

# **SARS NATIONAL AUCTIONEERING SERVICES**

## **BUSINESS REQUIREMENTS SPECIFICATION**

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## 1. INTRODUCTION

The Customs and Excise Act 91 of 1964 confers a duty on SARS to provide efficient and effective State warehouse services as an essential component of the value chain of Customs and Excise's mandate of trade facilitation and revenue collection.

In pursuance of the Customs mandate, Customs implements interventions that are aimed at improving Customs compliance. The interventions result in detention and seizure of goods that are found to have been dealt with contrary to the provisions of the Act, including un-cleared and abandoned goods. The non-compliant goods are stored at SARS state warehouses. State warehouses are prescribed premises in terms of the Customs and Excise Act No. 91 of 1964 as amended (herein after referred to as 'the Act') for the deposit, security, and protection of goods dealt with in terms of the Act pending compliance with it as well as other applicable legislation. The Act authorises the SARS Commissioner to dispose of goods that are condemned and forfeited to the State through various disposal processes.

Auctioneering forms part of the disposal process that can be utilised by the SARS Commissioner. This is to ensure proper inventory management within SARS warehouses and maximise revenue collection through an informed disposal method.

SARS requires the services of an auctioneer in order to dispose of goods by means of auction sale as prescribed in the Act, and the Customs Internal Standard Operating Procedure State Warehouse. In addition, the auctioneer will be required to auction any other SARS assets.

Appoint a service provider to effectively provide auctioneering services of various goods for a period of five (5) years. SARS will appoint a service provider on a non-exclusive basis, to provide the services on an ad-hoc basis, as and when required by SARS.

## 2. SCOPE OF SERVICE

The prospective bidder is expected to auction various moveable assets and goods include amongst others: furniture, motor vehicles, household goods, personal effects, and a variety of other items and assets such as IT infrastructure (e.g. router, switch) non-IT (baggage scanners) for SARS offices nationwide.

The auctioneering service will consist of the following elements:

- Hosting of auction via an online platform.
- Comply with standard auction rules
- Option for timed, virtual-live, or physical-live auction bidding
- Real-time notifications
- Real time bid updates
- Lots closing in staggered intervals options

The prospective bidder will be responsible for the following:

- Auction goods that require de-registration of motor vehicles or registrable goods as well as other machinery.
- Register as a Dealer Stockist to be able to manage the documentation for registration of local auctioned vehicles, as and when applicable.
- Auction motor vehicles through the scrapping process by selling the vehicles as is, and the responsibility of registration of such vehicle(s) falls with the buyer
- Conduct auctions online and/or physically at SARS State Warehouse, offices or any location communicated by SARS nationally, on ad-hoc basis. The viewing of items is conducted at SARS various Warehouses, as listed in paragraph 3 below, or different venues (virtual warehouses) on request and in support of SARS' operations.
- For physical auctions the bidder must provide adequate audio and visual aid equipment to effectively communicate with the bidders during the auction.
- In terms of PFMA, the entity must dispose assets in a manner that is advantageous to SARS or the State. Sell assets at a minimum of 5% of the acquisition cost including when a decommissioning of a rented site

occurs and decommissioning of generators, air-conditioners etc.

- Sell fixed assets that are linked to a building when a rented property is returned to the landlord at the end of its lease term.
- Sell fixed assets to employees that form part of the employee value proposition at a minimum of 5% of the acquisition cost.
- Advertise Customs auctions at a capped cost and hire tables and chairs to cater for physical auction. These costs will be reimbursed on production of valid invoices. The auctioneer is responsible for advertising an auction in the public press in English and depending on the target group. Advertisements may also be in other languages as well. Proof of such adverts must be submitted to SARS.
- The cost of advertising will be capped at R40 000 VAT inclusive.
- The registration fee will be R20 000.00 per prospective bidder.
- Lodge a guarantee / surety against the estimated income from any auction as a deposit two (2) weeks prior to the auction-taking place. This amount will be refunded once all proceeds of sale are finally accounted for. The amount lodged as security, which is 10% of the estimated income of an auction plus VAT and must be lodged on a DA 70 (provisional payment).
- Make payment of the proceeds of auction sales to SARS within 2-3 days of the auction date.
- Register with SARS to obtain an importer / exporter code, if awarded the tender.
- Lots may be grouped or, any single lot may be divided at the discretion of the SARS representative, in conjunction with the bidder.

SARS will cordially communicate the method of auctioneering, location and volume of goods that are available for auctioneering purposes with the appointed auctioneer. The appointed auctioneer has a responsibility to ensure that SARS' assets are auctioned in the most financially beneficial manner.

### 3. VENUES TO CONDUCT AUCTIONS

The appointed auctioneer is expected to visit all the relevant below listed Customs State Warehouses (satellite warehouses and auction hubs) before an auction is conducted or other site specified by SARS to record and take pictures and mark goods and lots. The pictures must be used for visual aid purposes which will assist the bidder during the auction.

#### List of auction hubs:

The below list of auction hubs will be used to conduct physical auctions however, it must not be seen as an exhaustive list of hubs as SARS conducts auctions nationally. SARS reserves the right to request that a physical auction be conducted at satellite State Warehouses or different areas, other than the ones listed below, as dictated by operational requirements. Any changes will be communicated with the appointed bidder within a reasonable time frame.

<b>AUCTION HUB</b>	<b>SATELLITE WAREHOUSE</b>
<b>Kaserne</b>	Gauteng Province – <ul style="list-style-type: none"><li>• ORTIA Customs and Excise State Warehouse</li><li>• Pretoria Customs and Excise office</li><li>• Pretoria Iscor Customs and Excise State Warehouse</li></ul>
<b>Upington</b>	Northern Cape Province – <ul style="list-style-type: none"><li>• Vioolsdrift Customs and Excise Border Post</li><li>• Nakop Customs and Excise Border Post</li></ul>
<b>Durban New Pier</b>	KwaZulu-Natal Province – <ul style="list-style-type: none"><li>• Durban Customs Warehouses: New Pier Customs and Excise State Warehouse</li></ul>
<b>Ladybrand</b>	Free State Province – <ul style="list-style-type: none"><li>• Ficksburg Customs and Excise Border Post</li><li>• Caledonspoort Customs and Excise Border Post</li><li>• Van Rooyens Hek Customs and Excise Border Post</li><li>• Qacha's Nek Customs and Excise Border Post</li></ul>
<b>Kopfontein</b>	North West Province –

	<ul style="list-style-type: none"> <li>• Ramatlabama Customs and Excise Border Post</li> <li>• Skilpadshek Customs and Excise Border Post</li> </ul>
<b>Musina</b>	Limpopo Province – <ul style="list-style-type: none"> <li>• Beit Bridge Border Customs and Excise Border Post</li> <li>• Grobler’s Bridge Customs and Excise Border Post</li> <li>• Old Pietersburg Airport</li> </ul>
<b>Lebombo</b>	Mpumalanga Province – <ul style="list-style-type: none"> <li>• Oshoek Customs and Excise Border Post</li> <li>• Golela Customs and Excise Border Post</li> <li>• Jeppes Reef Customs and Excise Border Post</li> <li>• Mahamba Customs and Excise Border Post</li> <li>• Mananga Customs and Excise Border Post</li> <li>• Nerston Customs and Excise Border Post</li> </ul>
<b>Cape Town</b>	Eastern Cape Province – <ul style="list-style-type: none"> <li>• Gqeberha Customs and Excise State Warehouse - 2D Mowbry Street Newton Park</li> <li>• Waverly Park East London SARS offices</li> </ul>
	Western Cape Province – <ul style="list-style-type: none"> <li>• Cape Town State Warehouse</li> </ul>

#### STORAGE HUBS

<b>AUCTION HUB</b>	<b>STORAGE WAREHOUSE</b>
<b>SARS fixed assets storage warehouses</b>	<ul style="list-style-type: none"> <li>• Silverton Warehouse</li> <li>• Harrower Road</li> </ul>

#### 4. FEE STRUCTURE

A Bidder must provide the percentage of buyers’ commission to be charged as indicated on the attached pricing template. Please refer to Annexure C for the pricing template.