



**REQUEST TO APPOINTMENT A SERVICE PROVIDER FOR  
FINANCIAL ANALYSIS TOOL FOR A PERIOD OF THREE (3) YEARS**

**Virtual Briefing Session:**

**24 October 2023**

**RFP No.:**

**RFP 14/2023**

**Closing Date:**

**14 November 2023**

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# 1. Introduction

## NON- COMPULSORY BRIEFING SESSION

- Purpose:
  - Explain selected concepts, procedures and other aspects of the RFP
  - Confirm formal registration of Bidders for notices and other communications
- It may contain:
  - Additional information
  - Additional rules that must be adhered to
- It does not:
  - Cover every item in the RFP
  - Replace any of the issued RFP material
  - Change any of the RFP rules unless explicitly communicated in writing
- The briefing session slides will be emailed via the SARS Tender Office email address.
- The RFP pack remains the primary source of information for the Bidder to respond.

## 2. Procedures during Briefing Session

- Questions during the session.
  - SARS will take written questions submitted during the session
  - SARS will review and focus on most pertinent themes arising from the questions and provide answers where possible
  - All questions and answers will be published on SARS website to all the bidders as part of the wider Q & A process
  - The emailed answers will take precedence over any verbal response given in the briefing session
- The session is being recorded

## 2. Governance Requirements

- Strict communication channels
  - Bidders will be disqualified for non-compliance
- No solicitation of information will be allowed other than by prescribed channels
- Deadlines to be strictly met
- Adhere to prescribed submission format to ensure queries are properly dealt with

### 3. RFP Timelines

ACTIVITY	DATE DUE
Advertisement of Bid in the: <ul style="list-style-type: none"><li>▪ SARS Tender Office</li></ul>	13 October 2023
Non-compulsory virtual briefing session	24 October 2023 at 12h00pm
Last day for Bidders to submit written questions	07 November 2023
Last day for SARS response to Bidder's written questions	09 November 2023
Bid Closing Date	14 November 2023 at 11h00am
Notice to bidders	March / April 2024

## 4. Background & Purpose

SARS is mandated to collect revenues due from the taxpayers and ensure optimal compliance with tax and customs legislation. The Tax Administration Act (TA Act) makes provision for the investigation of non-compliance and serious tax offences.

### **Solution Requirement**

SARS, and in particular the Transfer Pricing Risk and Audit Teams require a financial analysis tool and data base to assist in determining a stand-alone credit rating for South African multinational companies that receive funding from related parties as well as the group rating for the multinational group of companies in line with OECD guidelines. This credit rating is the first step for SARS to determine the arm's length nature of the funding arrangements between connected parties including the quantum of the loan and the interest rate. In addition to the credit rating, the tool should allow for peer group analysis.

# 5. Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

## Gate 0

Pre-Qualification

- Central Registration Report (Central Database System) from NT
- Tax Compliance Status Pin
- Invitation to Bid –SBD 1
- Declaration of Interest (SBD 4)
- Preference Point Claim Form – SBD 6.1
- Supplier Risk Questionnaire
- Agreement
- Annual Financial Statements

## Gate 1

Mandatory Requirement

### ▪ AFFILIATION OF THE BIDDER

A letter of affiliation from a Recognized Statistical Rating Organization (RSRO) confirmation must be furnished by the Bidder or its subsidiaries or group entities.

**NB: SARS reserves the right to validate the information provided.**

**The bidder to attach a letter or certificate of affiliation as evidence.**



# 5.1 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

## Gate 2

Technical Evaluation

100 points

Achieve overall score of 65 points out of 100 points  
to proceed to Gate 3

Refer to Section 7.4 of the RFP Main Document  
(Technical Evaluation Criteria)

## Gate 3

Price = 80

100 points

BBBEE = 20

- Valid B-BBEE Certificate/ Sworn Affidavit
- Preference Point Claim Form – SBD 6.1
- SARS RFP 14/2023 5-1: Price Response Template

## 5.2 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
1.	Print screens of their proposed solution that demonstrate the functionality.	<p><b>A. Bidders to provide Print screens of their proposed solution that demonstrate the functionality on industry peer analysis and peer review (5)</b></p> <p>1. The company must be able to demonstrate industry peer analysis and peer review = 5 points</p> <p>2. Company did not demonstrate industry peer analysis = 0 point</p> <p><b>B. Bidders to provide Print screens of their proposed solution that demonstrate Credit ratings and underlying data (15)</b></p> <p>1. Bidder's solution demonstrated / provided sovereign and company ratings only = 5 points</p> <p>2. Bidder's solution demonstrated /provided sovereign and company ratings and number of comparable companies = 10 points</p> <p>3. Bidder's solution demonstrated/provided sovereign and company ratings with ability to set clear search criteria and adjust results in line with entity under review = 15 points</p> <p>4. Bidder sovereign and company ratings not provided = 0 points</p> <p><b>C. Bidders solution must provide evidence of screenshots for the proposed solution that demonstrate Pricing, Quantum and Implicit support (15)</b></p> <p>1. Bidder's solution demonstrated/provided Pricing only = 5 points</p> <p>2. Bidder's solution demonstrated/provided Pricing and quantum = 10 points</p> <p>3. Bidder's solution demonstrated/provided Pricing and quantum with verification of implicit support = 15 points</p>	40

## 5.2 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
1.	<b>Print screens of their proposed solution that demonstrate the functionality.</b>	<p><b>D. Bidders to provide screenshot for Functionality (the system must be a extraction tool) = (5)</b></p> <p>1. The database/system is able to export the financial information (detailed and summary versions of selected final comparative data set) of selected companies into excel for further financial analysis and performing additional financial calculations = 5 points</p> <p>2. The database/system is not able to export financial information of selected companies into excel = 0 point</p>	<b>40</b>

## 5.3 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
2.	Three (3) contactable references of companies where similar services were provided recently (within the last 5 years) and years of experience.	<p><b><i>A Bidder to provide three (3) contactable references (companies) where similar services were provided recently within the last 5 years (10)</i></b></p> <ol style="list-style-type: none"> <li>1. Bidder that has provided three references = <b>10 points</b></li> <li>2. Bidder that has provided two references = <b>6 points</b></li> <li>3. Bidder that has provided one reference = <b>3 points</b></li> <li>4. Bidder that has not provided any references = <b>0 points</b></li> </ol> <p><b><i>B. Number of years in business</i></b></p> <ol style="list-style-type: none"> <li>1. Bidder that has provided proof of 10 or more years in business = <b>5 points</b></li> <li>2. Bidder that has provided proof of 7-9 years in business = <b>3 points</b></li> <li>3. Bidder that has provided proof of less than 7 years in business = <b>1 point</b></li> <li>4. Bidder that has not provided proof of years in business = <b>0 points</b></li> </ol>	15

## 5.4 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
3.	Provide the Business Profile that describes the service offerings and capability to deliver and support the Solution to SARS; NB: System configuration must support SARS ideal of safeguarding taxpayer information (not integrated to SARS' system)	<p><b><i>Bidder to provide the Business Profile that describes the service offerings and capability to support the system.</i></b></p> <p><b><i>A. Bidder to provide a report on the systems availability.</i></b></p> <ol style="list-style-type: none"> <li>1. Systems downtime of more than 24 hours, but less than 48 hours = <b>5 points</b></li> <li>2. Systems downtime of less than 24 hours is = <b>10 points</b></li> <li>3. Systems downtime without a notice = <b>0 points</b></li> </ol> <p><b><i>B. Bidders to provide a report with the Size of database and quality of data available.</i></b></p> <ol style="list-style-type: none"> <li>1. Independent comparable companies in similar markets to South Africa = <b>5 points</b></li> <li>2. Independent comparable in similar markets to South Africa and globally = <b>10 points</b></li> <li>3. No independent comparable companies = <b>0 point</b></li> </ol>	20

## 5.5 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
4.	Implementation plan indicating the time frames for implementing and customizing the Solution to SARS unique requirements.	<p><b><i>Bidders to provide an Implementation plan indicating the time frames for training of SARS users and full access to financial assistance benchmark tool for transfer pricing.</i></b></p> <ol style="list-style-type: none"><li>1. Implementation plan takes more than 2 months to a maximum of 3 months = <b>5 points</b></li><li>2. Implementation takes less than 2 months = <b>10 points</b></li><li>3. No implementation plan Submitted = <b>0 point</b></li></ol>	10

## 5.6 Bid Evaluation Process (Refer to section 7 of the RFP Main doc)

No:	Technical Evaluation Criterion	Scoring Criteria	Points
5.	The nature of support (e.g. telephonic, email etc.) and whether there is support available.	<p><i>Bidders to describe the nature of support (e.g. telephonic email etc.) and whether there is support availability during SARS' core hours, as well as turnaround times.</i></p> <p>1. Support availability during SARS' core hours (via email, with a turnaround time of 48 hours) = <b>5 points</b></p> <p>2. Support availability during SARS' core hours (via email and telephonic, with a turnaround time of 48 hours) = <b>10 points</b></p> <p>3. Support availability during SARS' core hours with a dedicated resource (via email and telephonic, with a turnaround time of 48 hours) = <b>12 points</b></p> <p>4. Support availability during SARS' core hours with a dedicated resource (via email and telephone, with a turnaround time of 24 hours) = <b>15 points</b></p> <p>5. No support availability = <b>0 point</b></p>	15

## 6. Bid Evaluation Process Gate 3 - Price

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

### Stage 1: Price Evaluation (80 points)

Bidders must refer to Annexure B – Pricing Schedule

Adjudication Criteria	Points
Price Evaluation	80

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

$P_s$	=	Points scored for price of Bid under consideration
$P_t$	=	Rand value of Bid under consideration
$P_{\min}$	=	Rand value of lowest acceptable Bid



## 6. Continues....B-BBEE = 20 Points

B-BBEE points may be allocated to Bidders on submission of documentation or evidence as follows:

ADJUDICATION CRITERIA	POINTS
A duly completed Preference Point Claim Form: SBD 6.1 and a B-BBEE Certificate/Affidavit.	20

Bidders **MUST** complete and sign the SBD 6.1 form to claim the Bidder's B-BBEE preference points, failing which, the Bidder will be scored zero.

## 6. Continues...B-BBEE Certificate/Affidavit

The table below indicates the specific B-BBEE certification documents that must be submitted for this tender.

Classification	Turnover	Submission Requirement
Exempted Micro Enterprise ( EME)	Below R10 million p.a	A sworn Affidavit or Certificate from CIPC
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	A sworn Affidavit – only 51% and above  Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.
Large Enterprise (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.

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

## 6. Continues...Use and acceptance of Affidavits

Section 1.6 SBD 6.1 states.. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

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

## 6. Continues...B-BBEE Key Sections to complete in SBD 6.1

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

*(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.*

*Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)*

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
The entity is an EME/QSE		10		
Enterprise with Women Ownership of 30% and more		10		
<b>The bidder must submit the BEE Certificate/Affidavit as proof of entity size</b>				
<b>Bidders are required to submit CIPC registration documents or letter from an attorney or registered accountant in their letterhead for the verification of ownership points claimed.</b>				

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

## 7. Financial Analysis Evaluation

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

The annual financial statements must contain:

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

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

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

## 7. continues... Financial Analysis Evaluation

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

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

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

# 8. SERVICE AGREEMENTS

Bidders are requested to:

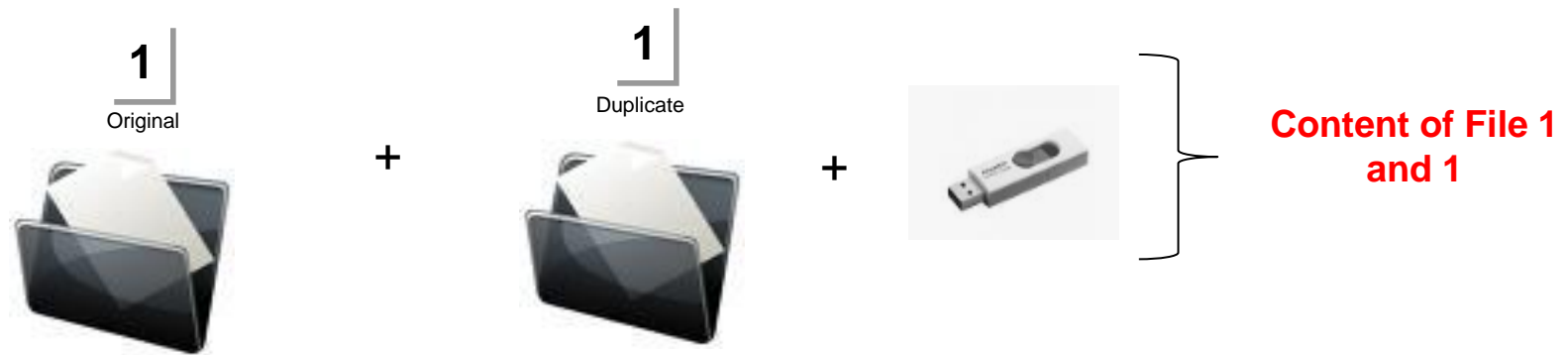
- ☐ Comment on the terms and conditions set out in the Services Agreement and where necessary, make proposals to the terms and conditions;
- ☐ Each comment and/or amendment must be explained; and
- ☐ All changes and/or amendments to the Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.
- ☐ SARS reserves the right to accept or reject any or all amendments or additions proposed by the successful bidder if such amendments or additions are unacceptable to SARS or pose a risk to the organisation.



# 9. BID SUBMISSION

Bidders must submit copies of each file (Original and Duplicate) and a USB with content of each file by the  
**14 November 2023 at 11:00am**

Bid documents will only be considered if received by SARS before the Closing Date and time.



## TENDER BOX

Tender Office SARS Procurement, Lehae La SARS  
Head Office, 299 Bronkhorst Street Nieuw  
Mucleneuk, Pretoria

Any enquiries must be referred, in writing via email:  
[tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za)

# FILE 1: ORIGINAL / DUPLICATE

Exhibit 1

## Pre-qualification documents

### Section 1

- Pre-qualification documents (SBD documents)

### Section 2

- Mandatory Response Template
- Technical Responses
- Supporting documents for technical responses
- References/testimonials/CVs
- 3 years audited /reviewed Financial statements

### Section 3

- Company profile
- Supplementary information

### Section 4

- GCC / Agreement



# FILE 2: ORIGINAL / DUPLICATE

Exhibit 1

Pricing Schedule



Exhibit 2

- B-BBEE Certificate/ Sworn Affidavit
- SBD 6.1



**NB ! Each file must be marked correctly and sealed separately for easy reference during the evaluation process. USB must be marked with Bidder Name**

# 10. QUESTION AND ANSWERS



*Thank you  
Re a leboha  
Re a leboga  
Ndza Khensa  
Dankie  
Ndi a livhuwa  
Ngiyabonga  
Enkosi  
Ngiyathokoza*