

Portfolio Committee on Trade and Industry

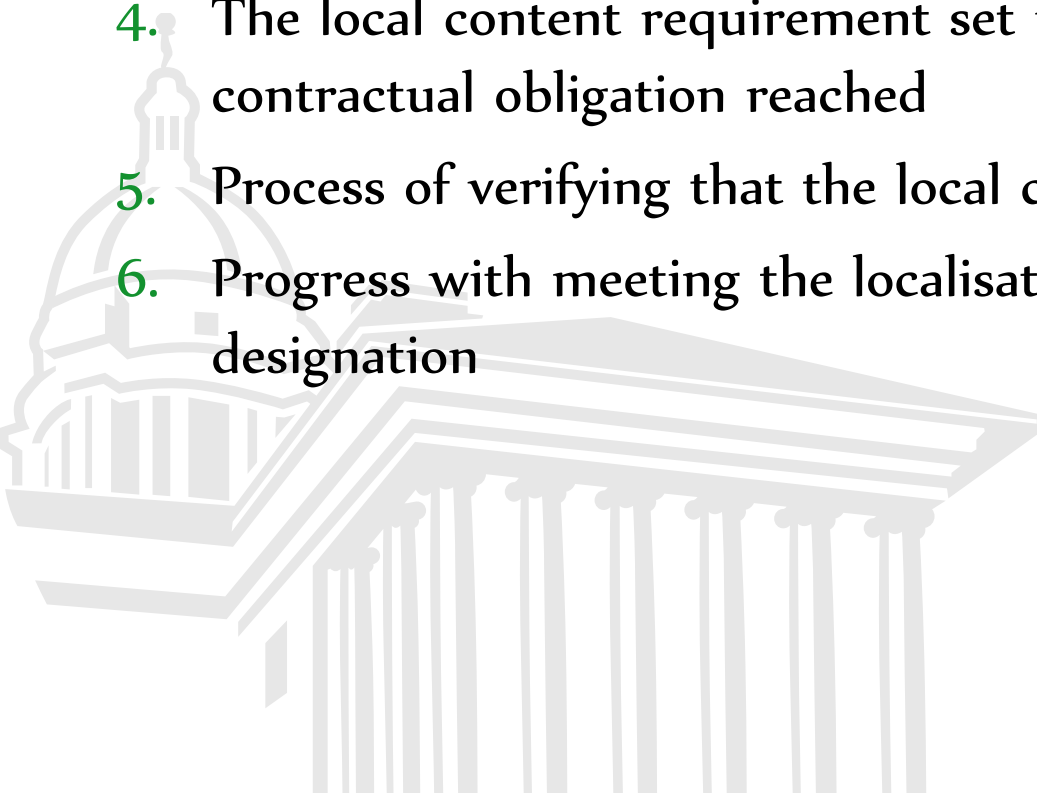
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Presented by :

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1. THE VOLUME & VALUE OF BODIES (TRT)



- The COT A Re Yeng Service is contracted to a Bus Operating Company Tshwane Rapid Transit (Pty) Ltd known as TRT PTY LTD representing the affected operators.
- The Buses are procured by TRT PTY LTD to be operated on A Re Yeng Service.
- The procurement of the Buses were funded through the Loan obtained by TRT PTY LTD from DBSA and the City did not provide Guarantee to the loan.
- TRT PTY Ltd. is a private company funded thorough PTNG busses 100% privately owned by Taxi and Bus industry
- To verify local content TRT:
 - used the suppliers that were approved by the department of Trade and Industry;
 - through the monthly inspections at the body building plant.
- TRT (Pty) Ltd purchased 30 buses from *Volvo South Africa (Pty) Ltd* and 84 buses from *Sandown Motor Holdings Ltd (Mercedes Benz South Africa)* .
- In terms of both companies' tender submissions, local content was outlined as

1. THE VOLUME & VALUE OF BODIES (TRT)



Volvo South Africa (Pty) Ltd

- Total tender was for 174 buses with the total tender amount of R 387 655 000 :
 - 39, 18meter low floor buses at the value of R 139 230 000 and
 - 95, 12meter low floor buses at the value of R 248 425 000
- Specified local content is at 80%, with the break of the values as follows:
 - Total tender value: R 387 655 000
 - Total Exempt imported content: R 190 177 313
 - Total tender value net of exempted imported content: R 197 477 687
 - Total imported content: R 39 485 976
 - Total local content: R 157 982 197
- Only 30 12 meter buses were delivered to TRT at the cost of R 91 006 200 and the contract with Volvo was terminated.
- Order/award date was August 2013 and the 30 buses were delivered on Dec 2014

THE VOLUME & VALUE OF BODIES (TRT)



Sandown Motor Holdings Ltd (SHM) : Mercedes Benz South Africa (MBSA)

Total tender was for 84 buses with the total tender amount of R 302 485 957

- 7, 18meter buses at the value of R 31 101 849 ;
- 37, 12 meter Diesel buses at the value of R 115 614 051; and
- 40, 12meter CNG Buses at the value of R 155 770 056
- Specified local content is at 80%, with the break of the values as follows and the local content for Mercedes was 87%.
- A Total of 84 buses were delivered to TRT by April 2016 from SHM.
- Challenges in finding suppliers that meet local content:
 - the only challenge would have been with chassis, because those are not local, TRT opted for CKD (Complete Knock Down) chassis units, assembled locally and the body was built locally.

THE VOLUME & VALUE OF BODIES (TRT)



MAN Bus & Truck (Pty) Ltd Centurion

- Total tender was for 120 buses with the total tender amount of R 240 006 000.76
- Specified local content is at 80%, with the break of the values as follows and the local content for Mercedes was 87%.
- A Total of 120 buses were delivered to City by June 2016 from
- Challenges in finding suppliers that meet local content:
 - the only challenge would have been with chassis, because those are not local, both TBS opted for CKD (Complete Knock Down) chassis units, assembled locally and the body was build locally.

4. THE LOCAL CONTENT REQUIREMENT SET IN TENDER DOCS & FINAL AGREED CONTRACTUAL OBLIGATION REACHED (TBS)



Bid price, excluding VAT (y)	R240, 006, 000.76
Imported context (x), as calculated in terms of SATS 1286:2011	R18, 135, 116. 02
Stipulated maximum threshold for local content	80%
Local contents % as calculated in terms of SATSA 1286:2011	82.5%

2. TIME FRAMES ASSOCIATED WITH PROCUREMENT



Bid Specification Committee (BSC)

5 days to approve Specification

Bid advertisement to interested Service Providers

30 days

Bid Evaluation Committee (BEC)

30 days and submit the recommendations

Bid Adjudications Committee (BAC)

10 days and submit the recommended Service Provider to CM

City Manager Issues Appointment letter

5 days

Signing of Sales Agreement

20 days

Issuing of Official Order

2 days

Delivery of Bus from date of Order

Four months

5. PROCESS OF VERIFYING THAT THE LOCAL CONTENT IS MET



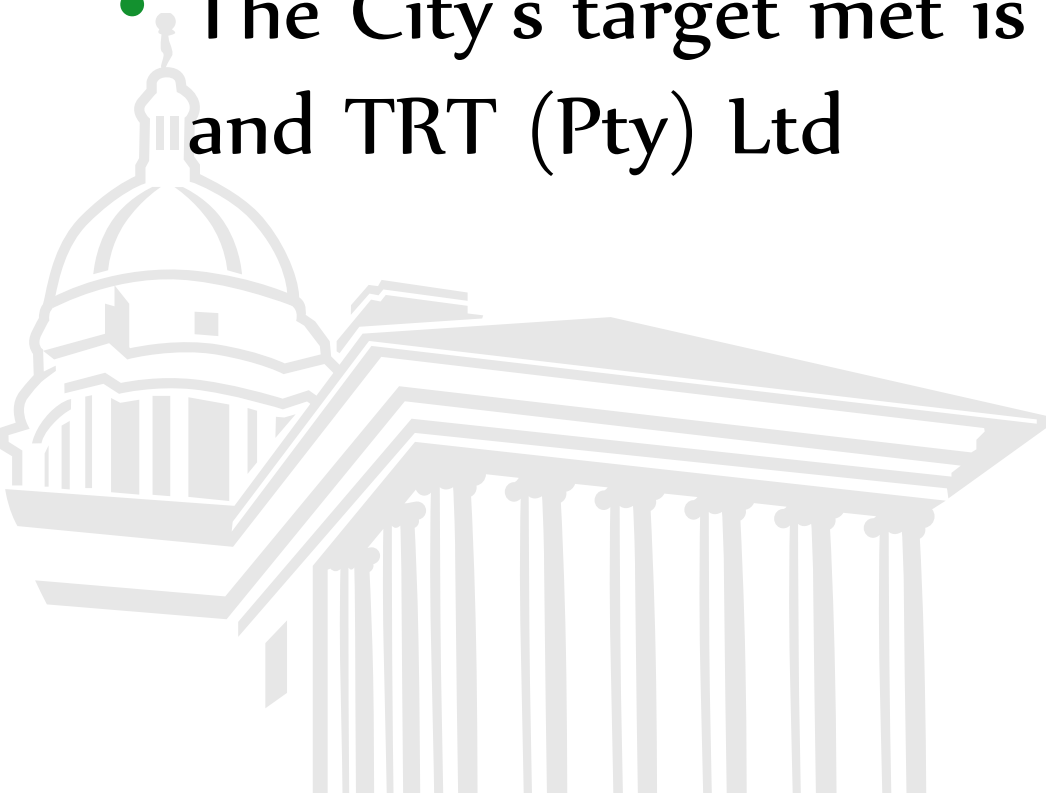
Process followed is as follows:

- When fitment of body and equipment is 50% completed on chassis
- Complete fitment before carpeting/spry painting
- Final inspection prior to delivery
- Dedicated official of the City was nominated to coordinate the above inspections with the appointed Service Provider

6. PROGRESS WITH MEETING THE LOCALISATION TARGETS SET IN 2012 BUS BODY DESIGNATION



- For Bus services – (TRT and TBS) target was 80%
- The City's target met is 82.5% for both TBS and TRT (Pty) Ltd



LEASING CONDITION RELATING TO TBS



- The acquisition of the buses with external financing over the contract period
- Maintenance and repairs expenses included in the full maintenance lease rate
- All operational expenses for municipal accounts (tyre, fuel...)
- Buses shall become the property of municipality at the end of lease term (3 years)

THANK YOU

