

# **REQUEST FOR PROPOSAL**

## **DESCRIPTION:**

**PROVISION OF EMPLOYEE  
RECOGNITION & AWARDS AND RELATED  
SERVICES**

**DATE ISSUED: 02 June 2017**

**CLOSING DATE: 03 July 2017 at 11H00**

## **TENDER BOX:**

**GROUND FLOOR, LINTON HOUSE  
BROOKLYN BRIDGE  
570 FEHRSEN STREET  
BROOKLYN  
PRETORIA**

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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 and provincial government departments, SARS plays a crucial enabling role for government delivery.

## **2. OVERVIEW OF SARS**

### **Our Mandate**

In terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), SARS is mandated to:

- Collect all revenues due;
- Ensure maximum compliance with tax and customs legislation; and
- Provide a customs service that will maximise revenue collection, protect our borders and facilitate trade.

### **Our Vision**

SARS is an innovative revenue and customs agency that enhances economic growth and social development, and that supports the country's integration into the global economy in a way that benefits all South Africans.

### **Our Mission**

To optimise revenue yield, to facilitate trade and to enlist new tax contributors by promoting awareness of the obligation to comply with tax and customs laws, and to provide a quality, responsive service to the public.

### **Our Values**

- Integrity
- Fairness
- Respect
- Trust
- Honesty
- Accountability
- Transparency

## **Our Core Outcomes**

Increased Customs Compliance;  
Increased Tax Compliance;  
Increased ease and fairness of doing business with SARS; and  
Increased cost effectiveness, internal efficiency and institutional respectability.

### **3. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)**

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidder(s) for the provision of employee recognition & awards and related services

This RFP document details and incorporates, as far as possible, the scope of work for the potential successful bidder required by SARS.

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

### **4. LEGISLATIVE METHODOLOGY OF THE BID**

#### **4.1. TAX LEGISLATION**

When submitting a bid to SARS, bidder(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) and Value-Added Tax Act, 1991 (Act No. 89 of 1991).

#### **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 the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

#### **4.3. TECHNICAL LEGISLATIONS AND/OR STANDARDS**

The bidder(s) should be cognisant of all relevant legislation and/or standards applicable to the provision of the services required in terms of this RFP, namely, but not limited thereto:

- 4.3.1. The Labour Relations Act, 1995 (Act No. 66 of 1995);
- 4.3.2. Employment Equity Act, 1998 (Act No. 55 of 1998);
- 4.3.3. Basic Conditions of Employment Act, 1977 (Act No.75 of 1977);
- 4.3.4. Skills Development Act, 1998 (Act No. 97 of 1998); and
- 4.3.5. Employment Services Act, 2014 (Act no 4 of 2014)

## 5. BRIEFING SESSION

A non-compulsory briefing session will be held at Brooklyn Bridge, Linton House, 570 Fehrsen Street, Brooklyn, Pretoria, on the 07 June 2017 at 14H00, to clarify to bidder(s) on the scope and extent of work to be executed.

## 6. DURATION OF CONTRACT

The appointment of a service provider for the provision of employee recognition & awards and related services will be for a period of thirty six (36) months.

## 7. TIMELINE OF THE BID PROCESS

The validity period is 180 days after the closing date of the bid. The project timeframes of this bid are set out below:

**Table 1**

Activity	Date Due
Advertisement of Bid in the Government Tender Bulletin	02 June 2017
Advertisement of Bid in the eTender website	02 June 2017
Distribution of Bid documents on SARS website	05 June 2017
Non Compulsory Briefing Session	07 June 2017
Questions relating to the bid from bidder(s)	28 June 2017
Bid Closing Date	03 July 2017
Presentation of submission	*05 – 12 July 2017
Notice to bidder(s)*	*August 2017

\* Dates subject to change.

All times and dates in this bid are South African Standard Time. Any time or date in this bid is subject to change at SARS' sole discretion. The establishment of 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 the date established. The bidders accepts that, if SARS extends the deadline (the closing date) for bid submissions for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

## **8. CONTACT**

A nominated official of the potential bidder(s) can make enquiries in writing, to the specified person, Mr Andre Taljaard (Procurement Tender Office) via email at [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za) and cc [rft-professionalservices@sars.gov.za](mailto:rft-professionalservices@sars.gov.za). Potential bidder(s) must reduce all telephonic enquiries to writing and send them to the above email addresses.

## **9. SCOPE OF WORK**

### **9.1. BACKGROUND**

SARS currently have an employee recognition platform referred to as Amakhwezi to promote exceptional behaviours and elevate staff morale by recognising and celebrating excellence throughout the organisation.

Amakhwezi is a staff recognition initiative based on the proven fact that people respond well to receiving tangible public appreciation for their achievements. With this in mind, the point of the Programme is to promote exceptional behaviours at SARS, and to elevate staff morale by recognising and celebrating excellence throughout the organisation.

#### **AMAKHWEZI MODULES**

- The Amakhwezi On-the-Spot: Individual employees and employee teams can be recognised and rewarded through Amakhwezi On-the-Spot program.
- Amakhwezi Shining Star Recognition: This is an informal peer-to-peer recognition initiative driven by SARS employees.
- Amakhwezi Divisional and Annual Recognition Awards: This involves the recognition and rewarding of deserving employees and employee teams that have consistently put in exceptional performances over the course of a year.

**The three main role players in Amakhwezi are:**

- Participants - employees who can be nominated for recognition.
- Nominators - managers who have staff reporting to them on SAP can nominate deserving employee.
- Approvers - managers who have staff reporting to them on SAP can approve or reject a nomination.

**Process flow:**

The Nominator nominates the Participant and the nomination workflows to the Approver. The Approver can either approve or reject the nomination. If the nomination is approved the Participant receives a notification via email. If the Participant already has an existing card, money would be loaded on that card. If the participant does not have a card, the Participant requests a card and activates it. Once the card is activated money would be load on the card.

## **9.2. SCOPE OF SERVICES**

The bidder(s) are required to offer the following services broadly categorised into an on line Nomination and a Payment platform. The following global variables are applicable:

- SARS Staff compliment: Approximately 15 000
- Number of cards likely to be issued at SARS: Approximately 15 000 over a three year period
- Type of card used: Debit VISA or MasterCard
- Number of Approvers (estimated): Approximately 2 000
- Number of Nominators: Approximately 1 500
- SARS will provide the bidder with weekly data dump of SARS reporting relationships and relevant details of staff complement.

**PLEASE NOTE THAT SARS CANNOT GUARANTEE ANY VOLUMES. THE NUMBERS PROVIDED FOR THE VARIABLES ABOVE SHOULD BE TREATED AS ESTIMATES AND NOT ACTUALS.**

### **9.2.1. Nomination Platform**

- **Source Data** – The functionality to import data in an agreed predefined format on a weekly basis. SARS will provide the source data relating to:
  - Reporting hierarchy
  - Available budget per user
  - Applicable usage rights – Nominee / Nominator / Approver
  - Any other required Data
  - Templates – Nomination & Award

The source data will be saved on the outbound interface, the bidder will be expected to build their inbound interface and apply for VPN access to be able to import the data into their system

- **Interface Requirements** - To ensure a secure, stable and ease of use web based nomination interface. A predefined reporting hierarchy would identify the logged on user & assign applicable rights to the respective user.
- The Nominator must be able to nominate an individual or team online, even if the individual or team does not directly report to the approving manager.
- The nomination must workflow to the Approver to approve or reject a nomination.
- In case of a rejection, the system must provide the compulsory provision a reason(s) for the rejection (mandatory).
- The nominee will receive an email only if the nomination is approved.
- Validation must be built into the systems to avoid multiple/duplicate approvals of the same nomination
- There should be an electronic certificate that nominators can complete to present to the nominee/s.
- Manual nomination and approval should be possible if a manager is not able to nominate or approve online due to structural challenges or any other reason. SARS will provide the successful bidder with details of all manual nominations and approvals.
- If a nomination work flowed to the wrong Approver, the bidder should be able to re-route it to the correct Approver
- Secondments and acting relationships should be accommodated – People seconded or acting on a position should be able to perform the functions related to that position (i.e. nomination and approvals)
- New employees joining SARS should be added to the program and those leaving SARS should be removed from the program
- The Nominator should be able to send a reminder to the Approver online/or the reminder should be send automatically by the system
- The nominations should be on the system for 21 working days for Approval after which they will disappear from the system
- Nominators and Approvers should be allocated budgets on a regular basis, based on the number of employees that reports to them. They should also be able to apply for additional budget should the need arise. An online template should be available to request additional budget. (SARS will provide a single point of contact for this process) The bidder should be able to move the budget from Nominators who are not utilising budget to Nominators who are regularly nominating (The percentage and frequency to be discussed during the on boarding of the successful bidder.)
- The applicable Approver's budget is also reduced accordingly while a transaction file containing all relevant payments to be processed is automatically generated / routed through to the Payment Platform for processing
- Successful nominees must receive rewards in the form of AwardPoints™ (the Amakhwezi virtual



currency), which can be redeemed by using their AwardsCard™.

- Bidders will be expected to customise their platform to SARS requirement

#### 9.2.2. Payment Platform

- **Prepaid Card System** - To provide corporate prepaid MasterCard/Visa and the platform for operating the in-house SARS Employee Recognition program.
- **Interface Requirements** - To ensure a secure, stable and ease of use web based administration interface. In addition, this interface will need to perform “live” tracking, lookup and management of cards through a secure web interface. The platform system must allow for the entire life-cycle of every card to be tracked from activation, loading of funds, multiple redemptions through to expiration.
- **Loading of Cards** – The loading interface of prepaid cards should cater for either individual loading of cards or bulk processing of card loading as the monthly spending on awards would be substantial and could result in high volumes of transactions to be processed.
- **Data analysis & Reporting** - To ensure access to a wide range of reports that are real time and allow SARS to gain insight into the utilisation of the system. Apart from standard report offerings, the ability to create / request ad hock customised reports should the need arise.
- **Balance Enquiries** – Cardholders should have the functionality to check balances via emails website or call centre enquire.
- **Trust Account** – The successful bidder(s) would need to open and effectively manage a Trust Account on behalf of SARS. All bank charges on the Trust Bank Account may not be deducted from this account but should be accounted for separately and set off against the interest accruing on this account. The bidder must credit SARS with interest accruing from the Trust Bank Account less any bank charges set-offs.
- Bidders will be expected to customise their platform to SARS requirement

#### 9.2.3. SARS IT environment compatibility

The web interface must be compatible to the following SARS IT environment:

- Java: V8 Update 131
- Microsoft Office: Microsoft Office Standard 2010 (Standard)
- Internet Explorer: v11.0.41 (11.0.9600.18638)

Enhancements may be required on the system and rate per hour for customisation to be provided

#### 9.2.4. Reporting

- The following reports should be made available on nominations done or any information required. Access to be given to SARS super user for the purpose of reporting.
  - Utilisation report (monthly or as and when required)
  - Participation report (monthly or as and when required)
  - Tax report (monthly)
  - Budget report (daily)

- System error report (exception report on perimeters outlined in Annexure D) (monthly)
- Ad hoc reports will be requested as and when required

#### 9.2.5. Award Card

- The award cards will remain the property of SARS.
- Card must have an expiration period of three (3) years from date of issue.
- The remaining stock of ten thousand four hundred and eighteen award cards (10 418) (activated and not yet activated) should be compatible for use by the successful bidder. (Expire dates 03/2019 & 01/2021)

#### 9.2.6. Resources

Must include:

- A dedicated accounts manager and support staff
- A call centre accessible to nominees, Nominators and Approvers for any enquiries.

### 9.3. SARS REQUIREMENTS FROM THE BIDDERS

#### 9.3.1. COMPANY PROFILE

The bidder's company profile should demonstrate:

- The bidders experience in an online employee recognition programme.
- The nature of local presence and support available in South Africa and indicating the number of years of experience as an entity in providing this service.
- The Bidder should provide a dedicated account manager and should indicate the number of support staff that will be allocated to servicing SARS.

#### 9.3.2. FUNCTIONALITY

Bidders should provide print screens of their proposed system in the tender documents and a live demonstration during presentation.

9.3.2.1. The PC/Laptop/workstation that will be used for the live system demonstration must be loaded with the following software versions as a test of compatibility to SARS IT environment:

- Java: V8 Update 131
- Microsoft Office: Microsoft Office Standard 2010 (Standard)
- Internet Explorer: v11.0.41 (11.0.9600.18638)

9.3.2.2. Bidders' proposal must demonstrate and describe how the **online nomination platform** will satisfactorily meet the following requirements -

9.3.2.2.1. The Security and integrity, ease to use of the web interface

9.3.2.2.2. Matching of the reporting hierarchy with log on users and the assignment of rights applicable to

the user

- 9.3.2.2.3. Nomination
- 9.3.2.2.4. Workflows
- 9.3.2.2.5. Notifications
- 9.3.2.2.6. Approvals / Rejections
- 9.3.2.2.7. Mandatory provision of a rejection reason
- 9.3.2.2.8. Validation
- 9.3.2.2.9. Electronic certification
- 9.3.2.2.10. Budgeting and applicable restrictive conditions
- 9.3.2.2.11. AwardPoints and their redemption.

9.3.2.3. Bidders' proposal must demonstrate and describe how the **online payment platform** will satisfactorily meet the following requirements -

- 9.3.2.3.1. The Security , integrity and ease of use of the web interface providing for live tracking, look-up and management of the cards
- 9.3.2.3.2. Tracking of the life cycles of card transactions from activation to expiry
- 9.3.2.3.3. Pre-paid card system
- 9.3.2.3.4. Loading of cards
- 9.3.2.3.5. Data analysis and reporting
- 9.3.2.3.6. Balance enquiries
- 9.3.2.3.7. Trust account

### 9.3.3. **REPORTING**

Bidder should provide samples of the type of reports that they are able to create.

### 9.3.4. **METHODOLOGY / APPROACH**

Bidder(s) should refer paragraph 9.2 of this RFP document and fully demonstrate their

- technical experience,
- capability,
- capacity to deliver on the Scope ,
- approach/standard procedures that will be applied during the course of this contract to SARS
- customer relationship management
- compliance to industry regulation (if any), and
- other supporting information
- Provide a project plan that outlines high level activities and their respective durations to customise and implement the system to SARS' requirements.

#### **9.3.5. DATA SECURITY AND DISASTER RECOVERY**

Bidders should provide the following plans/strategy:

- Data Security Plan – outline what security measures are in place in your infrastructure to ensure that SARS data is protected from unauthorised access how do you monitor the possibility of breaches should they happen.
- Disaster Recovery Plan – outline at a high level your disaster recovery plan and the anticipated downtime should a disaster happen from the bidder's side.

#### **9.3.6. REFERENCES**

Bidders are required to provide the name(s) of three (3) current/recent references to which similar services (Online Employee recognition programme) are/were provided. Bidders are obliged to include for each reference: the name of the company, size of the organisation, the name of the contact person, the company's business address, phone number/s, value of the contract, the duration of the Bidder's contract with the company and a brief description of all services provided to such company.

Please refrain from using SARS as a reference. SARS will not be providing any reference on this RFP.

#### **9.4. TECHNICAL COMPLIANCE CHECKLIST**

Bidder(s) are required to complete the compliance checklist as outlined in **Annexure A2** in order to guide the SARS evaluators where to find their technical responses.

#### **9.5. CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION**

Suppliers will have to register on National Treasury Central Supplier Database (CSD) as per National Circular No 3 of 2015/6 – Central Supplier Database.

National Treasury will maintain the database for all suppliers for Government and its institutions.

All existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at [www.CSD.gov.za](http://www.CSD.gov.za).

### **10. INSTRUCTIONS TO BIDDER(S)**

- 10.1. Bids must be properly packaged and deposited in the tender box on or before the closing date and time at the SARS Tender Office situated at:

Linton House - Ground Floor

Brooklyn Bridge

570 Fehrsen Street

Brooklyn

Pretoria

- 10.2. Alternatively, bid documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.
- 10.3. 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. No electronic submission of bid documents is allowed.
- 10.4. Late bids will not be accepted.
- 10.5. The bidder(s) are required to submit two (2) copies of each file (original and duplicate) and one (1) USB with the contents of each file at the closing date and time.
- 10.6. Each file and USB must be **marked correctly and sealed separately** for ease of reference during the evaluation process.
- 10.7. Pricing information should not be included in the technical file (File 1). Furthermore, the files and information in the USB must be labelled and submitted in the following format:

**Table 2**

FILE 1 (ONLY TECHNICAL PROPOSAL)	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>Pre-qualification documents (SBD documents and others)</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>Bidder Compliance Checklist for the Technical Evaluation (Annexure A2)</li> <li>Company profile</li> <li>Response to Technical Requirements</li> <li>Supporting documents for the technical responses</li> <li>Testimonials</li> </ul>
<b>Exhibit 3</b> <ul style="list-style-type: none"> <li>General Conditions of Contract (GCC)</li> <li>Draft Services Agreement</li> </ul>	
FILE 2 (ONLY PRICE AND BEE PROPOSAL)	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>B-BBEE Certificate</li> <li>SBD 6.1</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>SBD 3.3</li> <li>Pricing Schedule</li> </ul>
<b>Exhibit 3</b> 3 years audited financial statements	
<b>Note:</b> Bidders must use Lever Arch files to package proposals.	

## 11. EVALUATION AND SELECTION CRITERIA

SARS has set minimum standards (Gates) that bidder(s) must meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

- **Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all Standard Bidding Documents, as outlined in paragraph 11.1. With reference to section 3 and 4 of the Preferential Procurement Regulation, 2017 this RFP seeks to appoint a bidder that has a minimum B-BBEE status level 4.
- **Technical Evaluation Criteria (Gate 1)** – Technical Evaluation will be scored out of 100 points. The process for the technical evaluation is outlined in paragraph 11.2
- **Price and B-BBEE Evaluation (Gate 2)** – Bidders that qualified in Gate 1 will be evaluated for price and B-BBEE, as outlined in paragraph 11.3.

### 11.1. PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS' other critical requirements for this bid, bidder(s) must submit the documents listed in **Table 3** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). A bidder(s) proposal may be disqualified for non-submission of any of the listed documents.

**Table 3: Documents that must be submitted for Pre-qualification**

Name of the document that must be submitted	Non-submission may result in disqualification
Invitation to bid – SBD 1	<b>YES</b> – Complete and sign the supplied pro forma document.. Submit a valid Tax Clearance Certificate and Tax compliance status PIN.
Central Registration Report (Central Database System) from National Treasury	<b>YES</b> – Bidders must register on Central Database System and submit the Report as confirmation of registration.
Pricing Schedule – SBD 3.3 and Annexure B: Pricing Template	<b>YES</b> – Complete and sign the supplied pro forma document. Submit full details of the pricing proposal to SARS in Annexure B.
Declaration of Interest – SBD 4	<b>YES</b> – Complete and sign the supplied pro forma document.
Preference Point Claim Form - SBD 6.1	<b>YES</b> – Complete and sign the supplied pro forma document.
Declaration of bidder's Past Supply Chain Management Practices – SBD 8	<b>YES</b> – Complete and sign the supplied pro forma document.

Certificate of Independent bid Determination – SBD 9	<b>YES</b> – Complete and sign the supplied pro forma document.
SARS' Oath of Secrecy:	<b>YES – Bidders must</b> complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page.
General Conditions of Contract (GCC)	<b>YES</b> – Sign the supplied GCC.
Supplier cost and risk assessment questionnaire	<b>YES</b> – Complete and sign the supplied pro forma document.
Three (3) most recent Financial Statements	<b>YES</b> – Bidders are required to submit complete sets of audited / reviewed annual financial statements in the name of the bidding entity
Bidder Compliance Checklist Form for Technical Evaluation (Annexure A2)	<b>NO</b> – Complete to assist with ease of reference during evaluation.
<b>Mandatory requirement</b>	
B-BBEE certificate / Sworn affidavits	<b>Yes</b> – A bidder must have a minimum B-BBEE status level 4

## 11.2. TECHNICAL EVALUATION (GATE 1) = 100 POINTS

Only Bidder(s) that have met the Pre-Qualification Criteria in (Gate 0) will be evaluated in Gate 1 for functionality.

All Bidder(s) that met the pre-qualification will be invited to present their proposal to the panel (i.e bid evaluation committee). Bidders will have to demonstrate their live system during the presentation as per the screen dumps provided in the tender proposal.

The presentation will be scored out of 100 points. Bidders that met the threshold of 75 and more points will proceed to Gate 2.

Functionality will be evaluated as outlined in Annexure A1 of this document.

## 11.3. PRICE AND B-BBEE EVALUATION (GATE 2)

### 11.3.1. Stage 1 – Price Evaluation (80 points)

Bidders are required to complete all line items on the Pricing template (Annexure B) in full. Any changes to the template or an incomplete template may results in non-responsive bid.

**Table 4**

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

$P_s$  = Points scored for price of Bid under consideration

$P_t$  = Rand value of Bid under consideration

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

### 11.3.2. Stage 2 – B-BBEE Evaluation (20 points)

**Table 5**

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

The checklist below indicates the B-BBEE documents that must be submitted for this bid.

**Table 6**

No.	Classification	Turnover	Submission Requirement
1.	Exempted Micro Enterprise (EME)	Below R10 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by the Independent Regulatory Board for Auditors ("IRBA") or a letter from an Accounting Officer as contemplated in the CCA.
2.	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 Registered Auditor approved by the IRBA.
3.	Large Enterprise (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by the IRBA.

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), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) 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 contribution are not claimed.

Bidders who do not claim preference points will be scored zero for BEE but cannot be excluded from the tender process.

### **Use and acceptance of Affidavits**

SARS reserves the right to request that bidders submit their Black ownership and turnover information in support of their Affidavits.

### **Joint Ventures and Consortiums**

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

### **Tertiary Institutions and Public Entities**

Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

### **Pre-qualification criteria**

In line with the Governments objectives for the advancement of SMMEs and certain designated groups, a Pre-Qualification Criteria is being introduced for preferential procurement.

The Pre-qualification criteria may stipulate that only one or more of the following tenderers may respond to this bid:

- a) A tenderer having a stipulated minimum B-BBEE status level of contributor
- b) An EME or QSE
- c) A tenderer subcontracting a minimum of 30% to:
  - i. An EME or QSE which is at least 51% owned by black people
  - ii. An EME or QSE which is at least 51% owned by black people who are youth
  - iii. An EME or QSE which is at least 51% owned by black people who are women
  - iv. An EME or QSE which is at least 51% owned by black people with disabilities
  - v. An EME or QSE which is at least 51% owned by black people

- vi. An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships
- vii. A cooperative which is at least 51% owned by black people
- viii. An EME or QSE which is at least 51% owned by black people who are military veterans

A tender that fails to meet any qualifying criteria stipulated in the tender documents is NOT an acceptable tender

### **Sub-contracting**

Compulsory sub-contracting of a minimum of 30% of contracts or projects above R30 million to EMEs or QSEs. Bidders who submit bids for contracts or projects above R30 million will have to comply fully with regulations 9 and 12 of the PPPFA Act with regard to sub-contracting.

### **Regulation 9 – Subcontracting as condition of tender**

- a. If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.
- b. If an organ of state applies subcontracting as contemplated in sub-regulation (1), the organ of state must advertise the with a specific tendering condition that the successful tenderer must sub a minimum of 30% of the value of the contract to :
  - i. An EME or QSE
  - ii. An EME or QSE which is at least 51% owned by black people
  - iii. An EME or QSE which is at least 51% owned by black people who are youth
  - iv. An EME or QSE which is at least 51% owned by black people who are women
  - v. An EME or QSE which is at least 51% owned by black people with disabilities
  - vi. An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships
  - vii. A cooperative which is at least 51% owned by black people
  - viii. An EME or QSE which is at least 51% owned by black people who are military veterans
  - ix. More than one of the categories referred to in paragraphs (a) to (h)
- c. The organ of state must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods and services in respect of the applicable designated groups mentioned in sub-regulation (2) from which the tenderer must select a supplier.

The discretionary 25% or more subcontracting it is still applicable (Regulation 12). Nothing prevents organs of state from enforcing subcontracting to contracts or projects below R30 million.

## **Regulation 12 – Subcontracting after award of tender**

A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.

A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

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 Exempted Micro Enterprise that has the capability and ability to execute the sub-contract

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

Bidders must submit concrete proof of the existence of joint ventures and/or sub-contracting arrangements. SARS will accept signed agreements as acceptable proof of the existence of a joint venture and/or sub-contracting arrangement.

The joint venture and/or sub-contracting agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or sub-contracting 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 and/or sub-contracting arrangement

#### **11.3.3. Stage 3 (80 + 20 = 100 points)**

The Price and B-BBEE points will be added together to determine each bidder's overall score out of 100 points.

#### **11.4. FINANCIAL STATEMENTS**

Bidders are required to submit complete sets of audited / reviewed annual financial statements 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. Bidder(s) must attain a satisfactory financial position.

##### **11.4.1. The annual financial statements must contain:**

- a. Statement of Profit and Loss and Other Comprehensive Income;
- b. Statement of Financial Position;
- c. Statement of Cash Flows; and

d. Accompanying Notes.

a. A letter detailing that fact, signed by a duly authorized representative of the entity; and

b. Any other information or documentation which would provide more clarity on the financial history of the bidder.

11.4.2. 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 authorized representative of the entity.

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

a. Annual financial statements of the JV; and

b. A JV legal agreement detailing the percentage ownership of each entity.

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

## **12. AGREEMENTS**

### **12.1 GENERAL CONDITIONS OF CONTRACT**

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

12.1.1 The bidder 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.

12.1.2 The bidder submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the bidder.

### **12.2 SERVICES AGREEMENT**

12.2.1 Upon award, SARS and the successful bidder will conclude an 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.

12.2.2 SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations.

12.2.3 Bidders are requested to-

- 12.2.3.1 Comment on the terms and conditions set out in the draft Services Agreement and where necessary, propose required changes to such terms and conditions;
- 12.2.3.2 Each comment and/or amendment must be explained; and
- 12.2.3.3 All changes and/or amendments to the draft Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.

- 12.2.4 SARS reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to SARS or pose a risk to the organisation. For this reason, it is not required that the draft Services Agreement be signed on submission of the bidder's proposal.

### **12.3 INSURANCE**

The successful bidder will be required, on or before the effective date of the Master Services Agreement and for the duration of the Agreement, 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.

## **13 SPECIAL CONDITIONS OF THIS BID**

### **13.1 SARS reserves the right:**

- 13.1.1 Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid;
- 13.1.2 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price and Best and Final Offer (BAFO);
- 13.1.3 To accept part of a bid rather than the whole bid;
- 13.1.4 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 and/or after the preferred bidder(s) have been notified of their status as such;
- 13.1.5 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid; and
- 13.1.6 To correct any mistakes at any stage of the bid that may have been in the bid documents or occurred at any stage of the bid process.

### **13.2 SARS requires bidder(s) to declare:**

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

13.2.1 Confirm that the bidder(s) shall:

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

**13.3 Conflict of Interest, Corruption and Fraud**

SARS reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a fifteen percent (15%) interest in the bidder other than in the context of shares listed on a recognised stock exchange), 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"):

- 13.3.1 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;
- 13.3.2 Seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 13.3.3 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;
- 13.3.4 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 in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 13.3.5 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;

- 13.3.6 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;
- 13.3.7 Has in the past engaged in any matter referred to above; or
- 13.3.8 Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not 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.

#### **13.4 Bidder's Own Terms and Conditions or Bid Qualifications**

This document contains the terms and conditions of this bid and bidders must not qualify the specifications or come up with their own terms and conditions. SARS reserves the right to disqualify a bid which seeks to modify or depart from the specified conditions.

#### **13.5 Misrepresentation during the Lifecycle of the Contract**

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

It follows therefore that misrepresentations in a bid 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 services in question. In the event of a conflict between the bidder's proposal and the Services Agreement concluded between the parties, the Services Agreement will prevail.

#### **13.6 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 bidder in the preparation of their response to this bid.

#### **13.7 Indemnity**

If a bidder breaches the conditions of this bid and, as a result 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 any and all such costs which SARS may incur and for any damages or losses SARS may suffer.

### **13.8 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.

### **13.9 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 as a result of the bidder's participation in this bid process.

### **13.10 Tax Compliance**

No tender shall be awarded to a bidder who is not tax compliant. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent Tax Clearance Certificate (TCC) to SARS. SARS further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract. The bidder will be required to submit a TCC upon expiration thereof, annually.

### **13.11 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.

### **13.12 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 High 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.



### **13.13 Responsibility for Sub-contractors and Bidder's Personnel**

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid and in particular the provisions of paragraph 11.3.2 above. In the event that SARS allows a bidder to make use of sub-contractors, such sub-contractors 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 sub-contractors.

### **13.14 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 bid proposal(s) will be disclosed by any bidder or other person not officially involved with SARS' examination and evaluation of a bid.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a bid. This bid and any other documents supplied by SARS remain proprietary to SARS and must be promptly returned to SARS upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

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 bids or appointing a bidder will be disclosed to a bidder or any other person not officially involved with such process.

### **13.15 Intellectual Property Rights**

Subject to pre-existing intellectual property rights of the bidder and/or any third party, all intellectual property right to literary works created in the course of executing the services contemplated in this RFP shall vest exclusively in SARS. By bidding, bidders irrevocably agree to transfer, make over and assign to SARS such relevant intellectual property rights.

### **13.16 SARS Proprietary Information**

On their bid covering letter, bidder(s) will make a declaration 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.

#### **13.17 Screening and Vetting of Service Provider**

Acceptance of this tender is subject to the condition that both the contracting firm and its personnel providing the service must be screened and cleared by the appropriate authorities to the grade of clearance in line to classified information, intelligence in the possession of SARS and areas designated as National Key points that they may have. Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a subcontractor, the same provisions and measures will apply to the subcontractor.

Table 7: ANNEXURE A1 - Technical Evaluation Scorecard – 100 points

		Weight	Ref
1	<b>Company Profile (Capability and Support)</b>	5	9.3.1
1.1	Bidders should demonstrate their year of experience in offering an online employee recognition programme.		
1.2	Local presence and support available in South Africa		
1.3	Capacity to deliver – Bidders should identify the dedicated staff to manage the SARS account. Clearly stating their roles and experience in managing the account		
2	<b>Functionality</b>	52	9.2.2
2.1	<b>Bidders' proposal must demonstrate and describe how the online nomination platform will satisfactorily meet the following requirements - Bidders should provide print screens in their proposals and live demonstration during the presentation)</b>		
	<p>The Security and integrity, ease to use of the web interface</p> <p>Matching of the reporting hierarchy with log on users and the assignment of rights applicable to the user</p> <p>Nomination</p> <p>Workflows</p> <p>Notifications</p> <p>Approvals / Rejections</p> <p>Mandatory provision of a rejection reason</p> <p>Validation</p> <p>Electronic certification</p> <p>Budgeting and applicable restrictive conditions</p> <p>AwardPoints and their redemption.</p>		
2.2	<b>Bidders' proposal must demonstrate and describe how the <u>online payment platform</u> will satisfactorily meet the following requirements: (Bidders should provide print screens in their proposals and live demonstration during the presentation)</b>		
	<p>The Security and integrity ease to use of the web interface providing for live tracking, look-up and management of the cards</p> <p>Tracking of the life cycles of card transactions from activation to expiry</p> <p>Pre-paid card system</p> <p>Loading of cards</p> <p>Data analysis and reporting</p>		

	Balance enquiries Trust account		
<b>3</b>	<b>Reporting</b>	<b>10</b>	<b>9.2.4</b>
	Bidder should demonstrate the type of reports that they are able to create.		
<b>4</b>	<b>Methodology and Approach</b>	<b>10</b>	<b>9.3.4</b>
4.1	Approach/standard procedures that will be applied during the course of this contract to SARS		
4.2	Bidders should provide a project plan that demonstrates the time required to have a fully customised online employee recognition programme implemented.		
<b>5</b>	<b>IT environment compatibility</b>	<b>15</b>	<b>9.3.2</b>
	Bidders web interface is compatible to: o Java: V8 Update 131 o Microsoft Office: Microsoft Office Standard 2010 (Standard) o Internet Explorer: v11.0.41 (11.0.9600.18638)		
<b>6</b>	<b>Data Security and disaster recovery</b>	<b>5</b>	<b>9.3.5</b>
	Bidders should provide the following plans/strategy:  Data Security Plan  Disaster Recovery Plan		
<b>7</b>	<b>Reference</b>	<b>3</b>	<b>9.3.6</b>
	Provide at least 3 references where employee recognition platforms were provided: Include the following in each reference 1. Company Name 2. Size of the company 3. Contact Person & phone number 4. Company's Business addresses 5. Value of the contract 6. Description of services provided 7. Duration of the contract		

15      **ANNEXURE A 2 – TECHNICAL COMPLIANCE CHECKLIST**

16      **ANNEXURE B – PRICING TEMPLATE**

17      **ANNEXURE C – REPORTING FORMAT**

18      **ANNEXURE D – DRAFT SLA**