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1. INFORMATION FOR STEEL CONVEYANCE PIPES, PIPE FITTINGS AND SPECIALS DESIGNATION

- 1.1. **the dtic** has designated and determined the stipulated minimum threshold for the Steel Conveyance Pipes, Pipe Fittings and Specials for local production and content. The range of Steel Pipes considered for this round of designation is 500mm to 3500mm. Conversely, all sizes of Pipe Fittings and Specials are included in the designation.
- 1.2. The designation is applicable where an organ of state purchases directly or indirectly from a manufacturer and/or service provider; in a case of turnkey projects (design, build, operate and/ or transfer); and/or on purchases for maintenance and repairs where a contract is awarded or extended for a project in which the designated products are part of the bill of quantities or materials to be utilised in the entire project. Additionally, the designation is applicable to all purchases regardless of the procurement method followed and there is no financial threshold.
- 1.3. 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, in a variety of manufacturing and industrial applications, to convey liquids and gasses from one point to another. In the case of water supply; they convey water from bulk water supply installations 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.
- 1.4. 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.
- 1.5. 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.
- 1.6. 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.



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- 1.6.1. 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;
- 1.6.2. 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;
- 1.6.3. 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.
- 1.7. The specifications and stipulated minimum threshold percentages and requirements for local production and content in respect to steel conveyance pipes, pipe fittings and specials are as follows:
- 1.8. To ensure that local production and content is discharged on manufacturing activities, the following components which have been designated must be included in bid invitations:

Table 1: steel conveyance pipes

Manufacturing Process of Steel conveyance pipes	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
Pipes, Pipe Fittings and Specials made from Ductile Iron MUST NOT be considered for public procurement.			

Table 2: Steel Pipe Fittings and Specials

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

- 1.8.1. All primary steel products i.e. coils, sheets and plates used in the fabrication of steel conveyance pipes, pipe fittings and specials are included in this designation and must be manufactured and sourced



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locally. This is to support and sustain the existing local steelmaking capacity. Minimum threshold percentages for fabricated pipe fittings and specials that are Bare; Galvanized; Lined and Coated as well as Galvanized, Lined and Coated fittings are applicable. It is important to note that fabricated fittings refer to coil-based pipe fittings and specials. Accordingly, forged fittings are assigned a separate threshold.

- 1.8.2. In the designation, imported input raw materials (i.e. zinc ingots and additives for the galvanising processes as well as round bar for forged flanges) used in the fabrication of the large bore spiral submerged arc welded steel conveyance pipe as well as pipe fittings and specials are deemed as locally manufactured input materials. These inputs should be imported in raw material form for further fabrication in South Africa.
- 1.8.3. The imported input raw materials, as specified in 3.7.2, used in the manufacture and fabrication of steel conveyance pipes, pipe fittings and specials will be deemed to have been sourced locally for the purposes of calculating local content.
- 1.9. For further information, bidders and procuring State Organs may contact the Metals Fabrication, Capital and Rail Transport Equipment Unit within the dtic at telephone 012 394 1356 or email localcontent@thedtic.gov.za.