



URGENT NOTICE

TO: ALL DSR SERVICE PROVIDERS/SUPPLIERS

SUBJECT: PROCUREMENT OF COMMODITIES FALLING WITHIN LOCAL PRODUCTION AND CONTENT DESIGNATED SECTORS: 1. TEXTILE, CLOTHING, LEATHER AND FOOTWEAR, AND 2. FURNITURE

1. The Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, Act 5 of 2000, which came into effect on 07 December 2011 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. Regulation 8 (2) of the regulations prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with a specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
3. The DTI has, among others, identified the following categories as designated sectors:
 - ✓ Textile, clothing, leather and footwear, and
 - ✓ Furniture.
4. In order to enforce the provisions of Regulation 8 (2) service providers are required to complete SBD 6.2 form and Annexures C, D and E. However, it must be noted that SBD 6.2 form must be submitted with a fully and correctly completed Annexure C together with other SBD forms to SCM for further consideration. Service providers are required to complete Annexures D and E but must keep these documents for record and audit purposes in case the DTI decides to audit the service provider for compliance.

5. Please note that it is incumbent upon each service provider to familiarize themselves with the guidelines for local production and content which are attached hereto for ease of reference. Furthermore, please note that the values that must be captured on SBD 6.2 and Annexures solely relate to items that are part of the local production and content designated sector. For example, in cases where sport equipment items have trophies, medals, cones, soccer and netball kits with bibs; the local production and content requirement is only applicable to items falling within the textile and clothing requirement, i.e. netball kits with bibs.
6. It must be pointed out that local production and content is a compliance issue and the department gets audited for compliance. It is within this premise that service providers are directed to ensure that:
 - 6.1. all quotations for designated sectors are submitted together with SBD 6.2 and Annexure C,
 - 6.2. SBD 6.2 and Annexure C are fully and accurately completed, and
 - 6.3. the Guideline Document for Calculation of Local Content is strictly complied with and adhered to at all times.
7. Your co-operation will be highly appreciated.



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CHIEF FINANCIAL OFFICER: SPORT AND RECREATION

08/03/2019
DATE