

REFERENCE: RFP 02/2022
REQUEST FOR PROPOSAL

DESCRIPTION:

APPOINTMENT OF A VAT REFUND ADMINISTRATOR

DATE ISSUED: 18 JULY 2022

CLOSING DATE: 16 AUGUST 2022, 11H00

TENDER BOX:

LEHAE LA SARS, PRETORIA HEAD OFFICE,
299 BRONKHORST STREET,
NIEUW MUCKLENEUK,
PRETORIA,
0181

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1. INTRODUCTION

The South African Revenue Service (SARS) is uniquely placed to contribute to government's plan of action to address socio-economic growth and development, poverty alleviation and job creation. Through the vital role of providing the revenue to fund the full spectrum of initiatives, plans, programmes and strategies of national, provincial government departments and the region, SARS plays a crucial enabling role in government delivery.

2. OVERVIEW OF SARS

Our Mandate

The SARS Act, 1997, enables SARS to:

- Collect all revenue due.
- Ensure optimal compliance with Tax and Customs legislation; and
- Provide a Customs service that optimises revenue collection, protect our borders, and facilitate legitimate trade.

The primary legislation that SARS administers includes:

- Income Tax Act, 1962.
- Customs and Excise Act, 1964.
- Value-Added Tax Act, 1991.
- Tax Administration Act, 2011; and
- Employment Tax Incentive Act, 2013.

SARS Higher Purpose

Our work enables Government to build a capable State, to foster sustainable economic growth and social development that serves the wellbeing of all South Africans.

Our Strategic Intent

Our mandate is to collect all revenue due; ensure optimal compliance with tax and customs legislation; provide a customs service to optimise revenue, border protection and facilitate legitimate trade. To give effect to our mandate, our Strategic Intent is to develop a Tax & Customs system based on Voluntary Compliance.

Our Vision

It is our Vision to build a smart modern SARS with unquestionable integrity that is trusted and admired.

Our Strategic Objectives

In support of our Strategic Intent and to give effect to our compliance philosophy, we have identified and committed to achieving nine (9) Strategic Objectives to guide and inform our efforts and decisions and focus our resources over the course of this planning cycle. Our nine (9) Strategic Objectives are as follows:

- Provide Clarity and Certainty for taxpayers and traders of their obligations.
- Make it easy for taxpayers and traders to comply with their obligations.
- Detect taxpayers and traders who do not comply and make non-compliance hard and costly.
- Develop a high performing, diverse, agile, engaged, and evolved workforce.
- Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes.
- Modernise our systems to provide digital and streamlined online services.
- Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence.
- Work with and through stakeholders to improve the tax ecosystem; and
- Build public trust and confidence in the tax administration system.

Our Values

Endeared by a sense that we serve a Higher Purpose in the service of South Africans, and committed to the fulfilment of our Mission & Mandate, we hold the following values dear:

- Uncompromising regard for Taxpayer Confidentiality.
- Unquestionable Integrity, Professionalism and Fairness.
- Exemplary Public Service; and
- Incontestable insights from Data & Evidence.

3. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential Service Provider(s) with a minimum B-BBEE status level 4, to be appointed as a Value-Added Tax (VAT) Refund Administrator.

This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential Service Provider(s) required by SARS.

This RFP does not constitute an offer to do business with SARS, but merely serves as an invitation to bidders to facilitate a requirements-based decision process.

4. LEGISLATIVE FRAMEWORK OF THE BID

4.1 TAX LEGISLATION

When submitting a bid to SARS, Service Provider(s) must be compliant and remain compliant with all applicable tax legislation for the entire contract term, including but not limited to the Tax Administration Act, 2011 (Act No. 28 of 2011), Income Tax Act, 1962 (Act No. 58 of 1962), Value-Added Tax Act, 1991 (Act No. 89 of 1991) and Customs and Excise Act 1964 (Act No.91 of 1964).

4.2 PROCUREMENT LEGISLATION

SARS has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and its regulations, as well as, the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

4.3 TECHNICAL LEGISLATION AND/OR STANDARDS

Bidders should be cognisant of all legislation and/or standards specifically applicable to the services. Bidder(s) should note further that processing of personal information shall be dealt with in accordance with the prescripts of the Protection of Personal Information Act, 2013 (Act No.4 of 2013).

Applicable legislation/Rules (this list is not exhaustive)

4.3.1 Part 1 of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580;

4.3.2 Value Added Tax Act, 1991 (Act No. 89 of 1991): Sections 1, 7(1), 10(12), 11(1), 20, 44(9) and

68;

4.3.3 Customs and Excise Act, 1964 (Act No. 91 of 1964): Sections 6, 15 and 38(3);

4.3.4 Customs and Excise Rules: 120A; and

4.3.5 South African Reserve Bank foreign exchange regulations.

The successful Service Provider will be required to comply with the relevant Memorandum of Understanding (MoU's) that SARS has with other relevant Revenue Authorities (Annexure D).

5. BRIEFING SESSION

A non-compulsory virtual briefing session will be held, to clarify to Bidder(s) the scope and extent of work to be executed. Bidders must refer to paragraph 7 of the RFP document for the date and time of the briefing session.

6. DURATION OF CONTRACT

The successful Bidder will be appointed for a period of sixty (60) months.

7. TIMELINE OF THE BID PROCESS

The validity period of the tender and the withdrawal of offers, after the Closing Date and time, is one hundred and eighty (180) days. SARS reserves the right to extend the validity period.

The project timeframes of this Bid are set out below:

All the times given in this bid are South African Standard Time.

Any time or date in this bid is subject to change at SARS' discretion. A reference to a time or date in this bid does not create an obligation on the part of SARS to take any action or create any right in any way for any Bidder to demand that any action be taken on that specific date or at that specific time. The Bidder accepts that, if SARS extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this Bid will otherwise apply equally to the extended deadline.

Activity	Date Due
Advertisement of Bid in the: - SARS eSourcing platform. - SARS website. - National Treasury Tender Portal.	18 July 2022
Upload of Bid documents on SARS website	18 July 2022
Non-compulsory virtual briefing session	25 July 2022 at 11H00
Last date for questions relating to the bid from Service Provider(s)	08 August 2022
Bid Closing Date	16 August 2022
Notice to Service Provider(s)*	Oct / Nov 2022
Contract commencement date*	April 2023

8. CONTACT

A nominated official of the Bidder(s) can make enquiries only in writing, to the specified person, Procurement Tender Office via email TenderOffice@sars.gov.za and copy rft-professionalservices@sars.gov.za. Bidders must make all enquiries in writing and send them to the email addresses listed above.

9. SCOPE OF WORK/ SPECIFICATION

9.1. BACKGROUND

Provision is made in South African legislation: Part one (1) of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580; for a Value Added Tax (VAT) Export Incentive Scheme.

Where movable goods are supplied by a South African Vendor to a qualifying purchaser and the qualifying purchaser is responsible for exporting the goods from Republic of South Africa, the South African vendor is obliged to levy tax at the standard rate on the supply to the qualifying purchaser.

The qualifying purchaser is subsequently entitled to a VAT refund subject to certain limitations and conditions.

Part one (1) of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580; makes provision for SARS Commissioner to appoint a VAT Refund Administrator which will administer the refund of VAT contemplated in Part one (1) of this Regulation.

All VAT Refund claims are submitted by qualifying purchasers to the appointed Service Provider, which administers the refund claims, ensures that documents submitted are accurate, complete, valid, timeously and comply with the SARS VAT Regulation (Part one (1) of the Value Added Tax (VAT) Export Regulation No.R.316, Government Gazette No. 37580). The VAT Refund Administrator will in turn submit VAT Refund claims to a central SARS office for assessment, resulting in either approval and payment, or rejection and non-payment.

9.2. TECHNICAL REQUIREMENTS

The successful bidders will be responsible for the following listed services below at the prescribed International Airports and any other place easily accessible to the qualifying purchasers. Bidders must refer to **Annexure A1** for the VAT Refund Administration process flow.

9.2.1. VAT Export Incentive Scheme Education/Awareness

- 9.2.1.1 Create awareness and promote VAT Export Incentive Scheme to qualifying purchasers and travellers, this must be done through publishing relevant information on the company website, provide quarterly online webinars, hand-out brochures to travellers.
- 9.2.1.2 Provide clarity to foreign qualifying purchasers about the South African VAT Export Incentive Scheme.
- 9.2.1.3 Ensure that, foreign qualifying purchasers are informed about the obligations and importance to comply with Part one (1) of the VAT Regulation.
- 9.2.1.4 Make it easy for the Foreign qualifying purchaser / traders to comply with Part one (1) of the Value Added Tax (VAT) Export Regulation No. R. 316, Government Gazette No. 37580.

9.2.2. Claims Management

The Service Provider will be required to:

- 9.2.2.1 Provide secondary inspection of invoices and goods at the three (3) Airports namely: (OR Tambo International Airport, Cape Town International Airport and King Shaka International Airport) and SARS customs will provide primary inspection.
- 9.2.2.2 Receive all the VAT related claims from the qualifying claimants.
- 9.2.2.3 Administer VAT Refund claims: Ensuring that such claims are accurate, valid, complete, and submitted timeously.
- 9.2.2.4 Provide qualifying purchasers with progress of their VAT refund claims via email.
- 9.2.2.5 Keeping a clear record of all the claims and claimants thereof.
- 9.2.2.6 Ensuring the traveller financial information is correctly captured and validated.

- 9.2.2.7 Provide automation ability to capture and submit claims directly to SARS electronically in a secure electronic platform that can integrate with SARS document management systems and other prescribed related systems such as Value Added Tax (VAT) and Customs Export Border Management for the purpose of viewing the South African vendors VAT registration numbers and export declaration of qualifying purchasers.
- 9.2.2.8 Ensure automated validation of claimant's credentials and identity; and
- 9.2.2.9 Take responsibility for communicating the SARS Commissioner's decision on the VAT refund claim application and pay the approved VAT amount to the claimant as per Part one (1) of the VAT Regulation No. R.316.

Note:

- SARS will pay the appointed Service Provider (VRA), only after SARS dedicated team has confirmed that the VAT Refund claim conforms with Part one (1) of the VAT Regulation No. R316, Government Gazette No. 37580.
- Therefore, the verification timeframe of three (3) months by SARS should be taken into consideration.
- Lesotho Revenue Authority (LRA) and eSwatini Revenue Services (ERS) payment will be processed as per the Memorandum of Understanding (MOU).

9.2.3. Document Management

- 9.2.2.1. Provide all documentary evidence to SARS for audit purposes and record keeping.
- 9.2.2.2. Provide SARS with full details (and supporting documents) relating to all claimants on submission of VAT refund claims to SARS dedicated team.

9.2.4. Risk Management

- 9.2.3.1. Perform VAT refund administration using a robust and reliable (auditable) system upon which the administration of the VAT refunds is based.
- 9.2.3.2. Implement risk-based analysis to detect potential unlawful / fraudulent claims; and
- 9.2.3.3. Implement controls to identify and prevent the payment of refunds relating to invalid claims i.e. fraudulent, duplicated, and/or non-compliant with legislative and policy requirements.

9.2.5. Reporting

The Service Provider should submit monthly, quarterly, and annual reports on processed claims and payments detailing/ showing VAT refund claims submitted to the SARS VAT Export Incentive Scheme ("VEIS") team including but not limited to:

- The VAT refund amount due to Service Provider as per VAT refund claims submitted to SARS;

- The Vat refund amount due to Service Provider for claims rejected after SARS verification of the claims;
- Refund amounts paid to SARS, by the Service Provider due to rejections (ERS/LRA Clawback);
- Payment made by SARS, to the Service Provider;
- Payments made to the qualifying purchasers by the Service Provider;
- Refunds that are not collected for three (3) months, claim number and value of electronic payments due to SARS;
- Claim number and value of re-issued electronic payments;
- Payments still not made to the qualifying purchasers;
- Unpaid claims (Refunds that are not collected for three (3) months); and
- Provide a report on blocked claimants due to possible fraudulent claims.

Where interest may accrue to the Service Provider on stale cards and EFT payments not claimed or utilised by the qualifying purchaser during the three (3) months, such interest should be paid to SARS ensuring the following:

- Provide an external audit report annually at the Service Provider's cost.
- Reporting capability on the claims processed and payments made; and
- The solution should be extendable to other ports of entry as SARS may from time to time introduce new ports of entry or close some.

9.2.6. Location

Bidders may submit proposals in respect of one (1) or more of the Ports of Entry listed below in par. 9.2.6.1 below, as well as for all land borders listed in par. 9.2.6.3. below. However, SARS reserves the right not to award or to cancel this bid at any time and shall not be bound to accept the lowest or any bid.

It is envisaged that three (3) service providers will be appointed as follows:

- One (1) for O.R Tambo International Airport;
- One (1) for Cape Town International Airport , King Shaka International Airport servicing the Harbours (Durban Albany House, Cape Town (P166), East London, Port Elizabeth, Mossel Bay, Richard Bay and Saldanha Bay; and
- One (1) for all Land borders (neighboring countries), see par. 9.2.6.3 below.

Bidders must complete **Annexure A5** and clearly indicate the Ports of Entry they are bidding for.

Only one (1) office is required per international Airport. One (1) office for each land border (neighbouring countries)

9.2.6.1. The Service Provider's offices must be in the following Ports of Entry:

- O.R Tambo International Airport;
- Cape Town International Airport , King Shaka International Airport servicing the Harbours (Durban Albany House, Cape Town (P166), East London, Port Elizabeth, Mossel Bay, Richard Bay and Saldanha Bay.

9.2.6.2. Only one (1) service provider will be appointed to administer VAT refund in all land borders listed below, however bidders are allowed to bid for one (1) or more of the Ports of Entry in par. 9.2.6.1 above and for all land Borders listed in par 9.2.6.3 below.

9.2.6.3. The Service Provider will be required to have accessible remote offices within the proximity of the land borders for all other designated Ports of exit to the following countries where qualifying purchasers will be able to submit VAT refund claims:

- Zimbabwe (Beitbridge Border);
- Mozambique (Lebombo Border);
- Botswana (Grobler's bridge ,Ficksburg bridge, Kopfontein, Ramatlabama, Skilpadhek);
- Namibia (Vioolsdrift, Nakop);
- Lesotho (Ficksburg bridge, Caledonspoort, Maseru Bridge, Qacha's Nek, Van Rooyens Gate); and
- eSwatini (Oshoek, Mahamba, Nerston, Golela, Jeppes Reef, Mananga).

SARS will conduct inspection with the successful bidders to ensure that International Airports and remote offices are ready to provide services one (1) month before the commencement of the contract.

9.2.7. Turnaround Time

The qualifying purchaser and the Service Provider must ensure that the VAT refund claims comply with the following turnaround times:

- Movable goods are exported within ninety (90) calendar days from the Tax Invoice date.
- VAT Refund claim documents are submitted to the Service Provider, within ninety (90) calendar days from the export date.
- Fully complete VAT Refund claim documents are submitted to SARS dedicated team, within thirty (30) calendar days from receipt of the Service Provider.
- Once VAT refund has been approved and paid by SARS dedicated team, the Service Provider to process payment to qualifying purchaser within thirty (30) calendar days.

9.2.8. Training/ Workshop

The successful Service Provider must provide training/ workshop (virtual, face to face or hybrid) to the SARS dedicated team on the proposed automated Vat refund system within two (2) weeks of the commencement of the contract.

10. SARS REQUIREMENTS FROM THE BIDDERS / DOCUMENTATION REQUIRED

Bidders must respond to all the information required in this section in their bid proposals. Bidders should also refer to paragraph 9, which details the background and technical requirements.

10.1. COMPANY PROFILE

The bidders should provide in their response detailing:

10.1.1 Organisation structure including:

- The profile of the company; and
- The organogram of the team that will assist SARS with the administration of VAT refunds on exported goods.

10.1.2 Resources including:

- A minimum of five (5) support staff that will be assigned to SARS including technical support to attend to email enquiries and system support in respect of administering VAT refunds. The bidder must provide a CV of each support staff which should include but is not limited to:
 - His/her roles and responsibilities.
 - Experience in processing claims and payments, managing risk, customer service, data capturing and technical support and.
 - Qualifications (Matric and other qualification/s e.g. Finance, Accounting, IT, Data Capturing, Operational Risk or Auditing or equivalent) and provide a **certified copy** of each qualification.
- Key Account Manager:

The bidder's full contact details of a Key Account Manager, who will be assigned to SARS including:

- His/her role and responsibilities with regard to the VAT Refund Administration services being rendered to SARS;
- He/she should have a minimum of four (4) years relevant experience;
- His/her qualifications e.g. Finance, Accounting, IT, Data Capturing, Operational Risk or Auditing or equivalent and provide a **certified copy** of each qualification; and
- His/her CV.

10.2. DOCUMENT MANAGEMENT AND RECORD KEEPING

The bidder should demonstrate the document management process including but not limited to:

- The planning and organising of how electronic as well as paper-based claims will be stored and maintained safely for a period of five (5) years and facilitation of record hand-over at the end of the contract;
- Security, disposal of records and management of all files efficient and effective; and
- Quality measures in place to ensure data security, reliability, and validity of data.

10.3. TESTIMONIALS

The bidders must complete the testimonials template (**Annexure A4**).

The bidders must provide three (3) recent testimonials from a minimum of three (3) recent clients (not older than 3 years) where claims administration services related to tax and finance were rendered.

The testimonial for each client must include the following information:

- Client name;
- The client's contact person and phone number;
- Contract period;
- Description of the services;
- Level of satisfaction; and
- Quality of the service rendered

The three (3) testimonials must be on the relevant company's letterhead or authenticated by a company stamp.

Please note: It is important to ensure that the clients listed on the schedule are contactable.

Bidders must provide the Challenges and Lessons Learnt separately per testimonial and indicate how they overcame those challenges.

10.4. LOCATION

The bidder must provide a letter/s of intent to rent offices or proof of ownership of the offices in the following Ports of Exit where it should be present:

- O.R Tambo International Airport;
- Cape Town International Airport and King Shaka International Airport.

The bidder must provide letter/s of intent to have accessible remote offices within the proximity of the borders for all other designated Ports of exit to the following countries where qualifying purchasers will be able to submit VAT refund claims:

- Zimbabwe (Beitbridge Border);
- Mozambique (Lebombo Border);
- Botswana (Grobler's bridge ,Ficksburg bridge, Kopfontein, Ramatlabama, Skilpadhek);
- Namibia (Vioolsdrift, Nakop);
- Lesotho (Ficksburg bridge, Caledonspoort, Maseru Bridge, Qacha's Nek, Van Rooyens Gate); and
- eSwatini (Oshoek, Mahamba, Nerston, Golela, Jeppes Reef, Mananga).

10.5. METHODOLOGY AND APPROACH

All bidders will be invited to present a demonstration for paragraph 10.5 & 10.6 of this RFP document.

The bidder should outline their proposed methodology, process and approach to administer the VAT refund services. This must include but not limited to:

10.5.1. The proposed automated system that will be used to administer VAT refunds including the process flow of the VAT refund claims.

The process flow of the automated refund system include but not limited to:

- The functions of the system and software that will be used;
- Deployment aligned with Ports of Exit/ or easily accessible to the qualifying purchasers; and
- How will the system address the risk of fake, duplicate and fraudulent VAT refund claims.

10.5.2. The proposed validation process to prevent fake and fraudulent VAT refund claims including the steps of the validation process;

10.5.3. The proposed reporting tool/software for all processed, pending, unpaid, disputed and paid claims including its functions/capability and evidence and samples of reports previously produced; and

10.5.4. Envisaged implementation plan/ project plan to execute the VAT refund administration service including recommended timelines, deliverables (output), roles and responsibilities of each staff member.

10.6. DATA ANALYSIS, REPORTING, PRESENTATION AND AWARENESS

The bidders must demonstrate how they will conduct data analysis of claims, reporting of claims, presentation and planning of VAT Refund Awareness to qualifying purchasers and travellers at Ports of Exit through publishing relevant information on the company website, provide quarterly online webinars, hand-out brochures to travellers and provide qualifying purchasers with progress of their VAT refund claims via email.

SARS will conduct inspection with the successful bidder to ensure that the proposed automated system to administer VAT refund is ready to provide services one (1) before the commencement of the contract.

11. INSTRUCTIONS TO BIDDER(S)

11.1. Registration on Central Supplier Database

Bidders who have no presence in South Africa currently are not required to register on CSD, however should such entities be successful in winning the award, and they will be expected to register on the Central Supplier Database. All other local Bidders or foreign Bidders that have local presence at the time of tendering are expected to abide by these provisions. CSD can be accessed via the following link:

<https://secure.csd.gov.za/>

Bidders who wish to render services to SARS will no longer register at SARS directly. Bidders will have to register on National Treasury Central Supplier Database (CSD) as per National Circular No. 4A of 2016/2017 – Central Supplier Database.

National Treasury will maintain the database for all suppliers for Government and its institutions; and all existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at www.CSD.gov.za.

11.2. Bids must be properly packaged and deposited in the below mentioned tender box on or before Closing Date and time at the SARS Tender Office situated at:

Lehae La SARS

Pretoria Head Office

299 Bronkhorst Street,

Nieuw Muckleneuk,

Pretoria,

0181

11.3. Bid documents may also be couriered to the Tender Office – at the address stated above.

11.4. Bid documents **must** also be submitted through the **SARS eSourcing** platform, that will require Bidders to register on the system before they will be able to submit proposals:

[Link: https://esourcing.sars.gov.za/sap/bc/webdynpro/sap/zeso_csd_create_supplier#](https://esourcing.sars.gov.za/sap/bc/webdynpro/sap/zeso_csd_create_supplier#)

11.5. The Bidder(s) are required to ensure that the content of their proposal submitted on the different platforms are the same

11.6. Bid documents will only be considered if received by SARS before the Closing Date and time, regardless of the method used to send or deliver such documents to SARS.

11.7. Late bids will not be accepted and shall be returned to the Bidder (s).

11.8. The Bidder(s) are required to submit one (1) copy of each file (original and duplicate) and one (1) USB with the contents of each file by the Closing Date and time.

11.9. Each file and USB must be marked correctly and sealed separately for ease of reference during the evaluation process.

- 11.10. The bidder's proposal must be labelled and submitted in the following format both in hardcopy and the USB.

FILE 1 (ONLY TECHNICAL PROPOSAL)	
Exhibit 1 <ul style="list-style-type: none"> • Pre-qualification documents (SBD documents) • Three (3) years audited Annual Financial Statements 	Exhibit 2 <ul style="list-style-type: none"> • Service Provider Compliance Checklist for Technical Evaluation (Annexure A2) • Response to Technical Requirements as per paragraph 10 of the RFP document and (Annexure A3 & Annexure A4) • Annexure A5: Signed Bidding Location Template • Supporting documents for the technical response.
Exhibit 3 <ul style="list-style-type: none"> • General Conditions of Contract (GCC) • Draft Services Agreement 	
FILE 2 (ONLY PRICE & B-BBEE PROPOSAL)	
Exhibit 1 <ul style="list-style-type: none"> • Pricing Schedule 	Exhibit 2 <ul style="list-style-type: none"> • B-BBEE Certificate/ Sworn Affidavit • SBD 6.1
Note: SARS requests that Bidders use Lever Arch files to package their proposals. Please do not submit the published RFP document.	

12. EVALUATION AND SELECTION CRITERIA

SARS has set minimum standards (Gates) that Bidders must meet to be evaluated and selected as a Successful Bidder. The minimum standards consist of the following Gates:

- **Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all Standard Bidding Documents as outlined in paragraph 12.1 below.
- **Pre-technical Mandatory Requirements (Gate 1)** - Bidder(s) must submit a valid B-BBEE certificate, sworn affidavit or SANAS accredited BEE certificate with minimum B-BBEE status level

4, as outlined in paragraph 12.2 below.

- **Technical Evaluation Criteria (Gate 2)** – Bidder(s) will be evaluated out of hundred (100) points during Technical Evaluations and the minimum threshold of seventy (70) points must be achieved. The process is outlined in paragraph 12.3 below.
- **Price and B-BBEE Evaluation (Gate 3)** – bidder(s) will be evaluated out of 100 points. The process is outlined in paragraph 12.4 below.

12.1. PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS' other critical requirements for this Bid, a Bidder must submit the documents listed in **Table 12A** below. Documents must be completed in full and signed by the duly authorised representative of the prospective Bidder. The Bidder's proposal may be disqualified for non-submission of any of the documents.

Table 12A: Documents that must be submitted for Pre-Qualification

Name of the document that must be submitted	Non-submission may result in disqualification
Central Registration Report (Central Database System) from National Treasury	YES – Bidders must register on the Central Database System and submit the Report as confirmation of registration.
Tax Compliance status pin	YES – Submit Tax Compliance status pin.
Invitation to Bid – SBD 1	YES – Complete and sign the supplied pro forma document.
Declaration of Interest – SBD 4	YES – Complete and sign the supplied pro forma document.
Preference Point Claim Form - SBD 6.1	YES – Complete and sign the supplied pro forma document.
Cost and Risk Assessment Questionnaire	YES – Complete and sign the supplied pro forma document.
Bidder Compliance Checklist Form for Technical Evaluation (Annexure A2)	NO – Complete to assist for ease of reference during evaluation.
Annual Financial Statements	YES – Bidders are required to submit complete sets of audited or reviewed annual financial statements for the three (3) most recent financial periods in the name of the bidding entity.

12.2. PRE-TECHNICAL (MANDATORY REQUIREMENTS) – GATE 1

Table 12B: Mandatory Requirements

Mandatory Requirements	Non-compliance with stated B-BBEE status level will result in disqualification
Minimum B-BBEE status level 4	YES – Submit a certified copy of a valid B-BBEE certificate, sworn affidavit or SANAS accredited BEE certificate with minimum B-BBEE status level 4.

Bidders must ensure that the turnover on the financial statement is aligned with submitted sworn affidavit.

12.3. TECHNICAL EVALUATION (GATE 2)

Only Bidder(s) that have met the Pre-Qualification Criteria in Gate 0 and B-BBEE mandatory requirements in Gate 1, will be evaluated in Gate 2 for Functionality (Technical Evaluation) out of 100 points as follows:

- Desktop Technical Evaluation – All bidders will be evaluated out of **46** points during Desktop Evaluations.
- Presentation Evaluation – All bidders will be invited for presentations which will be evaluated out of **54** points.

Bidders should refer to Annexure A3 for the detailed technical evaluation criteria applicable to Desktop and Presentation.

Only Bidders that have obtained a threshold of 70 out of 100 points will proceed to Gate 3 for Price and B-BBEE evaluations.

12.4. PRICE AND B-BBEE EVALUATION (GATE 3)

12.3.1. Stage 1 – Price Evaluation (80 Points)

a. Pricing Evaluation

There are no cost implications for SARS for this bid. The successful bidder will deduct a commission from the tax refundable to the qualifying purchaser.

The commission will be calculated at a minimum rate of 1,3% and a maximum rate of 1,5% (VAT

inclusive), with a minimum charge of R10 and a maximum charge of R500 per refund, whichever is the lesser between the percentage rate and the rand value.

Table 12 C: Price Evaluation Formula

Adjudication Criteria	Maximum Points
Price Evaluation $P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	80

Where

P_s = Points scored for price of Bid under consideration

P_t = Rand value of Bid under consideration

P_{\min} = Rand value of lowest acceptable Bid

12.3.2. Stage 2 – B-BBEE Evaluation (20 Points)

b. B-BBEE Requirements

In line with the requirements of the Preferential Procurement Regulations, 2017 (Government Gazette No. 40553) to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) [the “PPPFA”] tenders that have achieved the minimum qualifying score for functionality will be evaluated further in terms of the prescribed preference point systems:

Regulation 6 - 80/20: A maximum of 20 points may be allocated to a bidder.

c. Bid Evaluation Process Gate 2: B-BBEE EVALUATION

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

Table 12D: B-BBEE Points allocation and required documents

Adjudication Criteria	Maximum Points
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1) and a B-BBEE certificate/ affidavit.	20

The checklist below indicates the B-BBEE documents that must be submitted for this tender. Failure to submit the required documents will result in bidders scoring zero for B-BBEE.

Table 12E: B-BBEE Checklist

Classification	Turnover	Submission Requirement
Exempted Micro Enterprise (EME)	Below R10 million p.a.	A sworn affidavit (Preferably a Department of Trade and Industry [DTI] Affidavit) or a Certificate from the Companies and Intellectual Property Commission (CIPC) or a B-BBEE Rating Certificate from a SANAS Accredited Rating Agency.
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited Rating Agency, or a sworn affidavit (Preferably a DTI Affidavit). This is only applicable to QSEs with 51% Black Ownership and above.
Large Entity (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.

Failure on the part of a Bidder to submit a B-BBEE Verification Certificate from a verification agency accredited by the South African Accreditation System (SANAS), a Certificate from the Companies and Intellectual Property Commission (CIPC) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of Bidder are not claimed.

Use and acceptance of Sworn Affidavits

SARS reserves the right to request that Service Providers submit their Black Ownership and turnover information in support of their affidavits.

Bidders will need to provide information which proves Black Ownership and turnover, in addition to the sworn affidavit, or request that their EME/QSE suppliers be verified and have this confirmed in the affidavit.

Joint Ventures and Consortiums

A trust, consortium or joint venture (including unincorporated consortia and joint ventures), will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their consolidated B-BBEE status level Verification Certificate scorecard and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Subcontracting

Bidders may subcontract the provision of services contemplated in this Request for Proposal. Bidders who want to claim preference points will have to comply fully with regulations 12(1) and (3) of the Preferential Procurement Regulations, 2017 with regard to subcontracting:

Regulation 12 – Subcontracting after award of tender

- (1) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- (2) A person awarded a contract may not subcontract 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 of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

Proof of Existence: Joint Ventures and/or Sub-Contracting

Bidders must submit concrete proof of the existence of joint ventures arrangements. SARS will accept signed agreements as acceptable proof of the existence of a joint venture arrangement.

The above-mentioned joint venture agreement must clearly set out the roles and responsibilities of the Lead Partner and the joint venture party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture arrangement.

12.3.3. Stage 3 (80 + 20 = 100 points)

The Price and B-BBEE points will be consolidated to determine the successful bidder.

13. FINANCIAL STATEMENTS

Bidders are required to submit the public interest score and complete sets of audited / independently reviewed annual financial statements in compliance with the Companies Act for the three (3) most recent financial periods in the name of the bidding entity. The financial statement analysis will be conducted on the shortlisted bidders.

13.1. The annual financial statements must contain:

- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Cash Flows;
- Statement of changes in equity / net assets; and
- Accompanying Notes.

13.2. Entities which are trading for less than three (3) financial periods must provide:

- A letter detailing that fact, signed by a duly authorised representative of the entity;
- The annual financial statements that the entity is able to provide, taking into account the period that it has been trading; and
- Any other information or documentation which would provide more clarity on the financial history of the bidder.

13.3. In the event that the subsidiary is the bidding entity and submits the financial statements of the holding company for financial evaluation purposes, the holding company must furnish a Performance Guarantee that is signed by a duly authorised representative of the entity, stating that the holding company will undertake to cover any or all risks associated with the bidder, in the event the bidder is awarded the RFP.

13.4. In the event of the bid being in the form of a Joint Venture (JV), the following is required:

- Annual financial statements of the JV for a registered JV and for unincorporated JV annual financial statements of each company;
- A JV legal agreement detailing the percentage ownership of each entity; and
- A consolidated B-BBEE Certificate.

SARS reserves the right to request further information with regards to the annual financial statements of a bidder at a later stage.

14. AGREEMENTS

14.1. General Conditions of Contract

Any award made to a Service Provider under this bid is conditional, amongst others, upon –

- The Service Provider accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which SARS is prepared to enter into a contract with the successful bidder.
- The Service Provider submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the Service Provider.

14.2. Services Agreement

- Upon award, SARS and the successful bidder will conclude a supplementary agreement regulating the specific terms and conditions applicable to the services being procured by SARS, more or less in the format of the draft Services Agreement included in this tender pack.
- SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations with the successful bidder by amending or adding thereto.
- Bidders are requested to:
 - Comment on the terms and conditions set out in the Services Agreement and where necessary, make proposals to the terms and conditions;
 - Each comment and/or amendment must be explained; and
 - All changes and/or amendments to the Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.
- SARS reserves the right to accept or reject any or all amendments or additions proposed by the successful bidder if such amendments or additions are unacceptable to SARS or pose a risk to the organisation.

14.3. INSURANCE

The successful bidder will be required, on or before the effective date of the Services Agreement and for the duration thereof, to have and maintain in force adequate insurance cover consistent with acceptable and prudent business practices and acceptable to SARS, which shall include, without limitation, professional indemnity insurance cover.

14.4. SPECIAL CONDITIONS OF THIS BID

14.4.1 SARS reserves the right:

14.4.1.1 To award the bid to one or more bidders.

14.4.1.2 Not to award or to cancel this bid at any time and shall not be bound to accept the lowest or any bid.

14.4.1.3 To negotiate with one or more Preferred Bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Bidder(s) who has not been awarded the status of the Preferred Bidder(s).

- 14.4.1.4 Should a bidder score the highest points (combined Price and B-BBEE) for all the locations indicated in paragraph 9.2.6 above, SARS reserves the right to allocate one or more of the locations to the second highest scoring bidder (combined Price and B-BBEE).
- 14.4.1.5 To accept part of a Bid proposal rather than a whole Bid proposal from a Bidder and award it accordingly.
- 14.4.1.6 To cancel and/or terminate the Bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after Bids have been evaluated. To correct any mistakes at any stage of the Bid that may have been in the Bid documents or that occurred at any stage of the Bid process; and/or
- 14.4.1.7 To disqualify a Bidder whose bid contains a misrepresentation, which is materially incorrect or misleading.

14.4.2 SARS requires Bidder(s) to declare

In the Bidder's Technical response, Bidder(s) are required to declare the following:

Confirm that the Bidder(s) is to:

- 14.4.2.1 Act honestly, fairly, and with due skill, care, and diligence, in the interests of SARS.
- 14.4.2.2 Have and effectively employ the resources, procedures, and appropriate technological systems for the proper performance of professional activities.
- 14.4.2.3 Act with circumspection and treat SARS fairly in a situation of conflicting interests.
- 14.4.2.4 Comply with all applicable statutory or common law requirements applicable to the conduct of business.
- 14.4.2.5 Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with SARS.
- 14.4.2.6 Avoid fraudulent and misleading advertising, canvassing, and marketing.
- 14.4.2.7 Conduct its business activities with transparency and consistently uphold the interests and needs of SARS as a client before any other consideration; and
- 14.4.2.8 Ensure that any information acquired by the Bidder(s) from SARS will not be used or disclosed unless the written consent of the client has been obtained to do so.

14.4.3 CONFLICT OF INTEREST, CORRUPTION AND FRAUD

SARS reserves its right to disqualify any Bidder who either itself or any of whose members, directors, or members of senior management, whether in respect of SARS or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity"):

- 14.4.3.1. Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Bidder in respect of the subject matter of this Bid.
- 14.4.3.2. Seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor, or other representative of a Government Entity to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity.
- 14.4.3.3. Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of SARS' officers, directors, employees, advisors, or other representatives.
- 14.4.3.4. Makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's

officers, directors, employees, advisors, or other representatives to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity.

14.4.3.5. Accepts anything of value or an inducement that would or may provide financial gain, advantage, or benefit in relation to procurement or services provided or to be provided to a Government Entity.

14.4.3.6. Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift, or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity.

14.4.3.7. Has in the past engaged in any matter referred to above; or

14.4.3.8. Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether a prison term was imposed and despite such Bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

14.4.4 MISREPRESENTATION DURING THE TENDER PROCESS AND LIFECYCLE OF THE CONTRACT

The successful bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that SARS relies upon the Bidder's Tender as a material representation in making an award to a successful bidder and in concluding an agreement with the Bidder.

It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by SARS against the Bidder notwithstanding the conclusion of the Services Agreement between SARS and the Bidder for the provision of the Service in question.

14.5. PREPARATION COSTS

The Bidder will bear all its costs in preparing, submitting, and presenting any response or tender to this Bid and all other costs incurred by it throughout the Bid process. Furthermore, no statement in this Bid will be construed as placing SARS, its employees, or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the Bidders in the preparation of their response to this Bid.

14.6. INDEMNITY

If a Bidder breaches the conditions of this Bid and, because of that breach, SARS incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the Bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidder indemnifies and holds SARS harmless from all such costs which SARS may incur and for any damages or losses SARS may suffer.

14.7. PRECEDENCE

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

14.8. LIMITATION OF LIABILITY

A Bidder participates in this Bid process entirely at its own risk and cost. SARS shall not be liable to compensate a Bidder on any grounds whatsoever for any costs incurred or any damages suffered because of the Bidder's participation in this Bid process.

14.9. TAX COMPLIANCE

No tender shall be awarded to a Bidder whose tax affairs are not in order. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful Bidder if it is established that such Bidder was in fact not tax compliant at the time of the award. SARS further reserves the right to cancel a contract with a successful Bidder if such Bidder does not remain tax compliant for the full term of the contract.

14.10. NATIONAL TREASURY

No tender shall be awarded to a Bidder whose name (or any of its members, directors, partners, or trustees) appears on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. SARS reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a Bidder has been blacklisted with National Treasury by another government institution.

14.11. GOVERNING LAW

South African law governs this Bid and the Bid response process. The Bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this Bid, the Bid itself and all processes associated with the Bid.

14.12. RESPONSIBILITY FOR SUBCONTRACTORS AND BIDDER'S PERSONNEL

A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its subcontractors (if any) and personnel of its subcontractors comply with all terms and conditions of this Bid and in particular the provisions of paragraph 13.4.2. In the event that SARS allows a Bidder to make use of subcontractors, such subcontractors will at all times remain the responsibility of the Bidder and SARS will not under any circumstances be liable for any losses or damages incurred by or caused by such subcontractors.

14.13. CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this Bid or a Bidder's Tender(s) will be disclosed by any Bidder or other person not officially involved with SARS' examination and evaluation of a Tender.

Throughout this Bid process and thereafter, Bidders must secure SARS' written approval prior to the release of any information that pertains to (i) the potential work or activities to which this Bid relates; or (ii) the process which follows this Bid. Failure to adhere to this requirement may result in disqualification from the Bid process and civil action.

No confidential information relating to the process of evaluating or adjudicating Tenders or appointing a Bidder will be disclosed to a Bidder or any other person not officially involved with such process.

14.14. INTELLECTUAL PROPERTY

SARS retains ownership of all Intellectual Property rights in the tender information documents that form part of this RFP. Bidders will retain the Intellectual Property rights in their tender responses, but grant SARS the right to make copies of, alter, modify, or adapt their responses, or to do anything which in its sole discretion is necessary to do for reasons relating to the RFP process.

14.15. SARS PROPRIETARY INFORMATION

A Bidder must make a declaration on their Bid covering letter that they did not have access to any SARS proprietary information or any other matter that may have unfairly placed that Bidder in a preferential position in relation to any of the other Bidders.

- 15. ANNEXURE A1 – VAT REFUND ADMINISTRATION PROCESS FLOW**
- 16. ANNEXURE A2 – TECHNICAL COMPLIANCE CHECKLIST**
- 17. ANNEXURE A3 – TECHNICAL EVALUATION SCORECARD**
- 18. ANNEXURE A4 – TESTIMONIAL TEMPLATE**
- 19. ANNEXURE A5 – BIDDING LOCATION TEMPLATE**
- 20. ANNEXURE B – PRICING SCHEDULE**
- 21. ANNEXURE C1 – DRAFT SERVICES AGREEMENT**
- 22. ANNEXURE C2 – PERFORMANCE STANDARDS & PENALTIES**
- 23. ANNEXURE D – SARS MEMORANDUM OF UNDERSTANDING (MoU)**
- 24. ANNEXURE E – LINK TO BRIEFING SESSION**
- 25. ABBREVIATIONS**

#	Description
VAT	Value Added Tax
VRA	Vat Refund Administrator
VEIS	Vat Export Incentive Scheme
LRA	Lesotho Revenue Authority
ERS	eSwatini Revenue Services
MOU	Memorandum of Understanding