

# **REQUEST FOR PROPOSAL**

## **DESCRIPTION:**

**PROVISION OF MEDIA BULK BUYING SERVICES FOR THE  
SOUTH AFRICAN REVENUE SERVICE**

**DATE ISSUED: 13 January 2017**

**CLOSING DATE: 13 February 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; and 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 Media Bulk Buying services. The service is required for a period of 48 months.

This RFP document details and incorporates, as far as possible, the tasks and responsibilities of 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 bidder(s) to facilitate a requirements-based decision process.

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

#### **4.1 TAX LEGISLATION**

Bidder(s) must be compliant when submitting a bid to SARS and remain compliant for the entire contract term with all applicable tax legislation, 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 the relevant legislation and/or standards applicable for the provision of media bulk buying services.

### 4.4 OTHER APPLICABLE LEGISLATION

4.4.1 Bidder(s) must be compliant when submitting a bid to SARS and remain compliant for the entire contract term with all applicable labour legislation, including but not limited to the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), the Labour Relations Act, 1995 (Act No. 66 of 1995) and any Collective Bargaining Agreements.

4.4.2 Bidder(s) must note the provisions contained in the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), as well as the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) are applicable to this tender.

## 5. BRIEFING SESSION

The non-compulsory briefing session will be held at Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, on **23 January 2017 at 13H00**, to clarify to potential bidder(s) the scope and extent of work to be executed.

## 6. DURATION OF CONTRACT

The successful bidder will be appointed for a period of 48 months.

## 7. TIMELINE OF THE BID PROCESS

The **validity period** of the tender and the withdrawal of offers, after the closing date and time, is 180 days.

The project timeframes of this Bid are set out below:

Activity	Date Due
Advertisement of Bid in the Government Tender Bulletin	13 January 2017
Advertisement of Bid on National Treasury eTender portal	13 January 2017

Advertisement of Bid on Sunday Times	15 January 2017
Distribution of Bid documents on SARS website	16 January 2017
<i>Non-Compulsory</i> Briefing Session	23 January 2017 at 13H00
Questions relating to the Bid from potential Bidder(s)	06 February 2017
Bid Closing Date	13 February 2017 at 11H00
Notice to Bidder(s)*	March/April 2017

\*Date 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's 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 bidder(s) 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. Thirushka Chetty (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/ SPECIFICATION/ BUSINESS REQUIREMENTS**

### **9.1 BACKGROUND**

The South African Revenue Service requires the services of a service provider for the provision of media bulk buying and media planning services. The successful service provider will be expected to partner with SARS to provide strategic direction, planning and bulk-buying of media space in print, electronic, digital and out-of-home (OOH) media for campaign and special projects advertising. Furthermore the service provider will be expected to handle media planning and scheduling from the initiation phase to the evaluation phase for marketing, tender, auction, and HR recruitment/vacancy advertising; and any media related research, audits report, and special media reports for SARS.

#### **9.1.1 Objectives in service delivery**

SARS's objective is to appoint a service provider who will:

- 9.1.1.1 Provide SARS with a media service that enhances and communicates our communication objectives on an advertising platform that taxpayers will relate to;
- 9.1.1.2 Achieve significant cost savings for SARS through advising and timeous planning and buying that yields bulk discount benefits without degradation in the quality of services;
- 9.1.1.3 Provide the best value for money by recommending platforms and programmes that have high reach with our target market,
- 9.1.1.4 Provide a media team with the necessary expertise that ensures a sustainable supply of services;
- 9.1.1.5 Meet SARS's current requirements (at a minimum) and provide for flexibility to meet SARS's future needs related to the scope;
- 9.1.1.6 Appropriately contain SARS's risk, including with respect to (i) sustained service delivery; (ii) cost containment; (iii) changes in law; (iv) procurement of the services under a flexible and scalable arrangement which reflects its needs from time to time;
- 9.1.1.7 Establish a successful contractual relationship between the parties that is flexible and highly responsive to SARS's changing requirements over the term;
- 9.1.1.8 Provide SARS with expertise that is required to identify, analyse, recommend, provide and implement, amongst other things, new technologies

and processes; and

9.1.1.9 Provide SARS with consistent services over the term of the contract.

## **9.2 SCOPE OF SERVICES**

9.2.1 The South African Revenue Service desires to appoint an established media buying agency. The agency must have extensive experience to procure media placements in the following media platforms:

9.2.1.1 Radio;

9.2.1.2 Print media;

9.2.1.3 Television;

9.2.1.4 Out-of-home (OOH);

9.2.1.5 Online and digital media; and

9.2.1.6 Production of material for out of home, radio and digital platforms.

9.2.2 The service provider must have a proven track record on:

9.2.2.1 Media research and analysis;

9.2.2.2 Media strategy;

9.2.2.3 Media platform selection;

9.2.2.4 Media commission and bulk discount rate negotiations and placements;

9.2.2.5 Excellent turnaround time; and

9.2.2.6 Knowledge, information and skills transfer initiatives for clients.

9.2.3 The service provider is expected to:

9.2.3.1 Demonstrate an understanding of the political landscape and socio-economic conditions that would influence taxpayer's perception of SARS and consequential reputational impact;

9.2.3.2 Develop, refine and implement media strategies for SARS campaigns;

9.2.3.3 Undertake negotiations with media owners to secure the most cost-effective bulk discount rates and added value for SARS;

9.2.3.4 Undertake media planning and buying of all SARS advertising requirements;

9.2.3.5 Provide post campaign analyses indicating effectiveness and cost efficiency of all media placements;

9.2.3.6 Ensure tracking, monitoring and management of all SARS media placements.



- 9.2.3.7 Submit monthly, quarterly and annual analytical reports as well as ad hoc reports on advertising spend by SARS;
- 9.2.3.8 Provide SARS access to research data and analysis which will assist SARS in its media planning and placement;
- 9.2.3.9 Work in partnership with the appointed creative agency to develop and implement through-the-line marketing strategies when required;
- 9.2.3.10 Advising SARS of any innovations in the media industry that would be suitable for SARS advertising;
- 9.2.3.11 Respond to short lead times and booking requests; and
- 9.2.3.12 Attend weekly status meetings at SARS offices and upon request.

#### 9.2.4 Reporting

The service provider must provide SARS with:

- 9.2.4.1 A media strategy;
- 9.2.4.2 Media buying schedules, media trends and the latest developments on a quarterly basis;
- 9.2.4.3 Weekly status reports;
- 9.2.4.4 Campaign close-out reports; and
- 9.2.4.5 Ad hoc media related reports requested from time-to-time.

#### 9.2.5 Transition/ Hand-over

The bidder will be required to partake in a formal transition and hand-over from the outgoing service provider to adopt the current model of service provision to the model described in this Request for Proposal (RFP).

### 9.3 SARS REQUIREMENTS FROM BIDDERS

Bidders are required to submit their response to all the information in this section:

#### 9.3.1 Company Profile, Infrastructure and Resources

Bidders must provide:

- 9.3.1.1 A comprehensive company profile, organisational structure and detailed infrastructure to render the services as outlined in 9.2. The comprehensive company profile must include:

- a. A brief agency history;
- b. Current billing client list, type of industry serviced, annual media spend, number of years each account was held over the last 5 years, list of clients lost over the past three years, the reason for account moving; and
- c. Current total annual billings.

9.3.1.2 Staff complement;

9.3.1.3 Level of expertise of bidder's key personnel, qualifications, experience relevant to the scope of services and their accessibility;

9.3.1.4 Curriculum vitae of proposed team members indicating their experience in their field of expertise such as media strategist, media planners, media buyers, researchers, etc. and a list of their previous clients and current clients; and

9.3.1.5 Proof of accreditation with Media Credit Coordinators (MCC).

### **9.3.2 Commission and discounts**

The service provider must present a schedule of commission discounts (including bulk volume, early settlement, annual spend per media house). The discounts and commissions which will be applicable to SARS must be clearly outlined.

### **9.3.3 Good standing in the industry**

9.3.3.1 Provide proof of an industry assessment rating received within the past year.

### **9.3.4 Understanding the SARS brand and requirements**

9.3.4.1 Submit a motivation of no more than 500 words demonstrating an understanding of the political landscape and socio-economic conditions that would influence taxpayers' perception of SARS and consequential reputational impact of the South African Revenue Service. What should the overall communication strategy include to effectively demonstrate our understanding of the taxpayer perceptions and behaviour? And what makes your agency uniquely qualified to meet the media requirements of SARS.

### **9.3.5 Knowledge, information and skills transfer**

Provide a skills transfer platform that can be presented to the SARS Communication team. The content should address topics that will assist the SARS Communication Department in understanding the media industry and environment.

### **9.3.6 Testimonials**

Provide reference letters from at least three (3) contactable clients, to whom similar services have been provided to in the past five (5) years. The reference letters must include: company name, contact person name and designation, phone number, email address, duration of contract, a brief description of the services rendered, the company headcount of the client as well as the level of satisfaction with the service rendered.

### **9.3.7 Transformation**

Bidders must provide a detailed strategic plan that will be implemented in support of transformation and supplier development for media buying and related services.

SARS will engage in negotiations post the evaluation of the tender with the successful bidder on the following aspects of transformation where applicable:

- a. B-BBEE Improvement Plan over the period of the contract;
- b. Skills Development for unemployed graduates;
- c. Job creation/retention upon award of this contract;
- d. Skills transfer programme over the duration of the contract; and
- e. Local Content as defined in SATS 1286:2011.

The response on transformation will not be scored as part of technical evaluation. This is for information purposes and will form part of the Service Level Agreement negotiation between SARS and the successful bidder.

### **9.3.8 Presentation**

Shortlisted bidders will be required to present a media placement strategy to SARS for a major campaign. SARS will measure media placement insights (research), strategic thinking regarding placement strategy, bidders understanding of a variety of

media platforms, the rate of discounts being proposed and media placement measurement proposals. A case study will be made available to shortlisted bidders.

#### **9.4 PRICING METHODOLOGY**

The service provider must present a schedule of commission discounts (including bulk volume, early settlement, annual spend per media house). The discounts and commissions which will be applicable to SARS must be clearly outlined.

#### **9.5 TECHINICAL COMPLIANCE CHECKLIST**

Bidders must complete the compliance checklist (Annexure A2).

#### **9.6 EXPECTED COMMENCEMENT DATE**

The expected commencement of the services required is 01 April 2017.

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

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

**SARS Procurement Centre  
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 and shall be returned to bidder(s).

**10.5** The bidder(s) are required to submit two (2) copies of each file (original and duplicate) and one (1) CD-ROM/USB with the contents of each file by **13 February 2017 at 11:00**.

**10.6** Each file and CD-ROM/USB must be marked correctly and sealed separately for ease of reference during the evaluation process. Pricing information should not be included in the Technical file. Furthermore, the file and information in the CD-ROM/USB must be labelled and submitted in the following format:

**10.6.1 Arch-lever File 1 – Technical proposal**

Exhibit 1

- Pre-qualification documents (SBD Documents)

Exhibit 2

- Bidder compliance checklist for technical evaluation
- Technical responses
- Supporting documents for technical responses
- References

Exhibit 3

- Company profile
- Supplementary information

Exhibit 4

- General Conditions of Contract (GCC)
- Draft Services Agreement

**File 2 – Price and BEE proposal**

Exhibit 5

- B-BBEE Certificate (copy of the most recent and valid)

Exhibit 6

- Pricing Schedule (Annexure B)

Exhibit 7

- 3 years audited financial statements

Each file and CD-ROM must be marked correctly and sealed separately for easy reference during the evaluation process.

## **10.7 SARS REQUIRES SERVICE PROVIDER(S) TO DECLARE**

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

- a. List the names of key individuals i.e. representative of the bidder(s) that will act on behalf of the bidder(s) if successful in this Bid.
- b. Confirm that the bidder(s) is to:
  - i. Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
  - ii. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
  - iii. Act with circumspection and treat SARS fairly in a situation of conflicting interests;
  - iv. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
  - v. Make adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with SARS;
  - vi. Avoid fraudulent and misleading advertising, canvassing and marketing;
  - vii. Conduct their business activities with transparency and consistently uphold the interests and needs of SARS as a client before any other consideration; and
  - viii. 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.

## **11. EVALUATION AND SELECTION CRITERIA**

**11.1** 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:

**11.1.1 Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all documents, as outlined in section 11.2 below.

**11.1.2 Technical Evaluation Criteria (Gate 1)** – Bidder(s) will be evaluated out of 100 points and must achieve an overall minimum threshold of 70 points out of 100.

**11.1.3 Price and B-BBEE Evaluation (Gate 2)** – This will be evaluated out of 100 points.  
Price will be evaluated out of 90 and B-BBEE 10 points.

## 11.2 PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS's other critical requirements for this bid, bidder(s) must submit the documents listed in **Table 11A** 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 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	<b>YES</b> – Please complete and sign the supplied pro forma document.
Declaration of Interest – SBD 4	<b>YES</b> – Please complete and sign the supplied pro forma document.
Preference Point Claim Form - SBD 6.1	<b>NO</b> – Non-submission will lead to a zero score on B-BBEE.
Declaration of Service Provider's Past Supply Chain Management Practices – SBD 8	<b>YES</b> – Please complete and sign the supplied pro forma document.
Certificate of Independent Bid Determination – SBD 9	<b>YES</b> – Please complete and sign the supplied pro forma document.
SARS' s Oath of Secrecy	<b>YES</b> – Please complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page.
Pricing Schedule	<b>YES</b> – Please submit full details of the pricing proposal to SARS in Annexure B.
General Conditions of Contract (GCC)	<b>YES</b> – Please sign the supplied GCC form.
Central Supplier Registration Report (Central Supplier Database System) from National Treasury	<b>YES</b> – Bidders must register on the Central Supplier Database System and submit the Report as confirmation of registration.
Compliance checklist for technical evaluation (Annexure A2)	<b>NO</b> – Please complete the template provided.

### 11.3 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. Bidder(s) will be evaluated out of 100 points and must achieve an overall minimum threshold of 70 out of 100 points for the technical evaluation in order to proceed to Gate 2 for Price and B-BBEE evaluation. Functionality will be evaluated as follows:

**11.3.1 Desktop Technical Evaluation** – Bidder(s) will be evaluated out of 85 points and must achieve a minimum of 59.5 points (70 percent of 85) in order to qualify for an invitation to deliver a presentation to SARS. Shortlisted bidders will be issued with a presentation brief and invited to deliver a presentation to SARS and answer any questions relating to their bid proposal.

**11.3.2 Presentations** – Bidder(s) will be evaluated out of 15 points.

The bidder(s)' information will be scored according to the following points system:

**Table 11B: Technical Evaluation**

Functionality	Maximum points achievable	Minimum Threshold
<b>Desktop Technical Evaluation</b> Details found in Annexure A1 – Technical Scorecard	85	59.5
Presentations	15	n/a
<b>Overall combined points</b>	<b>100</b>	<b>70</b>

### 11.4 PRICE AND B-BBEE EVALUATION (GATE 2) (90 + 10) = 100 POINTS

#### 11.4.1 Stage 1 – Price Evaluation (90 points)

Adjudication Criteria	Points
<b>Price Evaluation</b> $P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	<b>90</b>

Where

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



$P_t$  = Rand value of bid under consideration  
 $P_{min}$  = Rand value of lowest acceptable bid

#### 11.4.2 Stage 2 – B-BBEE Evaluation (10 points)

##### a. B-BBEE Requirements

In line with the requirements of the Preferential Procurement Regulations, 2011 (*Government Gazette* No. 34350) to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) [the “PPPFA”] tenders that have achieved the minimum qualifying score for functionality will be evaluated further in terms of the prescribed preference point systems:

- (i) Regulation 5 - 80/20: A maximum of 20 points may be allocated to a Service Provider; or
- (ii) Regulation 6 - 90/10: A maximum of 10 points may be allocated to a Service Provider.

##### b. Bid Evaluation Process Gate 2: B-BBEE EVALUATION

B-BBEE points may be allocated to bidder(s) on submission of the following documentation or evidence:

Adjudication Criteria	Points
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1) including paragraph 8 thereof relating to the sub-contracting of the services, and a B-BBEE Certificate.	10

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

#	Classification	Turnover	Submission Requirement
1.	Exempted Micro Enterprise	Below R10 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor

	(EME)		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 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 IRBA.

Bidder(s) who do not claim Preference Points will be scored zero for B-BBEE, but will not be excluded from the tender process. Bidders who do not fill SBD 6.1 in its entirety will not be awarded points for B-BBEE.

SARS will accept a B-BBEE certificate issued on the revised B-BBEE Codes.

#### **c. Use and acceptance of Affidavits**

All companies will need to request the information which proves Black Ownership and turnover in addition to the Affidavit, or request that their EME/QSE suppliers be verified and have this confirmed on the Affidavit.

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

#### **d. Joint Ventures and Consortiums**

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

#### **e. Sub-contracting**

Bidders who want to claim preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA with regard to sub-contracting:

**Regulation 11(8)**

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

**Regulation 11(9)**

A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an Exempted Micro Enterprise that has the capability and ability to execute the sub-contract.

**f. 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.

**11.4.3 Stage 3 (90 + 10 = 100 points)**

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

**11.5 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.

- 11.5.1** 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.
- 11.5.2** Entities which are trading for less than three (3) financial periods should provide:
- a. A letter detailing that fact, signed by a duly authorised representative of the entity; and
  - b. Any other information or documentation which would provide more clarity on the financial history of the bidder.
- 11.5.3** 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.
- 11.5.4** 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.

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 Service Provider under this bid is conditional, amongst others, upon –

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

## 12.2 SERVICES AGREEMENT

- a. Upon award, SARS and the successful Service Provider will conclude a supplementary agreement regulating the specific terms and conditions applicable to the services being procured by SARS, more or less in the format of the draft Services Agreement included in this tender pack.
- b. SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations with a Service Provider by amending or adding thereto (including for purposes of better giving effect to the objectives in paragraph 2 above).
- c. Service Providers are requested to:
  - Comment on the terms and conditions set out in the draft Services Agreement and where necessary, make proposals to the terms and conditions;
  - Each comment and/or amendment must be explained; and
  - All changes and/or amendments to the draft Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.
- d. SARS reserves the right to accept or reject any or all amendments or additions proposed by a Service Provider if such amendments or additions are unacceptable to SARS or pose a risk to the organisation.

## 12.3 SPECIAL CONDITIONS OF THIS BID

SARS reserves the right:

- a. Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid;
- b. To negotiate with one or more preferred Service Provider(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Service Provider(s) who has not been awarded the status of the Preferred Service Provider(s);
- c. To accept part of a Bid rather than the whole bid;
- d. 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 Service Provider(s) have been notified of their status as such;
- e. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the Service Provider(s), whether

before or after adjudication of the bid; and

- f. 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.

#### **12.4 CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

SARS reserves its right to disqualify any Service Provider who either itself or any of whose members (save for such members who hold a minority interest in the Service Provider 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 Service Provider 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"):

- a. Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Service Provider in respect of the subject matter of this bid;
- b. 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;
- c. Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of SARS's officers, directors, employees, advisors or other representatives;
- d. 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;
- e. 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;
- f. 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;
- g. Has in the past engaged in any matter referred to above; or

- h. 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 Service Provider, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## **12.5 MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT**

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

It follows therefore that misrepresentations in a Bid may give rise to service termination and a claim by SARS against the Service Provider notwithstanding the conclusion of the Services Agreement between SARS and the Service Provider for the provision of the services in question. In the event of a conflict between the Service Provider's proposal and the Services Agreement concluded between the parties, the Services Agreement will prevail.

## **12.6 PREPARATION COSTS**

The Service Provider 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 Service Providers in the preparation of their response to this bid.

## **12.7 INDEMNITY**

If a Service Provider 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 Service Provider indemnifies and holds SARS harmless from any and all such costs which SARS may incur and for any damages or losses SARS may suffer.

## **12.8 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.

## **12.9 LIMITATION OF LIABILITY**

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

## **12.10 TAX COMPLIANCE**

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

## **12.11 NATIONAL TREASURY**

No tender shall be awarded to a Service Provider 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 Service Provider should it be established, at any time, that a Service Provider has been blacklisted with National Treasury by another government institution.

## **12.12 GOVERNING LAW**

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



### **12.13 RESPONSIBILITY FOR SUB-CONTRACTORS AND SERVICE PROVIDER'S PERSONNEL**

A Service Provider 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 11.4.2 above. In the event that SARS allows a Service Provider to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the Service Provider and SARS will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

### **12.14 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 Service Provider's bid proposal(s) will be disclosed by any Service Provider or other person not officially involved with SARS's 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, Service Providers must secure SARS's 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 Service Provider will be disclosed to a Service Provider or any other person not officially involved with such process.

### **12.15 SARS PROPRIETARY INFORMATION**

Service Provider will on their bid covering letter make declaration that they did not have access to any SARS proprietary information or any other matter that may have unfairly



placed that Service Provider in a preferential position in relation to any of the other Service Providers.

### 13. TECHNICAL EVALUATION CRITERIA

#### 13.1 ANNEXURE A1: Desktop Technical Evaluation Scorecard – 85 points

#	Technical Evaluation Criterion	Weight
13.1.1	<b>Company Profile, Infrastructure and Resources</b>	<b>19 points</b>
	<p>Demonstrate experience in the provision of media buying services by providing the following:</p> <ol style="list-style-type: none"> <li>A comprehensive company profile, organisational structure and detailed infrastructure to render the services as outlined in section 9.2.</li> </ol> <p>The comprehensive company profile must include:</p> <ul style="list-style-type: none"> <li>A brief agency history;</li> <li>Current billing client list, type of industry serviced, annual media spend, number of years each account was held over the last 5 years, list of clients lost over past three years, the reason for account moving; and</li> <li>Current total annual billings.</li> </ul> <ol style="list-style-type: none"> <li>Staff complement;</li> <li>Level of expertise of bidder's key personnel, qualifications, experience relevant to the scope of services and their accessibility;</li> <li>Curriculum vitae of proposed team members indicating their experience in their field of expertise such as media strategist, media planners, media buyers, researchers, etc. and a list of their previous clients and current clients; and</li> <li>Proof of accreditation with Media Credit Coordinators (MCC).</li> </ol>	
13.1.2	<b>Commission and discounts</b>	<b>23 points</b>
	The service provider must present a schedule of commission discounts (including bulk volume, early settlement, annual spend per media house). The discounts and commissions which will be applicable to SARS must be clearly outlined.	
13.1.3	<b>Good standing in the industry</b>	<b>10 points</b>
	Provide proof of an industry assessment rating received within the past year.	

#	Technical Evaluation Criterion	Weight
<b>13.1.4</b>	<b>Understanding of the SARS brand and requirements</b>	<b>18 points</b>
	Submit a motivation of no more than 500 words demonstrating an understanding of the political landscape and socio-economic conditions that would influence taxpayers' perception of SARS and consequential reputational impact of the South African Revenue Service. What should the overall communication strategy include to effectively demonstrate our understanding of the taxpayer perceptions and behaviour? And what makes your agency uniquely qualified to meet the media requirements of SARS.	
<b>13.1.5</b>	<b>Knowledge, information and skills transfer</b>	<b>8 points</b>
	Provide a skills transfer platform that can be presented to the SARS Communication team. The content should address topics that will assist the SARS Communication unit in understanding the media industry and environment.	
<b>13.1.6</b>	<b>Testimonials</b>	<b>7 points</b>
	Provide reference letters from at least three (3) contactable clients, to whom similar services have been provided to in the past five (5) years. The reference letters must include: company name, contact person name and designation, phone number, email address, duration of contract, a brief description of the services rendered, the company headcount of the client as well as the level of satisfaction with the service rendered.	
<b>13.1.7</b>	<b>Transformation</b>	<b>0 points</b>
	<p>Bidders must provide a detailed strategic plan that will be implemented in support of transformation and supplier development for media buying and related services.</p> <p>SARS will engage in negotiations post the evaluation of the tender with the successful bidder on the following aspects of transformation where applicable:</p> <ol style="list-style-type: none"> <li>B-BBEE Improvement Plan over the period of the contract;</li> <li>Skills Development for unemployed graduates;</li> <li>Job creation/retention upon award of this contract;</li> <li>Skills transfer programme over the duration of the contract; and</li> <li>Local Content as defined in SATS 1286:2011.</li> </ol>	

#	Technical Evaluation Criterion	Weight
	The response on transformation will not be scored as part of technical evaluation. This is for information purposes and will form part of the Service Level Agreement negotiation between SARS and the successful bidder.	

### 13.2 Presentations – 15 points

13.2.1	Presentations	15 points
	<p>Only bidders who have attained a minimum of 59.5 points for desktop technical evaluation will be invited for a presentation. Shortlisted bidders will be issued with a presentation brief and invited to deliver a presentation to SARS and answer any questions relating to their bid proposal.</p> <p>Shortlisted bidders will be required to develop a media placement strategy for Tax Season 2017. SARS will look for the following attributes:</p> <ul style="list-style-type: none"> <li>• Media placement insights (research);</li> <li>• Strategic thinking regarding placement strategy;</li> <li>• Understanding of a variety of media platforms for SARS's objectives;</li> <li>• Rate of discounts being proposed; and</li> <li>• Media placement measurement proposals.</li> </ul>	

### 13.3 ANNEXURE A2 – TECHNICAL COMPLIANCE CHECKLIST

The bidder is required to complete the technical compliance checklist in order to guide the evaluators where to find the bidder's technical responses.

## 14. ANNEXURE B – PRICING SCHEDULE

### 14.1 Refer to Annexure B for the pricing schedule.