

# SARS

RFP 23/2014 The Supply and Delivery of Two  
(2) Category B Vessels and Related Services

Bidders Conference

# Purpose

RFP 23/2014 The Supply and Delivery of Two (2)  
Category B Vessels and Related Services  
Documents Bidders Conference

## Welcome and Introduction

**Malemane Malatsi-SARS Procurement**

## Briefing Session

- **Purpose**
  - Explain selected concepts, procedures and other aspects of the RFP
  - Confirm registration of Bidders
- **It may contain**
  - additional information
  - additional rules that must be adhered to
- **It does not**
  - cover every item in the RFP
  - replace any of the issued RFP material
  - relax any of the RFP rules unless communicated separately in writing
- **The briefing session slides will be published on the SARS website.**
- **The RFP pack and any additional material provided by SARS in writing remains the primary source of information for the Bidder to respond.**

- **SARS will review and focus on most pertinent themes during the session.**
- **The session is being recorded.**
- **Questions are encouraged to be asked after a specific section in the presentation.**
- **Answers will be formalised through a Q & A session and published on the SARS website.**
- **Some questions may not be immediately answered during the session.**

# Governance, Rules and Procedures

**Presenter: Vusumzi Lolwane**

# Agenda

<u>Start</u>	<u>End</u>	<u>Presenter</u>	<u>Topic</u>
10:00 -	10:15	Malemane Malatsi	Welcome & Introductions
10:15 -	10:30		Conference format
10:30 -	10:45	Vusi Lolwane	Governance, rules and procedures
10:45 -	11:45		RFP overview
		Sedzani Mathelemusa	Bid Preparation phase,
11:45 -	12:00	-	
11:00 -	12:30		<u>Selected topics</u>
		Dwight Malan	RFP Requirement Overview
		Gugu Ntuli	BEE
		Seodi Legodi	Pricing Response

## Registration

- Attendance register
- Valid e-mail address, contact number and company address

- **Strict communication channels**
  - **Bidders will be disqualified for non-compliance**
- **No solicitation of information will be allowed other than by prescribed channels**
- **Deadlines to be strictly met**
- **Only prescribed submission format will be accepted**



- **Other than the contact for the RFP below:**
  - Bidders may not contact SARS staff.
  - Bidders who are existing service provider(s) to SARS may only engage SARS staff regarding operational matters.
- **All contact relating to RFP matters are only to be addressed to SARS Procurement at [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za).**

- **Open tender**
- **The RFP has mandatory requirements**
  - Bidder must meet these before Bidder's Tender will be considered for evaluation.

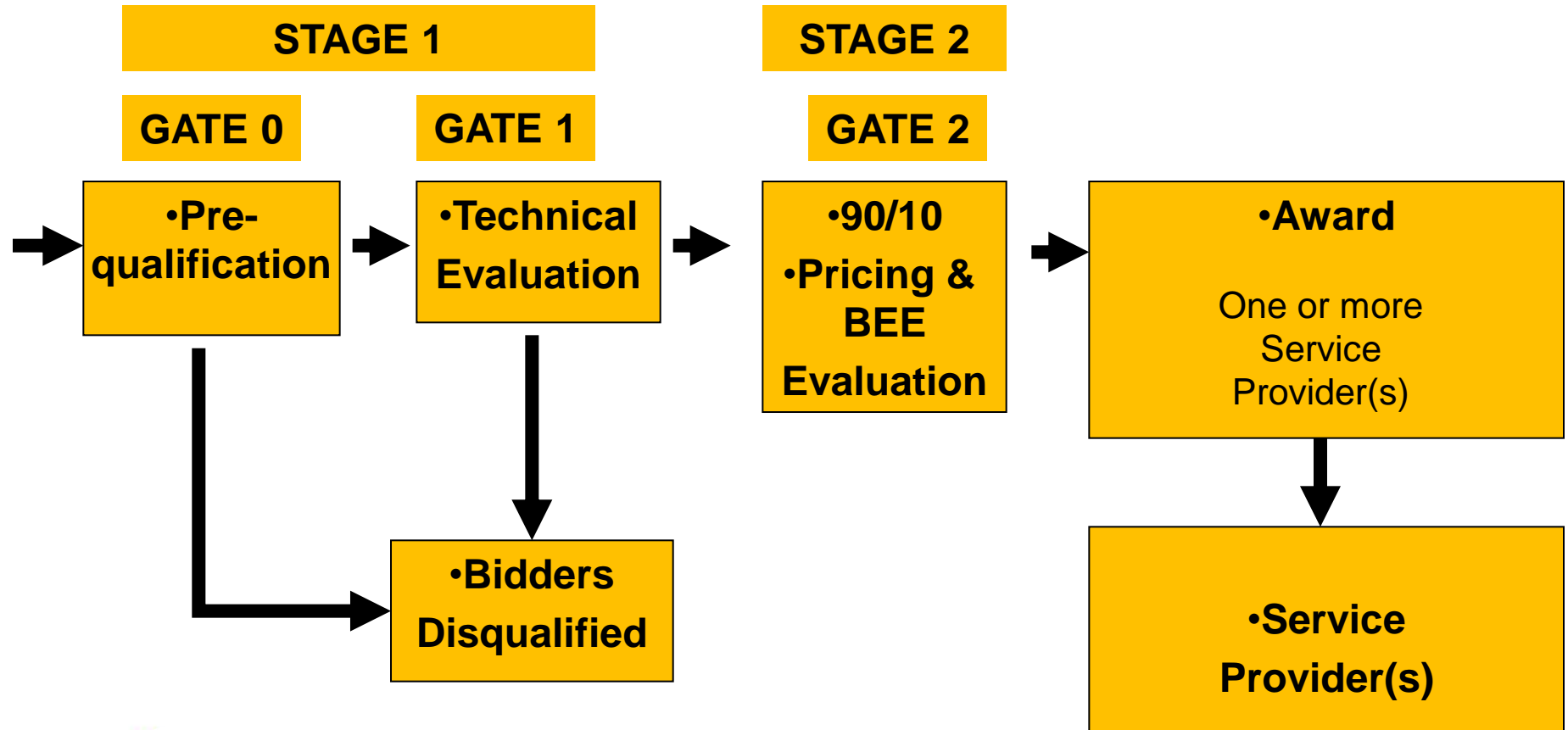
**Bidder is strongly advised to make sure it complies fully before making decision to bid.**

- **This RFP comprises of a two stage bid process:**
- Stage 1 consists of:
  - pre-qualification;
  - Mandatory requirements and
  - technical evaluation.

Bidders who meet the mandatory criteria, stated in the Main RFP Document, will move to technical evaluation. Bidders who qualify the technical stage, will be contacted by SARS to submit their pricing. A price template will be issued by SARS.

- Stage 2 consists of:
  - Pricing evaluation an
  - BEE evaluation

# Illustration of the entire RFP Process



# High level RFP timeline

		2014/2015											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Bid Preparation													
Evaluation and Award													
Contract Finalisation													

Note that this represents the timelines of the envisaged plan and may change. SARS will not be held to these dates nor will SARS be required to give reasons for deviations from the plan.

- Any questions / queries regarding the RFP process or content must be submitted in writing (email) to the email address below.
- All questions / queries must be submitted no later than 16:00 on 2 Jan 2015.
- Any oral communication will be considered unofficial and non-binding to SARS.
- The queries must be submitted:
  - to [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za)

– Email format:

**Subject** : “RFP 23-2014 – Question”  
**Body** : “Supplier : <supplier name>”  
: <Topic> “Pricing”/”Contract”/”Procurement”  
: “Question : <Question text>”

- **The answers will be provided**
  - without the details of who posed the question
  - to all the registered respondents
  - published on the SARS website
- **SARS will endeavour:**
  - to provide a response to questions posed by the 3<sup>rd</sup> business day after receipt
  - to finalise all responses on or before **7 January 2014**

- **SARS may:**
  - call one or more briefing sessions
  - conduct site visits
  - issue communications
    - answering questions from Bidders
    - clarifying issues arising from questions
    - amending the RFP, including changing dates and times in the RFP process.



- **SARS, at its sole discretion, may disqualify a Bidder from evaluation for:**
  - Non-adherence to RFP rules
  - Non-adherence to rules of engagement
  - Non-compliance to ethics
  - Incomplete Tender documentation and not submitting proof of the mandatory requirements as stated in the RFP 23-2014 Main Document.

## STAGE 1

First Stage Submission – In hard copy, A4 ring binder and one electronic copy, CD or DVD.

To be submitted by the closing date of the tender – **14 January 2015**

### File 1

- Pre-qualification documents (SBD documents and Mandatory requirement documents, as specified in Table 1 and Table 2 in Section 7.2).

### File 2

- Technical Responses:  
A Detailed technical drawing of the Category B vessel as specified in Table 3 in Section 8.4.

- **Bidder may not be considered for further evaluation at any stage during the evaluation of functionality if:**
  - for whatever reason SARS is unable to evaluate the Bidder's proposal
  - the solution proposed by the Bidder will not meet SARS's requirements, in the Business Requirements Specification, or will not achieve SARS's objectives.
  - The proposal submitted by the Bidder presents an unacceptably high level of risk to SARS.
- **Bidders that qualify on functionality will go through to stage 2 (Pricing and BEE evaluation).**

# RFP Pack content

**Presenter : Sedzani  
Mathelemusa**

---

- **RFP pack is organised into 4 Sections**

<b>Section 1</b>	<b>Summary, guidelines, instructions and Conditions. Required documents for the Briefing Session. (Oath, registration form etc.)</b>
<b>Section 2</b>	<b>Standard Bid Documents</b>
<b>Section 3</b>	<b>Business requirements specification</b>
<b>Section 4</b>	<b>General Conditions Contract (GCC)</b>

- **The SARS website may indicate the use of Standard Bid documents not included in the RFP pack.**
  - DO NOT SUBMIT THESE.
  - SUBMIT THE DOCUMENTS AS PER THE INSTRUCTIONS AND AS INCLUDED IN THE RFP PACK.

# Bidder's Proposal Format– STAGE 1<sup>23</sup>

- **This is covered in detail in the document:  
SARS RFP 23-2014 RFP Main Document**
- **The Proposal must contain ONE File 1, consisting of all pre-qualification and mandatory documents**
- **The Bidder must submit ONE File 2, consisting of the detailed technical drawing of the Vessel.**

**See section 12 in the RFP23-2014 RFP Main Document**

- **Each Proposal section must be separately wrapped and must contain:**
  - One hardcopy
  - One electronic copy in CD or DVD
- **The hardcopy must be signed and must contain the original signatures.**



# Requirement Overview

**Presenter: Dwight Malan**



- SARS's Mandate

- Customs and Excise Act 91 of 1964 section 4C (border Patrols)
- Providing Border control Management
- Community Protection
- Industry Protection
- Administer trade facilitation
- Ensure supply chain security.

- SARS's vision

- To enhance the high visible capabilities to prevent ***cross border smuggling*** and to ***ensure total compliance with customs legislation*** as to protect society and to promote economic growth in South Africa

- **The SARS water wing was established in 2013 with one vessel in Cape Town and one vessel in Durban.**

## ***The current vessels:***

- Ensure effective Customs Operations throughout the South African harbours
- Perform search and seizure operations
- Cargo searches on vessels
- Rummaging Operations on Vessels
- High visibility in and around the port
- Harbour Coast Line Patrols
- Joint Operation

- One vessel operational in Cape Town and one vessel operation in Durban.
- With our harbour expansion at the ports of Port Elizabeth and Durban SARS wants to build the capabilities and capacity of the marine wing to enable it operate effectively in the ports prior to the development and to ensure that the SARS Marine Wing reaches its mandatory goals.
- The SARS Marine Wing has two (2) CAT striker 6.9 meter vessels to cover the Customs enforcement area of 12 Nautical Miles (NM).

- With the development and trade facilitation and movement of more and more containers on a daily basis, SARS Marine Wing needs to cover the risk of illegal and illicit trade in and around the South African ports by procuring two (2) 8.99 meter Category B vessels with 200 to 250HP motors.

## **Ref: RFP23-2014 Business Requirements Specification**



# STAGE 2

## B-BBEE Overview

**Presenter : Gugu Ntuli**

## 1. B-BBEE

In line with the requirements of the PPPFA tenders that have achieved the minimum qualifying score for functionality will be evaluated further in terms of the prescribed preference point systems

( 1 ) **Regulation 6 - 90/10** : A maximum of **10 points** may be allocated to a bidder

## 2. B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

- BBEE Certificate
- Completed and signed SBD 6.1

# BEE REQUIREMENTS

<b>Classification</b>	<b>Turnover</b>	<b>Submission Requirement</b>
Exempted Micro Enterprise (EME)	Below R5 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA or a letter from an Accounting Officer as contemplated in the CCA.
Qualifying Small Enterprise (QSE)	Between R5 million and R35 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA
Large Enterprise (LE)	Above R35 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA

Bidders who do not claim Preference Points will be scored zero



## BID DECLARATION

6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: ..... = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

## 8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....%
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

# BEE Scoring

<b>B-BBEE Contributor Level</b>	<b>Number of Points (80/20 system)</b>	<b>Number of Points (90/10 system)</b>
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-Compliant Contributor	0	0

## 1. Joint Ventures and Consortiums

Incorporated JVs must submit the B-BBEE status of the entity. Unincorporated JVs must submit a consolidated B-BBEE scorecard as if they were a group structure for every separate tender.

## 2. Sub-contracting

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub – contracting.

The following is an extract from the PPPFA Act:

**11(8)** “A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.”

**11(9)** “A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.”

# STAGE 2

## Pricing Overview

**Presenter : Seodi Legodi**

---

## Preference point systems

- The 80/20 preference point system is applicable to bids\* with a Rand value equal to, or above R30 000 and up to a Rand value of R1 million (all applicable taxes included).
- The 90/10 preference point system is applicable to bids with a Rand value above R1 million (all applicable taxes included).

# Price Evaluation

- **STAGE 2** will consist of SARS's Pricing and BEE Evaluation (Gate 2). The bidders that qualified after Stage 1, will be contacted and requested to submit pricing information necessary for Stage 2. **Bidders will be given three (3) working days to submit the required price information.**
- **Evaluation criteria:**

Adjudication Criteria	Points
$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	90

Where :

- **P<sub>s</sub>** = Points scored for price of bid under consideration
- **P<sub>t</sub>** = Rand value of bid under consideration
- **P<sub>min</sub>** = Rand value of lowest acceptable bid

# Draft Price Template

- **Pricing template in this presentation is only a draft**
- **Final price template will be issued after conclusion of stage 1 evaluation.**

# Incorrect ASSUMPTIONS with regards to PRICING

Incorrect ASSUMPTIONS	CONCLUSION
<p>1. PRICE IS REGARDED AS A DETERMINING FACTOR FOR AWARDING OF A TENDER, AS A RESULT:</p> <ul style="list-style-type: none"><li>• Bidders submit Lower quotations in an attempt to secure the bid and consequently are unable to render the service</li></ul>	<p>1. PRICE IS NOT THE ONLY DETERMINING FACTOR ON AWARDING A TENDER:</p> <ul style="list-style-type: none"><li>• Bidders should submit realistic quotations</li></ul>
<p>2. BIDDER' INTERPRETATIONS OF THE SPECIFICATIONS VARY WHICH LEADS TO:</p> <ul style="list-style-type: none"><li>• Incomplete quotations</li><li>• Alterations to the specifications by the bidder</li></ul>	<p>2. THE SPECIFICATION IS MEANT TO BE CLEAR AND UNAMBIGUOUS, WHERE IT MIGHT APPEAR TO BE UNCLEAR/UNAMBIGUOUS, BIDDERS ARE URGED <b>TO SEEK CLARIFICATION</b></p> <ul style="list-style-type: none"><li>• Your interpretation of the Specifications whether correct or incorrect will affect your pricing</li></ul>
<p>3. CALCULATION ERRORS</p> <ul style="list-style-type: none"><li>• Incorrect calculations</li></ul>	<p>3. COMMON ERRORS WHICH MAY LEAD TO COMPLICATIONS WHEN EVALUATING BIDS</p> <ul style="list-style-type: none"><li>• In case of calculation errors between hardcopy and soft copy, the signed hardcopy prevails</li></ul>



# PROPOSED SARS Contract

**Presenter : Modise Matekane**

- **Bidders are requested study the SARS warranty requirements. SARS will welcome any comments thereon but Bidders should bear in mind that all things being equal, the risk appetite of a Bidder may play an important role in the contract negotiations.**
- **The proposed contract, where possible, will be submitted to bidder(s) qualifying in stage 1, along with the pricing template.**
- **Upon award of the tender, the winning bidder(s) will enter into price and contract negotiations with SARS.**

- **Bidders are encouraged to supply SARS with the Bidders' pro-forma contract for perusal and better understanding of the contract terms and conditions in the boat building industry and to facilitate the contract negotiations.**
- **Upon award, SARS will require the successful Bidder(s) to furnish a performance bond regarding their due fulfilment and/or performance of the Bidder's full obligations in terms of this RFP. The amount of the performance bond shall be, at the sole discretion of SARS, determined as the full price payable by SARS in terms of the RFP award or a percentage thereof.**

# Wrap up

**Please submit all questions  
electronically to SARS  
Procurement at  
[tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za)**