

REQUEST FOR PROPOSAL

DESCRIPTION:

**PROVISION OF CONSULTANCY SERVICES FOR THE IMPLEMENTATION OF
PROCUREMENT STRATEGIC INITIATIVES**

DATE ISSUED: 14 July 2017

CLOSING DATE: 16 August 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

- Fairness
- Integrity
- Trust
- Honesty
- Accountability
- Respect
- 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 consultants herewith referred to as bidder(s) with **minimum BBBEE status level 4** to assist SARS Finance Division with the implementation of the Procurement Strategic Initiatives which have already been approved by the SARS Executive Committee.

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.

5. BRIEFING SESSION

Interested parties have an option to attend a non-compulsory briefing session that will be held at Linton House, Brooklyn Bridge, 570 Fehrson Street, Brooklyn, Pretoria, on 25 July 2017 at 14h00, to clarify to bidders the scope and extent of work to be executed.

6. DURATION OF CONTRACT

The successful bidder(s) will be appointed for a period not exceeding eighteen (18) 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:

Activity	Date Due
Advertisement of the bid in the: - Government Tender Bulletin; and - National Treasury Tender Portal.	14 July 2017
Distribution of bid documents on the SARS website.	17 July 2017
Non-compulsory briefing session.	25 July 2017
Questions relating to the bid from potential bidder(s).	14 July - 04 August 2017
Bid closing date.	16 August 2017, 11h00
Notice to bidder(s)*	* September /October 2017

* Dates subject to change.

All times 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, Ms Vuyokazi Ntshinga (Procurement Tender Office) via email at tenderoffice@sars.gov.za and cc rf-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

Over the past five (5) years procurement has experienced a number of challenges, which culminated in the appointment of the Group Executive: Procurement with a mandate to bring about a turnaround in the procurement department. Historically, SARS had appointed consultants to assist in addressing specific issues within procurement. One of the earlier interventions in 2008 was affected by a consulting firm who developed and presented a procurement turnaround strategy.

Subsequent to the first consulting firm intervention another intervention was commissioned through a second consulting firm, This piece of work was initiated in 2012 and particularly looked at contracts management within procurement. The impact of the above initiatives is deemed to have been minimal due to, amongst others, ineffective implementation. In 2014 SAP SRM7 was implemented to form part of the procurement re-alignment strategy within SARS to facilitate the automated execution of the defined procurement process and contract strategy.

Another initiative took place in 2015 to procure e-sourcing software and licence for the implementation of the e-sourcing platform. The roll out was divided into two (2) Phases (Phase 1 & 2). Phase 1 entails the sourcing transaction process from business end-user (requester) to procurement project coordinator and internal stakeholders participating in the Bid Evaluation Committee (BEC). Phase 2 entails the implementation of Spend Performance Management (SPM); Contract Lifecycle Management (CLM); Supplier Life Cycle (SLC); and Integration to National Treasury Central Supplier Database (CSD).

SARS has recently developed an organisation wide strategy that guides the organisation on the path to be taken going into the future, which introduced a new Operating Model. The SARS Operating Model provides synergies that enable SARS to fulfil its mandate. Procurement has subsequently undergone both structural and strategic change to support SARS wide Operating Model.

As a result of the above, a change in Procurement's overarching strategic plan for the period 2016/17 to 2020/21 as depicted below was developed. Implementation of Procurement strategic initiatives is prioritised for completion in the next eighteen months; hence the request for a strategic implementation partner to uplift the Procurement streams to a world class operational level.

The implementation of the procurement strategy hinges on the abilities and the capabilities of the procurement resources. Anecdotal observations indicate that there is subdued capability within the procurement organisation to implement the key elements of the strategic plan.

The transformation journey to procurement excellence is premised on the stated mandate that drives procurement as a whole as well as the vision and mission that procurement seeks to achieve over the period of this plan. Procurement seeks to utilise SARS Values to embed certain behaviours that will support the transition.

9.1.1 STRATEGY FOR THE NEXT FIVE YEARS

The procurement strategy over the next five years is premised on five strategic goals that will be pursued and inform the delivery going forward. Key in the approach that procurement is taking over the period will be the drive to shift from a one dimensional procurement approach to a multidimensional supply chain management approach.

The five strategic objectives which are anchored on various enablers i.e. processes; technology and financial resources are unpacked hereunder.

- a. **Operational Excellence:** Procurement aims to achieve significant but progressive shifts in the areas of turnaround times in the procurement process (tactical and strategic sourcing); furthermore procurement seeks to enhance customer experience through defined service levels as well as the implementation of the single point of entry into procurement.

The key deliverables in this regard are: SLA Sign-off & Implementation; Business Partnering Model; Turnaround Times Improvement; Implementation Unit launch.

- b. **Cost Optimisation:** Procurement's goal is to ensure that SARS obtains value for money in all procurement initiatives through the use of strategic sourcing as well as contract management principles. In this regard procurement will seek to create shifts from price management to total cost of ownership approach and ultimately value creation concepts.

The key deliverables in this regard are: Audited Average Savings against Budget (Cost Leadership through Total Cost of Ownership).

- c. Risk Management: Procurement recognises that the exchange of goods and services inherently introduces varied types of risks to the organisation. The strategic goal that procurement will be pursuing throughout the period will be the minimisation of the risks, by identifying, prioritising and ensuring implementation of controls that will ensure the mitigation of such risks. Furthermore procurement will through frequent reviews ensure that risks are monitored. In collaboration with others within SARS, procurement will seek to create awareness of procurement risks and where necessary collaboration with external agencies e.g. Competition Commission, etc. will be leveraged.

The key deliverables in this regard are: Risk Awareness; Controls Enhancement, Fraud & Corruption detection systems, partnering and collaborating internally and externally on procurement risk related issues.

- d. Human Capital: Procurement has identified the capacitation of human resources as one of the fundamental strategic deliverables such that the requisite capabilities are developed to ensure excellence across the spectrum. Human capital also involves ensuring the upliftment of morale within the procurement hub, a number of initiatives have been identified in this regard and will be pursued over the period under review.

The key deliverables in this regard are: Capability/Skills Audit; Capability Enhancement Program (collaborating with SIOL); Improving Morale through structured initiatives; Management Empowerment Initiatives.

- e. Socio-Economic Imperatives Maximisation: Procurement sees itself as an integral part of the state's desire to redress the imbalances of the past through the use of spend to drive transformation, skills development, supplier development as well as job creation and/or retention.

The key deliverables in this regard are: Embedding supplier development, skills development and job creation onto SARS contracts and monitoring commitments through contracts management.

The strategic approach taken by procurement over the next five years will require that certain enablers are embedded within the organisation; these enablers include processes, technology and resources. In certain instances these enablers are in place and only require enhancements whilst in some instances they require establishment.

9.2. DEFINITION AND ACRONYMS

Table 9A: Acronyms used in this RFP document

No.	Description/Acronym	Definition
1.	SAP	Systems, Applications & Products
2.	APP	Annual Performance Plan
2.	CPA	Contract Price Adjustment
3.	ECC	ERP Central Component
4.	ROE	Rate of Exchange
5.	SRM	Supplier Relationship Management
6.	SIOL	SARS Institute of Learning

9.3. SCOPE OF SERVICES

9.3.1. STRATEGIC INITIATIVES

The successful bidder will be required to review and implement the following strategic initiatives:

9.3.1.1. Operational Efficiency Excellence

- Review and Implement a standardised contracts management approach across all three spend categories i.e. ICT, Facilities & Professional Services (a standardised contracts management framework has been developed already);
- Co-develop and implement an effective demand planning capability to enable effective customer requirements anticipation through spend analyses;
- Implement the revised Standard procurement related processes, process tools and templates across various spend categories (the emphasis is on the roll out of such standardised interventions); and
- Implement the revised optimisation such that overall procurement turnaround times are achieved in line with recognised benchmarks.

9.3.1.2. Cost Optimisation

- Implement a costs optimisation initiative by reviewing Top 200 current contracts e.g. contract price adjustment (CPA); ROE escalations verifications; volumes authentications i.e. licenses. Across the professional services, corporate real estate and ICT categories – with the ultimate goal being to renegotiate the contracts where feasible;
- Assist in shaping (incl. benchmarking) and refine the total cost of ownership for various contracts under negotiation during the period of engagement in line with the customer's published demand plan. The key outcome is to enable cost savings across such transactions;
- Co-develop and apply an end to end pragmatic negotiation approach on identified areas of opportunity and implement the existing guideline and ensure skills transfer to identified members of staff; and
- Review and enhance a category sourcing strategy for ICT, Facilities and Professional Services which informs cost savings over the period under review.

9.3.1.3. Socio-Economic Imperatives Maximisation

- Review and implement the Procurement Transformation Policy and Plan that espouse to create shifts in expenditure to designated groups in a sustainable manner including supplier development incorporation;
- Co-implement with the client the initial phases of the transformation plan as envisaged above; and
- Co-develop and implement an approach to maximise the provisions of the preferential procurement regulations of 2017 in line with prequalification provisions of the regulation.
- Pilot identified Enterprise Development of identified commodities and initiatives within the transformation plan.

9.3.1.4. Risk Management

- Provide solutions to identify procurement risks to mitigate risks identified as per risk register, demonstrate against effectiveness of control measures;
- Implement the compliance plan;
- Recommend preventative and detective systems and methods that can be used to maximise risk management within the procurement landscape; and
- Implement sound systems for managing incoming tenders as well as the declarations of interests across the process. Tender office optimisation through a benchmarked process flow. In consultation with the client's ICT department implement the optimisation as proposed.

9.3.1.5. Enablers

- Assess and make recommendations on the deployed SAP ECC6 and SRM 7.0 systems in line the reviewed processes in order to ensure that such systems are geared to enable the optimised processes.

9.3.2. HIGH LEVEL DELIVERY TIMELINES

The successful bidder will be required to take into account the time and resource allocation on the project as follows:

9.3.2.1. SARS envisage 20-30% of the time on the project allocation to establish the **Baseline**. This process will include but not limited to:

- Procurement Strategy;
- Policies & Procedures;
- Templates;
- Systems;
- Standard Operating Procedures;
- Delegation of Authority; and
- Reports.

9.3.2.2. SARS envisage 50-60% of the time on the project allocation in **Implementation** and this will include, but not limited to, the strategic initiatives.

9.3.2.3. SARS envisage 10-20% of the project time to be allocated to **Impact Analysis/ Post Implementation**, and this stage will include but not limited to the deliverables against key performance measures. Bidders must refer to Annexure D which will be used for post implementation.

Note: The bidders must consider the SARS envisage time allocations in their proposals.

9.3.3. PRICING MODEL / PRICING SCHEDULE

Bidders must refer to Annexure B for pricing. Bidders must carefully read the notes provided prior to completing the pricing schedule.

9.4. SARS REQUIREMENTS FROM THE BIDDERS/ BIDDERS' RESPONSE

9.4.1. COMPANY PROFILE

The bidder should provide in their response:

- A company profile detailing structure, service offering and infrastructure to render the services;
- Full contact details of the key contact person/Account Manager.

9.4.2. METHODOLOGY / TECHNICAL APPROACH

The bidder should provide in their response:

- A detailed proposal of the bidders envisaged work plan that describes how the bidder intends to provide the services which are set forth in paragraph 9.3. A bidder must demonstrate a clear understanding of the tasks in the scope of work.

The bidders must also include:

- A comprehensive project management approach.
- Describe the bidder's recommended timeline, including milestones, deliverables and activities.

Note: Bidders must take into account paragraphs 6 and 9.3 in their response.

9.4.3. RESOURCES

The bidder should provide in their response:

- Staff complement of the bidder's business unit that will be responsible for the implementation;
- All the key personnel that will be assigned to the SARS project, including each person's:
 - Qualifications;
 - Years of experience relevant to the scope of services;
 - Role and responsibility in the project; and
 - Number of days actively involved in the project.

9.4.4. CAPABILITY

The bidder should provide in their response:

A schedule of the bidder's experience and proven track record over the past five (5) years, in implementing procurement strategic initiatives at various organisations.

The schedule must include for each client the following information:

- Client name;
- Contact person, phone number, company business address;
- Contract period;
- Description of the project;
- Challenges; and
- Lessons learned.

Please note that SARS reserves the right to contact the clients for a reference check. It is therefore important to ensure that the clients listed on the schedule are contactable.

9.4.5. TESTIMONIAL

Bidders are required to submit testimonials of two (2) most recent clients that are listed in paragraph 9.4.4 where a procurement strategic initiatives or similar services were implemented. Each testimonial must be in a client (i.e. company) letterhead and include but not limited to:

- Brief description of services rendered;
- Quality of service; and
- Performance.

9.4.6. SKILLS TRANSFER PLAN

Bidder(s) are required to demonstrate their approach to ensure human capital capacity building to SARS procurement team within the strategic initiatives.

This should include:

- An indication or recommendation of different capacity building initiatives critical (in the short, medium and long term) in driving the implementation of the procurement strategy; and
- A detailed capacity approach or model should form part of what the bidder(s) present as part of the procurement strategy implementation initiative. The bidder(s) should also indicate clearly what they will be able to contribute in the capacity building process.

9.5. 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.

9.6. CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION

Service providers and suppliers who wish to render services to SARS will no longer register at SARS directly. 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; and All existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at 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. 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.
- 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) CD-ROM with the contents of each file at the closing date and time.
- 10.6. Each file and CD-ROM 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 CD-ROM must be labelled and submitted in the following format:

FILE 1 (ONLY TECHNICAL PROPOSAL)	
Exhibit 1 <ul style="list-style-type: none"> Pre-qualification documents (SBD documents and others) 	Exhibit 2 <ul style="list-style-type: none"> Bidder Compliance Checklist for the Technical Evaluation (Annexure A2) Bidder's responses and supporting documents to paragraph 9.4 Testimonials
Exhibit 3 <ul style="list-style-type: none"> Any supplementary / additional information as part of technical response 	Exhibit 4 <ul style="list-style-type: none"> General Conditions of Contract (GCC) Draft Services Agreement
FILE 2 (ONLY PRICE AND BEE PROPOSAL)	
Exhibit 1 <ul style="list-style-type: none"> B-BBEE Certificate SBD 6.1 	Exhibit 2 <ul style="list-style-type: none"> Pricing Schedule
Note: SARS request that bidders use Lever Arch files to package their 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 documents, as outlined in paragraph 11.1 below.
- **Technical Evaluation Criteria (Gate 1)** – Bidder(s) will be evaluated out of 100 points during Technical Evaluations, which comprises of Desktop evaluations and Presentations. The minimum threshold for Technical Evaluations is 70 out of 100 points. The process is outlined in paragraph 11.2.
- **Price and B-BBEE Evaluation (Gate 2)** – This will be evaluated out of 100 points. Price will be evaluated out of 80 and B-BBEE 20 points. The process is 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 1** 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 11A: 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	YES – Complete and sign the supplied pro forma document.
Tax Compliance status pin	YES – Submit Tax Compliance status pin
Central Registration Report (Central Database System) from National Treasury	YES – 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	YES – 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	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.
Declaration of bidder's Past Supply Chain Management Practices – SBD 8	YES – Complete and sign the supplied pro forma document.
Certificate of Independent bid Determination – SBD 9	YES – Complete and sign the supplied pro forma document.
SARS' Oath of Secrecy:	YES – Each recommended consultant to 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)	YES – Sign the supplied GCC.
Supplier 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 with ease of reference during evaluation.

Table 11B: Mandatory Requirements

Mandatory Requirements	Non-compliance with stated B-BBEE status level
Minimum B-BBEE status level 4	YES – Submit a valid B-BBEE certificate or sworn affidavits with minimum B-BBEE status level 4 as per paragraph 11.3.2.

Notes: Failure to submit a valid B-BBEE certificate or sworn affidavits with minimum B-BBEE status will render bidder's submission as non-responsive.

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/technical. Functionality will be evaluated as follows:

- Desktop Technical Evaluation – All Bidder(s) will be evaluated out of 70 points during Desktop Evaluations.
- The presentation/demonstration – All Bidders will be invited for presentation/demonstration and will be evaluated out of 30 points.

Bidder(s) that achieve a minimum threshold of **70** points out of **100** points for technical evaluations to proceed to Gate 2: Price and BEE evaluations.

The table below illustrate the summary for the technical evaluation.

Table 11C: Breakdown for Technical Evaluation points

Functionality	Maximum Points Achievable	Minimum Threshold
Desktop Technical Evaluation Details found in Annexure A1 - Technical Scorecard	70	N/A
Presentation Details found in Annexure A1 - Technical Scorecard	30	N/A
OVERALL COMBINED POINTS	100	70

11.3. PRICE AND B-BBEE EVALUATION (GATE 2) (80+20) =100 POINTS

11.3.1. Stage 1 – Price Evaluation (80 points)

Table 11C: Price evaluation formula

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

Note:

According to National Treasury instruction No.2 of 2016/2017 paragraph 4 section 4.7 of cost containment measures: Accounting officers and accounting authorities must adopt a fair and reasonable remuneration framework for consultants, taking into account –

(a) The “Guide on Hourly Fee Rates for Consultants”, as issued by the Department of Public Service and Administration (DPSA). Refer to annexure C.

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

Table 11D: BEE Points allocation and required documents

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. Failure to submit the required documents will result in bidder(s) scoring zero (0) for B-BBEE.

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. A sworn affidavit.
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 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 Sworn Affidavits

SARS reserves the right to request that bidders submit proof of their black ownership and turnover information, in support of their sworn affidavits.

Joint Ventures (JVs) and Consortiums

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as 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 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; and
 - 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 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**

- (1) If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.
- (2) 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 :
 - a) An EME or QSE
 - b) An EME or QSE which is at least 51% owned by black people

- c) An EME or QSE which is at least 51% owned by black people who are youth
- d) An EME or QSE which is at least 51% owned by black people who are women
- e) An EME or QSE which is at least 51% owned by black people with disabilities
- f) An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships
- g) A cooperative which is at least 51% owned by black people
- h) An EME or QSE which is at least 51% owned by black people who are military veterans
- i) More than one of the categories referred to in paragraphs (a) to (h)

(3) 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**

- (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 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.
- (3) 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.

12. 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.

12.1. The annual financial statements must contain:

- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Cash Flows; and
- Accompanying Notes.

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

- A letter detailing that fact, signed by a duly authorised representative of the entity; and
- Any other information or documentation which would provide more clarity on the financial history of the bidder.

12.3. 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.

12.4. In the event of the bid being in the form of a JV, the following is required:

- Annual financial statements of the JV; and
- A JV legal agreement detailing the percentage ownership of each entity.

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

13. AGREEMENTS

13.1. GENERAL CONDITIONS OF CONTRACT

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

- 13.1.1. 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.
- 13.1.2. The bidder submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the bidder.

13.2. SERVICES AGREEMENT

- 13.2.1. 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.
- 13.2.2. SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations.
- 13.2.3. Bidders are requested to-
 - 13.2.3.1. Comment on the terms and conditions set out in the draft Services Agreement and where necessary, propose required changes to such terms and conditions;
 - 13.2.3.2. Each comment and/or amendment must be explained; and
 - 13.2.3.3. All changes and/or amendments to the draft Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.
- 13.2.4. 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.
- 13.2.5. According to National Treasury instruction note No.2 of 2016/17, "Accounting officers and accounting authorities must ensure that appropriate monitoring and reporting requirements are set for all consultancy contracts and that penalty provisions are invoked when deemed necessary".

13.2.6. 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.

14. SPECIAL CONDITIONS OF THIS BID

14.1. SARS reserves the right:

- 14.1.1. Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid;
- 14.1.2. 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);
- 14.1.3. To accept part of a bid rather than the whole bid;
- 14.1.4. 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;
- 14.1.5. 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
- 14.1.6. 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.

14.2. SARS requires bidder(s) to declare:

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

- 14.2.1. Confirm that the bidder(s) shall:
 - 14.2.1.1. Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
 - 14.2.1.2. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
 - 14.2.1.3. Act with circumspection and treat SARS fairly in a situation of conflicting interests;
 - 14.2.1.4. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
 - 14.2.1.5. Make adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with SARS;
 - 14.2.1.6. Avoid fraudulent and misleading advertising, canvassing and marketing;
 - 14.2.1.7. Conduct their business activities with transparency and consistently uphold the interests and

needs of SARS as a client before any other consideration; and

- 14.2.1.8. 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.

14.3. 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"):

- 14.3.1. 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;
- 14.3.2. 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;
- 14.3.3. 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;
- 14.3.4. 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;
- 14.3.5. 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;
- 14.3.6. 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;
- 14.3.7. Has in the past engaged in any matter referred to above; or
- 14.3.8. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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.

14.8. 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.

14.9. 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.

14.10. 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.

14.11. 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.

14.12. 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.

14.13. 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.

14.14. 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.

14.15. 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.

14.16. 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.

14.17. 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.

15. TECHNICAL EVALUATION CRITERIA

ANNEXURE A1 - Technical Evaluation Scorecard – 100 points

No.	TECHNICAL EVALUATION CRITERIA	Weight	RFP Doc. Reference
14.1.1	COMPANY PROFILE	10	
14.1.1.1	<p>The bidder should provide in their response:</p> <ul style="list-style-type: none"> A company profile detailing structure, service offering and infrastructure to render the services; Full contact details of the key contact person/Account Manager. 		Refer to section 9.4.1
14.1.2	RESOURCES	20	
14.1.2.1	<p>The bidder should provide in their response:</p> <ul style="list-style-type: none"> Staff complement of the bidder's business unit that will be responsible for the implementation; All the key personnel that will be assigned to the SARS project, including each person's years of experience, accessibility, role and responsibility, qualifications and competencies relevant to the scope of services. 		Refer to section 9.4.3
14.1.3	CAPABILITY	20	
14.1.3.1	<p>The bidder should provide in their response:</p> <p>A schedule of the bidder's experience and proven track record over the past five (5) years, in implementing procurement strategic initiatives at various organisations.</p> <p>The schedule must include for each client the following information:</p> <ul style="list-style-type: none"> Client name; Contact person, phone number, company business address; Contract period; 		Refer to section 9.4.4

No.	TECHNICAL EVALUATION CRITERIA	Weight	RFP Doc. Reference
	<ul style="list-style-type: none"> • Description of the project; • Challenges; • Lessons learned. 		
1.4.1.3	SKILLS TRANSFER PLAN	10	
14.1.3.1	<p>Bidder(s) are required to demonstrate their approach to ensure human capital capacity building to SARS procurement team within the strategic initiatives.</p> <p>This should include:</p> <ul style="list-style-type: none"> • An indication or recommendation of different capacity building initiatives critical (in the short, medium and long term) in driving the implementation of the procurement strategy. • A detailed capacity approach or model should form part of what the bidder(s) present as part of the procurement strategy implementation initiative. The bidder(s) should also indicate clearly what they will be able to contribute in the capacity building process. 		Refer to section 9.4.6
14.1.4	TESTIMONIALS	10	
14.1.4.1	<p>Bidders are required to submit testimonials of two (2) most recent clients that are listed in paragraph 9.4.4 where a procurement strategic initiative or similar services were implemented. Each testimonial must be in a client (i.e. company) letterhead and include but not limited to:</p> <ul style="list-style-type: none"> • Brief description of services rendered; • Quality of service; and • Performance. 		Refer to section 9.4.5
TOTAL		70	

No.	PRESENTATION EVALUATION CRITERIA	Weight	RFP Doc. Reference
14.1.5	METHODOLOGY / APPROACH	30	
14.1.5.1	<p>The bidder should provide in their response:</p> <ul style="list-style-type: none"> A detailed proposal of the bidders envisaged work plan that describes how the bidder intends to provide the services which are set forth in paragraph 9.3. A bidder must demonstrate a clear understanding of the tasks in the scope of work. <p>The bidders must also include:</p> <ul style="list-style-type: none"> A comprehensive project management approach. Describe the bidder's recommended timeline, including milestones, deliverables and activities. 		Refer to section 9.4.2
SUB-TOTAL		100	

16. ANNEXURE A 2 - TECHNICAL COMPLIANCE CHECKLIST
17. ANNEXURE B - PRICING SCHEDULE
18. ANNEXURE C - NT INSTRUCTION NOTE
19. ANNEXURE D - KEY PERFORMANCE MEASURES