporting provisions.
- b) All locally manufactured IDTV's supplied must conform to the South African Bureau of Standards (SABS), obtaining of such specifications will be the responsibility of and for the account of the prospective bidder. The bidder is required to supply IDTVs that are label as accredited by SABS and also provide proof of accreditation.
- c) All locally manufactured IDTVs manufacturers are required to have the necessary National Regulator for Compulsory Specifications (NCRS) Electro-technical Letter of Authority (LOA). Providing such LOA will be the responsibility of and for the account of the prospective bidder.
- d) All locally manufactured IDTVs supplied must be Independent Communications Authority of South Africa (ICASA) approved. The bidder is required to supply IDTVs that are label as accredited by ICASA and also provide proof of accreditation.

4.3. PACKAGING REQUIREMENT

Packaging shall conform to the South African Post Office (SAPO) specifications as detailed on **Annexure A**.



5. BID EVALUATION STAGES

- a) The bid evaluation process consists of several stages that are applicable according to the nature of the bid as defined in the table below.

Stage	Description	Applicable for this bid
Stage 1	Administrative pre-evaluation verification	YES
Stage 2	Mandatory requirement evaluation	YES
Stage 3	Technical and Functionality requirement evaluation	YES
Stage 4	Price / B-BBEE evaluation	YES
Stage 5	Special Conditions of Contract verification	YES

- b) The bidders must qualify for each stage to be eligible to proceed to the next stage of the evaluation.

STAGE 1: ADMINISTRATIVE PRE-EVALUATION

6. ADMINISTRATIVE PRE-QUALIFICATION REQUIREMENTS

6.1. ADMINISTRATIVE PRE-QUALIFICATION VERIFICATION

- The bidder **must comply** with ALL of the bid pre-evaluation requirements in order for the bid to be accepted for evaluation.
- If the Bidder fails to comply with any of the administrative pre-evaluation requirements, then USAASA reserves the right to –
 - (a) Reject the bid and not evaluate it, or
 - (b) Accept the bid for evaluation, on condition that the Bidder must submit within 48 hours of notification any supplementary information to achieve full compliance, provided that the supplementary information is administrative and not substantive in nature.

6.2. ADMINISTRATIVE PRE-EVALUATION REQUIREMENTS

- **Local Content requirement:**
 - a) Regulation 8 of the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act, Act no 5 of 2000 provides for the



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designation of sectors in line with national development and industrial policies for local production. Refer to **Annexure G**.

- b) To give effect to the above requirement the **Set Top Boxes sector has been designated for local production and content with a minimum threshold of 30%. It is therefore a condition that only bids for locally produced or locally manufactured STBs complying with the stipulated minimum threshold for local production and content will be considered.**
 - c) The bidder must complete and sign SBD 6.2.
 - d) Bidders who fail to comply with the local content as stipulated above will be disqualified and will not proceed to be evaluated on the next stage.
- **Subcontracting of EME and QSE:** In compliance with the PPPFA, refer to **Annexure G**
- a) Bidders who are not Exempted Micro Enterprises (EMEs) or a Qualifying Small Enterprises (QSEs) must subcontract an EME or a QSE to participate in this bid and comply with the subcontracting requirements set out in this bid.
 - b) Bidders who do not comply with the above required on subcontracting EMEs or QSEs will be disqualified and will not proceed to be evaluated on the next stage.
 - c) The EME or QSE status of a bidders must be indicated on the National Treasury Central Supplier Database (CSD), the BBBEE Certificate or Sworn Affidavit, if the EME or QSE status is not indicated on the CSD, BBBEE Certificate or Sworn Affidavit then the EME or QSE is required to submit proof their EME or QSE status by submitting their Annual Financial Statement indicating that the EME's annual turnover is less than R10million or that the QSE's annual turnover is less the R50million.
- **Submission of bid response:** The bidder has submitted a bid response documentation pack that are indexed and pre-numbered (paginated) –
- (a) that was delivered at the correct physical or postal address and within the stipulated date and time as specified in the "Invitation to Bid" cover page;
 - (b) the bid response must have a technical proposal response and a pricing proposal and;
 - (c) in the correct format as one (1) original document, five (5) copies and electronically on a USB.
 - (d) The packaging of envelopes to be submitted to the Agency must be compliant with the COVID 19 regulations in terms of safety regulations.
 - (e) Bidders will not be invited to observe the closure of the bid due to the observation



of COVID 19 safety requirements.

- (f) The bid response documents must be submitted in a file and divided in this format:
- Cover letter
 - Administrative Pre-Evaluation documents (Proof of CSD Registrations, Valid B-BBEE Certificate or Sworn Affidavit and SBD's)
 - Local content Requirement
 - Mandatory Requirements
 - Technical and Functionality Proposal
 - Localization Strategy Proposal
 - Pricing Proposal
- **Registered Supplier.** The bidder is, in terms of National Treasury Instruction Note 3 of 2016/17, registered as a Supplier on National Treasury Central Supplier Database (CSD).
- **Tax Compliance.** The Bidders must have a tax compliant status on the CSD. Refer to National Treasury SCM Instruction Note No 7 of 2017/2018 on Tax Compliance Status- **Annexure C.**
- **Valid B-BBEE Certificate or Sworn Affidavit.** The Bidder must submit their B-BBEE certificate or B-BBEE Sworn Affidavit. If the bidder does not have a valid B-BBEE certificate the bidder is requested to disclose this on their company letterhead.
- **Standard Bidding Documents (SBD).** The Bidder is required to complete all SBD's with the required information and signs all the bidding documents – SBD 1, SBD 3.1, SBD 4, SBD 6.1, SBD 6.2, SBD 8 and SBD 9.
- **Not Restricted by National Treasury.** The Bidder must not be registered on the National Treasury Restricted Supplier Database and/or Tender Defaulters Database. See attached lists on **Annexure D** and **Annexure E** respectively.
- **Joint venture/partnership.** if the Bidder is a JV/partnership, the bidder must indicate and submit a signed JV / partnership agreement and B-BBEE certificate or Sworn Affidavit and comply with all legislative requirements of a JV / partnership.
- **Sub-contracting.** The Bidder must indicate if they are subcontracting and submit a subcontracting agreement and complete SBD 6.1 accordingly. The bidder must comply with all legislative requirements for subcontracting.



STAGE 2: MANDATORY,

7. INSTRUCTION AND EVALUATION CRITERIA

- (a) The bidder must comply with **ALL** the requirements by providing substantiating evidence in the form of documentation or information, failing which it will be regarded as "NOT COMPLY".
- (b) The bidder must provide a **unique reference number** (e.g. binder/folio, chapter, section, page) to locate substantiating evidence in the bid response. During an evaluation, USAASA reserves the right to treat substantiation evidence that cannot be located in the bid response as "NOT COMPLY".
- (c) The bidder must complete the **declaration of compliance** as per section 7.2 below by marking with an "X" either "COMPLY", or "NOT COMPLY" with ALL of the technical mandatory requirements, failing which it will be regarded as "NOT COMPLY".
- (d) The bidder must comply with **ALL** the **MANDATORY REQUIREMENTS** in order for the bid to proceed to the next stage of the evaluation.

7.1. MANDATORY REQUIREMENTS

TECHNICAL MANDATORY REQUIREMENTS	Substantiating evidence of compliance (used to evaluate bid)	Evidence reference (to be completed by bidder)
1. The bidders must be suppliers of locally manufactured televisions or IDTVs	<ul style="list-style-type: none"> • Company registration document. • Proof of SABS and ICASA certification • NRCS LOA 	provide unique reference to locate substantiating evidence in the bid response



ANNEXURE B

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

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 9 OF 2019/2020:

**INVITATION AND EVALUATION OF BIDS BASED ON A STIPULATED MINIMUM
THRESHOLD FOR LOCAL PRODUCTION AND CONTENT FOR SET TOP BOXES
SECTOR**

1. PURPOSE

1.1 The purpose of this Circular is to:

- 1.1.1 introduce amendments to the instruction for Set Top Boxes dated 26 September 2012; and
- 1.1.2 provide information to accounting officers (AOs) and accounting authorities (AAs) in terms of which they may procure the aforementioned products which have been designated as a sector for local production and content.

2. BACKGROUND

- 2.1 The Preferential Procurement Regulations, 2017 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 (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 To this end, the dti has designated and determined the stipulated minimum threshold for the Set Top Boxes for local production and content.



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2.4 The designation is applicable to all purchases regardless of the procurement method followed and there is no financial threshold.

3. SECTOR DESIGNATION

3.1 The stipulated minimum threshold percentages for local production and content for the Set Top Boxes is 30%.

3.2 To ensure that local production and content is discharged on manufacturing activities, the process for the following components/ activities must be executed locally:

No	Component/Activity
1	PC Board
2	PC Board Population
3	Connecting Cables
4	Enclosures
5	Set Top Box Assembly

3.3 The above mentioned components and activities which have been designated for local production and content must be included in bid invitations (noting that some of the electronic components are not manufactured locally).

4. INVITATION OF BIDS FOR SET TOP BOXES

4.1 Bids in respect of Set Top Boxes must contain a specific bidding condition that only locally produced or locally manufactured Set Top Boxes with a stipulated minimum threshold for local production and content will be considered.

4.1.1 If the quantity of materials and/or products required cannot be wholly sourced from South African based manufacturers and/or at the designated local content threshold at any particular time, bidders should obtain written approval from the dti to supply the remaining portion at a lower local content threshold. Such requests for approval should be submitted and approval be obtained prior to the closure of the bid(s) concerned. the dti, in consultation with the procuring organ of state, will grant such approval on a case-by-case basis and will consider the following:

- a) required volumes in the particular bid;
- b) available collective South African Industry manufacturing capacity at that time;
- c) delivery times;
- d) availability of input materials and components;
- e) technical considerations including operating conditions;



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- f) materials of construction; and
 - g) security of supply and emergencies.
- 4.1.2 Bidders must clearly indicate in their bids the quantities of material and products to be supplied and the level of local content for each product.
- 4.1.3 The turn-around time for processing of authorisation requests is 5 working days from the date of receipt. Therefore, such applications should reach the dti at least five days before closing date and time of bid.
- 4.1.4 The approval process that the dti follows is that if there is a particular designated product and the minimum threshold for local content cannot be met for various reasons, bidders must apply for approval or authorisation (when the tender is still open, before closing date). After checking with the industry, the dti will then decide whether or not to grant an authorisation. This is per bid.
- 4.1.5 The tender information / relevant information must be provided on the tenderer's / supplier's letterhead when requesting an authorisation letter:
- a) Procuring entity/government department/state owned company,
 - b) Tender/bid number,
 - c) Closing date,
 - d) Item(s) for which the approval is being requested,
 - e) Detailed specifications issued by the procuring entity,
 - f) Local content that can be met,
 - g) Reason(s) for the request, and
 - h) Supporting letters from local manufacturers/sub-suppliers.
- 4.1.6 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.
- 4.1.7 For further information, bidders and procuring state organs may contact the Director Electro technical Unit within the dti at telephone 012 394 3659/3622 or email localcontent@thedti.gov.za
- 4.1.8 Bid specifications for the Set Top Boxes referred to above may be done in collaboration with the dti.
- 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 the advertisement of the bid.
- 4.2.2 Only the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 must be used to calculate local content.
- 4.3 The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the following formula which must be disclosed in the bid documentation:



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

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/lp.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:
- 4.6.1 that 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;
- 4.6.2 that the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate will be verified for accuracy; and
- 4.6.3 all the information relevant to bidders provided in paragraphs 4.1.1 to 4.1.7.

5. EVALUATION OF BIDS FOR SET TOP BOXES

- 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 Preferential Procurement Regulations, 2017 and paragraph 6 and 11 of the Implementation Guide must be followed.



7. POST AWARD AND REPORTING REQUIREMENTS

- 7.1. Once bids are awarded, the dti must be:
- (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 within 30 days of award.
- 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.

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:

Chief Director: Industrial Procurement
Tel: (012) 394 1435
Fax: (012) 394 1535
EMAIL: localcontent@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



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management officials of their departments, 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 26 SEPTEMBER 2012

This Circular repeals Instruction on invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for Set Top Boxes Sector dated 26 September 2012 and effective on the date of issuance.

13. AUTHORITY FOR THIS CIRCULAR AND EFFECTIVE DATE

- 13.1 This circular is issued in terms of regulation 8(3) of the Preferential Procurement Regulations, 2017 and takes effect on the date of issuance.



MR WILLIE MATHEBULA
ACTING CHIEF PROCUREMENT OFFICER

DATE: 20.12.14



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