

**SOUTH AFRICAN REVENUE SERVICE**  
**REQUEST FOR PROPOSAL**

**RFP 39/2024**

**APPOINTMENT OF A GROUP LIFE INSURER**

**MAIN RFP DOCUMENT**

**INSTRUCTIONS, GUIDELINES, AND CONDITIONS OF TENDER**

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## **REQUEST FOR PROPOSAL**

### **Summary, Guidelines, Conditions and Instructions**

#### **1 PURPOSE OF THIS REQUEST FOR PROPOSAL**

The purpose of this Request for Proposal (RFP) is for the South African Revenue Service (SARS) to invite suitably qualified service providers (bidders) to submit proposals (tenders) in accordance with the rules set out in this RFP for the appointment of a Group Life Insurer for a period of 60 months with annual negotiations of rates.

#### **2 OVERVIEW OF SARS' REQUIREMENTS**

##### **2.1 BACKGROUND**

SARS introduced the Group Life benefit for its employees in 2003. Each year the benefits and rates are reviewed to ensure the best benefit options available at the most affordable rates. This is to ensure that:

- the benefits are continuously benchmarked in the market;
- the best rates and benefit options are secured and offered to employees; and
- the appointment of the Insurer is in accordance with FAIS Act; and relevant legislations.

##### **2.2 BENEFITS REQUIREMENTS FOR GROUP LIFE INSURANCE SCHEME**

The detailed benefits required by SARS for the Group Life Insurance is attached as Annexure A1: Mandatory Benefits Requirements.

Please Note:

- Only bidders that comply with the mandatory requested cover options as outlined in Annexure A1 will proceed to the technical evaluation stage.
- SARS employee risk profile will be provided on request.
- SARS employees will be provided with three (3) months open period to select or review their cover.
- The successful bidder will be required to submit the Group Life benefits policy within twenty-one (21) days.
- The group life benefits are non- standard and primarily designed for SARS employees.
- Current benefit offering will continue under the existing terms (warts and all), all new cover will comply with the minimum requirements.

The successful bidder will be required to provide insured risk to the following Group Life Insurance benefits:

#### 2.2.1 Core Benefit contributions payable by the Employer:

***Note that some of the items will indicate a mandatory minimum requirement, together with the new required value/benefit where applicable.***

<b>2.2.1.1 Unapproved Group Life Cover (Death Cover)</b>		
Benefit	2,2 x annual salary (GTP)	
"Medical Proof Free" Cover Limit with Voluntary flexi cover	<ul style="list-style-type: none"><li>• Current R18 000 000</li><li>• Revised value required: R20 000 000</li></ul>	
Maximum Benefit with Voluntary flexi cover	No maximum amount (Subject to medical assessment)	
Conversion Option included		
Accelerated Benefit	If diagnosed with terminal illness - Voluntary flexi cover included	
Benefit expiry age	65 extend to 70 if appointed after 65	
<b>2.2.1.2 Accidental Death</b>		
Benefit	1 x annual salary (GTP)	
Benefit Structure	Paid if death as a result of accident, within 12 months of the accident	
Free Cover Limit (FCL)	Combined FCL	
Maximum Cover	No maximum	
Benefit expiry age	65 extend to 70 if appointed after 65	
<b>2.2.1.3 Dismemberment Benefit/Accidental Disability Benefit</b>		
Benefit	% of 2.2 x annual salary (GTP)	
Maximum Cover	<ul style="list-style-type: none"><li>• Current: Lesser of 2.2 x annual salary (GTP) and R4 500 000</li><li>• Revised value required: Lesser of 2.2 x annual salary (GTP) and R5 000 000,00</li></ul>	
Benefit expiry age	65 extend to 70 if appointed after 65	
<b>2.2.1.4 Terminal Illness</b>		
Benefit	Same as death cover - core plus voluntary flex	
Free Cover Limit	Combined FCL	
Maximum Benefit	No maximum amount	
Flex Cover	Flex cover to be added to death cover if applicable	
Conversion Option included		
Accelerated Benefit	Accelerated death benefit	
Benefit expiry age	65 extend to 70 if appointed after 65	
<b>2.2.1.5 Education Benefit</b>		
Benefit	Payable on death	
Benefit expiry age	65	
Benefit structure	No limit on number of children	
<b>Fees per annum</b>	<b>Amount</b>	<b>Term</b>
Pre-school	Current: R47 000 Revised requirement: R52 000	1 year for grade R

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Primary School	R91 000	Paid for 7 years
High/Secondary School	R105 000	Paid for 5 years
Tertiary Education	Current: R69 000 Revised requirement: R77 000	Duration of first degree or first trade diploma or first qualification granted
International Tertiary	Current: \$67 000 Revised requirement: \$70 000	Duration of first degree or first trade diploma or first qualification granted
Education booster (costs like books, extra murals or residence fees)	Book allowance up to a maximum of 10% of the actual education fees paid	
University Residence Allowance	Actual fees up to a maximum of 30% of actual tuition fees paid	
2.2.1.6 Lifestyle Cover/Dread Disease/Critical Illness		
Benefit	Current: Up to R100 000 Revised requirement: Up to R200 000	
Benefit Structure	Comprehensive	
Free Cover Limit	Current: R100 000 Revised requirement: R200 000	
Maximum Benefit	R200 000.00	
Benefit expiry age	65	
a) Accidental HIV infection, Alzheimer's disease, aortic artery surgery, aplastic anaemia, blindness in two eyes, cancer, chronic liver failure, chronic renal failure, coronary artery bypass surgery, deep coma, end-stage lung disease, heart valve surgery, loss of hearing, major burns, motor neurone disease, multiple sclerosis, muscular dystrophy, myocardial infarction, organ transplant, paraplegia, Parkinson's disease, sero-positive rheumatoid arthritis or stroke	100%	
b) A benign brain tumour with malignant behaviour that is inoperable or recurrent, or causes permanent neurological impairment, excluding cognitive impairment	100%	
c) Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class IV shortness of breath	100%	
d) Permanent loss of more than 90% of the use of each of any two	100%	

limb functions due to medical causes		
e) A benign brain tumour with malignant behaviour that is only partially removable, or that is treated with chemotherapy or radiotherapy	50%	
f) Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class III shortness of breath, and 4 or less metabolic equivalents (METs) on a maximal effort test	50%	
g) Permanent binaural loss of hearing of 60% or more	50%	
h) Permanent loss of more than 90% of the use of a limb function due to medical causes	50%	
i) Pulmonary embolism	30%	
j) Angioplasty, arrhythmia	25%	
K) Blindness in one eye	25%	
<b>2.2.1.7Lump sum Disability/Permanent Total Disability</b>		
Benefit	2,2 x annual salary (GTP)	
Benefit Structure	Total and Permanent; and partial disability	
Accelerated Benefit	Accelerated core death cover	
Free Cover Limit	Combined FCL	
Waiting Period	No waiting period	
Maximum Cover	Lesser of 2.2 x annual salary (GTP) or R10 500 000,00	
Benefit expiry age	65	
Extended age for benefits	65 extend to 70 if appointed after 65	
<b>2.2.1.8 Funeral Benefit Structure</b>		
Benefit Structure	Member, Spouse and Children aged 14 years and older	Current: R50 000 Required: R60 000
	Children older than 6 and younger than 14	Current: R20 000 Required: R25 000
	Stillborn and Children younger than 6	Current: R10 000 Required: R12 000
Benefit expiry age	65	
Additional Benefits provided	If member retires: the member, spouse and children's cover to continue. ("paid-up benefit"). Premiums are waived The benefit ceases when principal member passes away	

## 2.2.2 Additional Flexi Benefit contributions payable by the employee

<b>2.2.2.1 Flex Cover</b>						
Flex Cover	Additional 6x annual salary (GTP)					
Conversion Option included						
Accelerated Benefit	If diagnosed with terminal illness					
Benefit expiry age	65 extend to 70 if appointed after 65					
<b>2.2.2.2 Spouse's Life cover</b>						
Benefit	Current: 1 or 2 x annual salary (GTP)					
	Revised requirement: Choice of 1/2 or 1 or 2x Annual Guaranteed Total Package					
Free Cover Limit	Current: R2 750 000					
	Revised requirement: R3 000 000					
Maximum Benefit	Current: Lesser of 2 x annual salary (GTP) or R2 750 000					
	Revised Requirement: Lesser of 2 x annual salary (GTP) or R3 000 000					
Benefit expiry age	65 extend to 70 if appointed after 65					
<b>2.2.2.3 Extended Funeral Cover Premiums</b>						
Benefit structure - extended family	Up to 12 extended family members, voluntary for new entrants					
Waiting period	- 6 months for natural causes for new added dependants. - 6 months for option changes to higher cover.					
Options:	Age grouping categories					
	0-5 years	6-21 years	22-45 years	46-65 years	66+ years	
R5 000						
R10 000						
R15 000						
R20 000						
R25 000						
R30 000						
Additional benefit/option required: R35 000						
Additional benefit/option required: R40 000						
Conversion Option included						
Currently we have the following age categories (as indicated in the above columns): <ul style="list-style-type: none"><li>• Less than 6 years</li><li>• Between 6 years and less than 22 years</li><li>• Between 22 years and less than 46 years</li><li>• Between 46 years and less than 66 years</li><li>• 66 Years and older</li></ul>						
An extended family member must be						

under 75 years when cover first commences.	
9.2.2.4 Turnaround Time for Processing Claims	
The bidder's average period to process claims	Funeral Cover (Paid within 2 business days)
	Death Cover (Paid within 21 calendar days)

## 2.2.5 Value Added Benefits

### 2.2.5.1 Family Assistance Benefit

Benefit providing assistance should a member or a member's immediate family pass away, this includes but not limited to:

- Repatriation;
- Referral to Undertakers;
- Discounted Funeral Packages;
- Legal Assistance; and
- Advice on handling of necessary documentation.

**Note:** This is not a Mandatory benefit

### 2.2.5.2 Premium Refund (Profit Share)

Bidders to propose a Premium refund over a two (2) year cycle based on claims experience on a 50/50 basis.

**Note:** this is a mandatory benefit.

## 2.3 PREMIUMS AND RATES

Bidders must refer to Annexure B: Premiums and Rates Schedule, which details the schedule that must be completed. Bidders are required to consider the following prior to the completion of the premiums and rates schedule:

- 2.3.1 Bidders must submit Annexure B that reflects premiums and rates for all benefits indicated in Annexure A1, as part of their submission;
- 2.3.2 **All rates should be based on revised amounts/benefits and exclude any provision for commission; and**
- 2.3.3 Bidders should include additional added benefits, if any as an annexure to their pricing submission, and indicate the rates for these additional benefits.
- 2.3.4 Bidders must note that they will be evaluated for both core and non-core (flexi cover).



### 3 STRUCTURE OF THE RFP PACK

#### 3.1 Structure

- 3.1.1 This RFP pack is organised in 5 (five) sections consisting of one or more documents in each section.

**Table 3A: RFP pack outline and contents**

Section	Index	Description of section contents
1	<b>Main RFP Document</b>	Documents outlining the main RFP guidelines, instructions, conditions and documents necessary for a bidder to submit a proposal.
2	<b>Business Requirements Specification</b>	Document(s) outlining the business requirements specifications, mandatory requirements and other information required by a bidder to submit a proposal.
3	<b>SBD Documents</b>	Standard Bid Documents (SBDs) and other administrative documents that are required by National Treasury and SARS Procurement to be read, completed, and returned as part of a bidder's proposal.
4	<b>Contract management</b>	The General Conditions of Contract (GCC) and proposed Supplementary Agreement under which SARS wishes to contract the services.
5	<b>Response templates</b>	Where applicable, response templates that are required to be completed and returned as part of a bidder's proposal.

### 4 KEY ACTIVITIES AND DATES

- 4.1 The table below lists certain key dates and activities relevant from the time of issue of the RFP up to and until the closing date:

**Table 4A: Key activities and dates**

No.	Activity	Date / Time / Details
1.	<b>Bid Number:</b>	RFP 39/2024
2.	<b>Description:</b>	Appointment of a Group Life Insurer
3.	<b>Duration of contract:</b>	The successful bidder will be appointed for a period of sixty (60) months, subject to SARS' terms and conditions
4.	<b>Validity period of proposals:</b>	Bids submitted will be valid for a period of 180 calendar days from closing date. SARS may however, subject to the bidders' consent, extend the validity period prior to expiry thereof.
5.	<b>Advertisement of the RFP:</b>	a) <b>National Treasury e-Tender Portal: 17 April 2025</b> b) <b>SARS website: 17 April 2025</b>
6.	<b>RFP pack (complete set of bid documents) available for</b>	<b>17 April 2025</b>

No.	Activity	Date / Time / Details
	download from National Treasury e-Tender Portal and SARS website:	
7.	Virtual briefing session date and registration:	A compulsory briefing session will be held on 24 April 2025 at 11H00 virtually via Microsoft Teams meeting and can be accessed at the following link: <a href="#">Join the meeting now</a>
8.	Bidders to submit written questions on or before:	30 April 2025
9.	SARS to respond to bidders' written questions on or before:	06 May 2025
10.	<b>CLOSING DATE AND TIME (proposals due):</b>	27 May 2025 at 11H00

- 4.2** All dates and times in this RFP are South African Standard Time. The establishment of a time or date in this RFP does not create an obligation on the part of SARS to take any action or create any right or expectation in any way for any bidder to demand that any action be taken on the date established, or on any other date. A bidder accepts that if SARS extends the deadline (closing date) for proposal submissions for any reason whatsoever, the requirements of this RFP will apply equally to the extended deadline.

## 5 COMMUNICATION

- 5.1** All communications to SARS must be addressed to the SARS Tender Office, emailed to [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za), and must contain a clear reference to this RFP. Communication sent by SARS must only be regarded as official communication if sent from [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za), or a communication accompanied by a letter of authorisation signed by the SARS Procurement Executive.
- 5.2** A bidder may not make any communication to SARS regarding this RFP other than through the official contact provided in this document. SARS may, at its sole discretion, disqualify a bidder if the bidder communicates or attempts to communicate any information regarding this RFP to any of SARS' employees; officials; or any third parties involved in the preparation, evaluation, or award of the RFP other than through the official contact provided.

## 6 TENDER PREPARATION AND SUBMISSION

### 6.1 Introduction

- 6.1.1** 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), which prescribes that SARS' procurement processes be:
- 6.1.1.1 economical, efficient, fair, equitable, transparent, competitive and cost effective; and
  - 6.1.1.2 consistent with the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), its Regulations, and the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

## 6.2 Question and answer process

- 6.2.1 A bidder may submit questions to SARS as part of the question-and-answer process to gain a full understanding of any aspect of the RFP that is not clear to the bidder.
- 6.2.2 Between the dates given in paragraph 4, SARS will receive written questions sent by bidders by email through the official contact provided in this document. SARS will respond to these questions, but however is not obliged to respond to a question which in SARS' opinion is inappropriate and does not reasonably warrant an answer. The questions and answers will be published on the National Treasury e-Tender Portal and the SARS website. The identity of a bidder who has directed a question to SARS will not be disclosed by SARS in such responses.
- 6.2.3 SARS may issue updated versions of documents issued in the RFP pack and/or may issue additional documentation to form part of the RFP pack. Such reissued or additional documentation will be published on the National Treasury e-Tender Portal and SARS website. It is a bidder's responsibility to visit the National Treasury e-Tender Portal and SARS website at regular intervals to ensure that a bidder uses the latest versions of documents in the RFP pack.
- 6.2.4 **The National Treasury e-Tender Portal must be treated as the primary means of communication. In the event of any other communication that conflicts with communications posted on the National Treasury e-Tender Portal, the National Treasury e-Tender Portal communication will prevail.**

## 6.3 Central Supplier Database

- 6.3.1 All bidders wishing to do business with SARS must register on the Government's Central Supplier Database (CSD) at [www.CSD.gov.za](http://www.CSD.gov.za), and to include in their submission their CSD Master Registration Number. The recommended bidder(s) must be registered on the CSD prior to an award letter / purchase order / signed contract being issued.
- 6.3.2 Foreign suppliers with neither South African tax obligations nor history of doing business in South Africa must complete the questionnaire on the Standard Bidding Document (SBD) 1.

## 6.4 Proposal submission

- 6.4.1 For this RFP, SARS will accept proposal submissions in the form of physical proposal submissions, either deposited in the SARS tender box or posted to the SARS Tender Office.
- 6.4.2 The physical proposal submissions must be deposited in the SARS tender box on or before the closing date and time situated at the main entrance at the following address:

**SARS Procurement Tender Office,  
Lehae La SARS,  
299 Bronkhorst Street, Nieuw Muckleneuk, Brooklyn,  
Pretoria, 0181.**

- 6.4.3 The proposals may also be couriered to the address provided in the afore mentioned paragraph.
- 6.4.4 Proposals will only be considered if received by the SARS Tender Office before the closing date and time, regardless of the method used.
- 6.4.5 Late proposals will not be accepted.

- 6.4.6 The onus is on the bidder to ensure that its proposal submission and documentation received by SARS in this bid are submitted timeously and are accurate and complete. Failure by any bidder to discharge this onus will result in proposal submissions being disqualified for consideration.

## 6.5 Instruction for submitting a proposal

- 6.5.1 This section details the instructions to bidders for preparing a proposal in response to this RFP, which must be followed in detail to enable the information contained in a bidder's proposal to be read, understood and evaluated in a common and consistent layout, and to ensure that the information submitted is correct, complete and well structured. Should a proposal be received that is not in the correct format, SARS reserves the right to disqualify the entire proposal or portions of the proposal depending on the extent of the deviation from the format described in this document.

- 6.5.2 All proposals and supporting documentation must be submitted in English.

- 6.5.3 A bidder's proposal is required to be submitted in two forms:

<b>x Hardcopy submission</b>	One (1) hardcopy submission clearly marked.  A "hardcopy submission" means an A4 ring bound lever arch file.
<b>x Electronic submission</b>	One (1) electronic submission of a complete copy of the hardcopy submission.  An "electronic submission" means a memory stick (USB stick) containing a complete copy of the hardcopy submission. The onus is on the bidder to ensure that the electronic submission submitted is a complete copy of the hardcopy submission.

- 6.5.4 The hardcopy and electronic submission must be marked and labelled correctly, and must be outer sealed, wrapped and packaged, for ease of reference during the evaluation process.

- 6.5.5 Technical and Pricing information must be included in separate folders. The Technical information must be included in "Folder 1", and the Pricing information must be included in "Folder 2".

- 6.5.6 A bidder is required to submit the contents of its submission (hardcopy and electronic) in the following format:

**Table 6A: Format and organisation of proposal**

Files		Section	Responses
<b>Folder 1:</b> TECHNICAL proposal	<ul style="list-style-type: none"> <li>• RFP reference</li> <li>• Description</li> <li>• Bidder name</li> </ul>	1	<ul style="list-style-type: none"> <li>• Prequalification documents (SBD and other documents), excluding SBD 6.1 Preference point claim form.</li> </ul>
		2	<ul style="list-style-type: none"> <li>• Response to mandatory requirements</li> <li>• Supporting documents for mandatory requirements</li> </ul>
		3	<ul style="list-style-type: none"> <li>• Company Profile</li> <li>• Supplementary information</li> </ul>
		4	<ul style="list-style-type: none"> <li>• Draft Supplementary Agreement</li> </ul>
<b>Folder 2:</b> PRICE and B-	<ul style="list-style-type: none"> <li>• RFP reference</li> <li>• Description</li> </ul>	1	<ul style="list-style-type: none"> <li>• B-BBEE certificate or Sworn Affidavit</li> <li>• SBD 6.1 Preference point claim form</li> </ul>

Files		Section	Responses
BBEE/ specific goals proposal	• Bidder name	2	• Pricing response template
		1	• A complete set of three (3) most recent years annual financial statements as detailed in this RFP.

## 7 EVALUATION OF PROPOSALS

### 7.1 Process after the closing date

- 7.1.1 After the closing date and time SARS, will evaluate the proposals with reference to SARS' evaluation criteria. SARS reserves the right to employ subject matter experts to assist in performing such evaluations.

### 7.2 Prequalification evaluation process (Gate 0)

- 7.2.1 SARS has defined minimum administrative prequalification criteria that must be met by a bidder. The table below contains the administrative prequalification documents that are required as part of a bidder's proposal, which must be completed and signed by the duly authorised representative of the prospective bidder(s).
- 7.2.2 Where a bidder's proposal fails to comply fully with any of the prequalification criteria, SARS may at its discretion allow the bidder an opportunity to submit and/or supplement the information and/or documentation provided within a grace period of seven (7) working days or such alternative period as SARS may determine to achieve full compliance with these criteria before disqualifying the bidder.
- 7.2.3 SARS will disqualify a bidder who does not achieve full compliance of the prequalification Standard Bidding Documents (SBD) after the grace period provided by SARS.

**Table 7A: Prequalification criteria**

	Prequalification documents to be submitted	Instructions	Non-submission will result in disqualification?
1.	SBD 1: Invitation to bid form	Bidder to complete and sign the supplied pro forma document.	YES
2.	SBD 4: Bidder's Disclosure	Bidder to complete and sign the supplied pro forma document.	YES
3.	SBD 6.1: Preference points claim form	Bidder to complete and sign the supplied pro forma document, to claim the points for B-BBEE / specific goals.	NO Non-submission will lead to a zero score on B-BBEE / specific goals.
4.	Supplier Risk Questionnaire	Bidder to complete and sign the supplied pro forma document.	YES
5.	Proof of registration on the Central Supplier Database (CSD)	Bidder to submit the proof of registration on CSD.	NO However, a bidder must be registered on CSD in order to be considered for award.
6.	Draft Agreement with comments in track changes and/or General	Bidder to sign the supplied pro forma document.	NO The recommended bidder(s) will be

	Prequalification documents to be submitted	Instructions	Non-submission will result in disqualification?
	Conditions of Contract (GCC)	Bidder to indicate their acceptance of the terms and conditions set out in the draft Agreement in their bid proposal covering letter.	required to sign the applicable Services Level Agreement on award.
7.	A complete set of three (3) most recent years annual financial statements	Submit complete sets of three (3) most recent years annual financial statements in accordance with the requirements of the Financial Risk Analysis paragraph as detailed in this RFP.	NO

### 7.3 Mandatory evaluation process (Gate 1)

7.3.1 Only Bidders that have met the prequalification criteria in Gate 0 will be evaluated in Gate 1 for mandatory evaluation. The table below contains the mandatory evaluation criteria.

#	Mandatory evaluation criteria	Source	Non-submission may result in disqualification
1.	A valid Certificate/License of an Authorised Financial Service Provider with the Financial Sector Conduct Authority (FSCA)	Submit valid proof of an Authorised Financial Service Provider (FSP) by the Financial Sector Conduct Authority (FSCA).	YES – non-submission of the required documentation will result in the disqualification of the bidder

7.3.2 If a bidder does not meet the mandatory evaluation criteria, the bidder will be disqualified, and their bid proposal will not be evaluated further.

7.3.3 Bidders that met the mandatory requirements will be evaluated for pricing and specific goals

### 7.4 Technical evaluation process (Gate 2)

7.4.1 Only bidder(s) that have met the Pre-Qualification Criteria in Gate 0 and mandatory requirements in Gate 1 will be evaluated in Gate 2 for functionality/ technical criteria.

7.4.2 Only Bidders that have obtained a minimum threshold of 70 out of 100 points will proceed to Gate 3: Price and B-BBEE evaluations.

7.4.3 Bidders must refer to Annexure: A2 for technical evaluation Criteria.

### 7.5 Price and B-BBEE/specific goals evaluation (Gate 3)

7.5.1 In line with the requirements of the Preferential Procurement Policy Framework Act, 2000, and its Regulations and SARS Preferential Procurement Policy, only bidders that have met or exceeded the minimum threshold for functionality in the technical evaluation, will be evaluated further.

7.5.2 SARS will apply the applicable preference point system in accordance with published preference point system. Should actual pricing proposals submitted by the bidders differ from the estimated costs prescribing the system to be used, the lowest acceptable tender will be used to determine

the applicable preference point system.

**Table 7C: Price and B-BBEE/specific goals evaluation**

#	Criteria	Points
1.	Price	90
2.	Specific goals	10
	<b>TOTAL</b>	<b>100</b>

### 7.5.3 Price evaluation (Gate 3, Stage 1)

**7.5.3.1 Points for the price evaluation will be calculated in accordance with the formula stated below.**

**7.5.3.2 Bidders are required to complete all line items in the pricing response template provided by SARS, which will be used for the price evaluation. The price should be all-inclusive for all the goods and services required in the scope of work, and bidders must ensure the completeness and accuracy of the pricing figures provided in the pricing response template. Failure to complete the pricing response template may lead to a bidder scoring zero for the pricing evaluation or disqualification of the bidder.**

**Table 8: Pricing evaluation formula**

Price evaluation formula	Points
$P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$	90

Where

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

$P_t$  = Rand value of proposal under consideration

$P_{min}$  = Rand value of lowest acceptable proposal

### 7.5.4 B-BBEE/specific goals evaluation (Gate 3, Stage 2)

**7.5.4.1** Points for specific goals can only be awarded to a bidder who submits a valid B-BBEE certificate or affidavit, Share Certificate of the company or CIPC registration documents or letter from an attorney or registered accountant in their letterhead for the verification of ownership points claimed.

**7.5.4.2** Bidders who do not claim preference points may be scored zero for specific goals.

**7.5.4.3** Failure of a bidder to submit a B-BBEE certificate from a verification agency accredited by the South African Accreditation System (SANAS), a CIPC B-BBEE Certificate for Exempted Micro Enterprise (EME), or a sworn affidavit confirming annual turnover

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and level of black ownership in the case of an Exempted Micro Enterprise (EME) and Qualifying Small Enterprise (QSE) together with the proposal, will be considered in a manner that preference points for Specific goals are not claimed.

- 7.5.4.4 The B-BBEE certificate or affidavit should be submitted in the name of the bidding entity. If the proposal is submitted by an incorporated joint venture, the incorporated joint venture must submit their B-BBEE status level verification certificate or affidavit.
- 7.5.4.5 If the proposal is submitted by an unincorporated joint venture arrangement, the unincorporated joint venture must submit a consolidated B-BBEE certificate or affidavit as if they were a group structure, and that such consolidated B-BBEE certificate or affidavit is prepared for every separate proposal.
- 7.5.4.6 SARS reserves the right to request bidders to submit proof of any information, to substantiate claims made about their Specific goals.

### 7.5.5 Requirements for Specific Goals

- 7.5.5.1 Bidders MUST complete and sign the SBD 6.1 form to claim the Bidder's B-BBEE preference points. Bidders who do not claim preference points may be scored zero for Specific goals.
- 7.5.5.2 The B-BBEE certificate or sworn affidavit should be submitted in the name of the bidding entity. Entities who are in a holding and subsidiary relationships must submit a list / annexure of the B-BBEE certificate indicating the subsidiaries to the holding company. The bidding subsidiary must be clearly indicated.
- 7.5.5.3 Incorporated JVs or Consortiums must submit the B-BBEE certificate or affidavit of the entity. Unincorporated JVs must submit a consolidated B-BBEE certificate as if they were a group structure for every separate bid.
- 7.5.5.4 JVs or Consortiums are also required to submit signed JV or Consortium agreements.
- 7.5.5.5 SARS reserves the right to request bidders to submit proof of any information, to substantiate claims made about their Specific goals.

Table 9: B-BBEE/specific goals evaluation points allocation

B-BBEE/specific goals evaluation criteria	Points
Bidders to submit: <ul style="list-style-type: none"><li>a) A duly completed SBD 6.1 Preference point claim form, and</li><li>b) A valid B-BBEE certificate or sworn affidavit.</li></ul>	10

### 7.5.6 Points to be claimed

- 7.5.6.1 The following table indicates the specific goals and points to be claimed for this RFP and Evidence required



No	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)	Evidence required
1.	An entity with at least 51% Black Ownership	3	B-BBEE Certificate / Sworn-Affidavit B-BBEE Certificate In case of JV, a consolidated scorecard will be accepted).
2.	The entity has at least 30% Black Women Ownership	3	B-BBEE Certificate / Sworn-Affidavit B-BBEE Certificate In case of JV, a consolidated scorecard will be accepted)
3.	The entity has at least 51% Black Youth representation	2	B-BBEE Certificate / Sworn-Affidavit B-BBEE Certificate In case of JV, a consolidated scorecard will be accepted).
4.	The entity that is 51% Black owned by Persons with Disabilities.	2	B-BBEE Certificate / Sworn-Affidavit B-BBEE Certificate.  SARS reserves the right to request for Certified copy of ID Documents of the Owners and Doctor's note confirming the disability and/or Employment Equity Act 1(EA1) form.

**NB (as SBD 6.1.)**

#### 7.5.7 Validity of a sworn affidavit and B-BBEE certificates

The following information is important to note in completing a sworn affidavit:

Determining validity of an affidavit for B-BBEE compliance

- i. The legal dictionary (<https://legal-dictionary.thefreedictionary.com/Affadavit>) defines a sworn affidavit as a written statement of facts voluntarily made by a person under an oath or affirmation administered by a person authorized to do so by law.
- ii. In terms of the Codes, Exempted Micro-Enterprises (EMEs) and black controlled and owned Qualifying Small Enterprises (QSEs) only have to use a sworn affidavit to indicate their B-BBEE compliance status.
- iii. The Department of Trade, Industry and Competition (the DTIC) has designed sworn affidavit templates and qualifying measured entities must use these templates, which can be accessed on the DTIC website. It is acceptable to use the templates on the letterhead of the measured entity.
- iv. The only time an EME can be verified by a South African National Accreditation System (SANAS) accredited verification professional is when it wishes to maximise its B-BBEE points and move to a higher B-BBEE recognition level, and that must be done using the QSE Scorecard.
- v. Also, start-ups that are EMEs but wish to tender for contracts of R10 million in value or above

must be verified using the QSE scorecard, and for tenders of R50 million and above must be verified using the generic scorecard.

- vi. Furthermore, the Generic Codes and the Financial Services Sector Code have granted an option to 51% and 100% black owned QSEs to undergo a verification process from a SANAS accredited verification professional if they so choose. However, for consistent application, EMEs in the Financial Services Sector should only obtain a sworn affidavit, and not a B-BBEE verification certificate as there is nothing to verify.

**7.5.8 The following pointers are key in determining the validity of a sworn affidavit:**

- i. Name/s of deponent as they appear in the identity document and the identity number must be completed.
- ii. Designation of the deponent as either the director, owner or member must be indicated in order to know that the person deposing to the sworn affidavit is duly authorised. A deponent is able to tick more than one option if the person is a director and owner of the entity.
- iii. Name of enterprise must be cited as per the enterprise registration documents issued by the CIPC, where applicable, including the enterprise business address.
- iv. Percentage of ownership held by black people, black female and black designated groups. For designated groups, the percentage must be indicated for each sub-category or nil where there is none.
- v. Indicate the total annual revenue for the year under review and whether it is based on audited financial statements or financial statements or management accounts. Please select one option.
- vi. Indicate the full financial year end (day/month/year) as per the enterprise's registration documents, which was used to determine the total revenue. This must be the recent financial year end.
- vii. Select the B-BBEE status level based on black ownership percentage. An enterprise can only have one B-BBEE status level.
- viii. Empowering supplier status must be indicated. For QSEs, the deponent must select the basis for which the empowering supplier status is based on.
- ix. Date of signature for both the deponent and Commissioner of Oath must be the same. If using the first DTIC template for sworn affidavits, where provision is not made for Commissioner of Oath signature date, the date of the deponent will be regarded by default as the signature date for Commissioner of Oath.
- x. Commissioner of Oath cannot be an employee or ex officio of the enterprise because, a person cannot by law, commission a sworn affidavit in which they have an interest. Please note that the B-BEE Act does not determine the qualification for Commissioner of Oaths, this is done in terms of the Justice of Peace and Commissioners of Oaths Act, 1963 (Act No. 16 of 1963) which is administered by the Department of Justice and Constitutional Development (DOJ & CD). Therefore, any queries regarding the legitimacy of a Commissioner of Oaths need to be directed to DOJ & CD.
- xi. A B-BBEE sworn affidavit is valid for a period of 12 months calculated from the date the sworn affidavit was commissioned, for example, if the sworn affidavit is commissioned on 12 August 2022, it will expire on 11 August 2023.

### 7.5.9 B-BBEE Certificate issued by the Companies and Intellectual Property Commission

The DTIC through government Gazette Number 38765 published on 6 May 2015, mandated CIPC to issue B-BBEE certificates for EMEs and start-up enterprises, in its efforts to reduce cost of business for small businesses. A certificate issued by CIPC has the same status as a B-BBEE sworn affidavit.

Subsequently, CIPC issued a Customer Notice indicating that B-BBEE certificates can be applied for via e-services on the CIPC website ([www.cipc.co.za](http://www.cipc.co.za)), at CIPC Self Services Terminals when registering or filing Annual Returns.

### 7.5.10 The following conditions apply when an enterprise uses the CIPC services for obtaining a B-BBEE certificate:

- a) Only directors of a company or members of close corporations can apply for a B-BBEE certificate.
- b) Only companies and close corporations with a turnover of less than R10 million can apply via CIPC.
- c) The enterprise's status must be "In Business".
- d) All Annual Return filings for the relevant company or close corporation need to be up to date;
- e) Application for a B-BBEE certificate can be done at any time (not only when registering a company or filing returns), provided that an application for the certificate which is still valid, was not done already.
- f) Applicant must agree to the B-BBEE terms and conditions.
- g) A director or member amendment must be filed if the director or member's email address or telephone is not correct or up to date.

A CIPC certificate can be submitted to the B-BBEE Commission for attention of Mr. Madidimalo Ramare at [MRamare@beecommission.gov.za](mailto:MRamare@beecommission.gov.za) to confirm if it was generated from the CIPC system. However, on face value, the following information must appear on the certificate:

- a) Name of enterprise, registration number and business address.
- b) Date of issue and expiry adding to twelve months (e.g 9 June 2018 to 8 June 2019) must be indicated.
- c) Percentage of total black ownership, black female ownership and total white ownership.
- d) Certificate number.
- e) Barcode with tracking number.
- f) Barcode with enterprise number.
- g) B-BBEE Status and procurement recognition level.
- h) the DTIC logo on the top left corner, and CIPC logo on the top right corner.
- i) CIPC watermark.

**7.5.11 Determining validity of a B-BBEE Verification Certificate for B-BBEE compliance.**

- a) An entity that qualifies in terms of the B-BBEE Act to undergo a B-BBEE verification process, can only do so with a verification professional or agency that has been accredited by SANAS or a B-BBEE Verification Professional Regulator that may be appointed by the Minister of Trade, Industry and Competition.
- b) B-BBEE verification means the process and activities conducted by a verification professional or agency to assess, verify and validate that the score awarded to a measured entity is a result of individual scorecard elements supplied by a measured entity, and to evaluate B-BBEE transactions in order to provide an indicative B-BBEE score and certification based on the principles of B-BBEE as per the Codes.
- c) A B-BBEE verification process is important in assuring parties that rely on the score achieved by the measured entity and reflected on their B-BBEE Verification Certificate (refers to the B-BBEE verification certificate issued by the verification professional or agency which reflects the overall B-BBEE Status of a measured entity and scoring allocated for each scorecard element verified in respect of the measured entity) and that the information on which the certificate was issued is acceptable, and has been independently verified, and is free from misstatements.
- d) Therefore, the role of a verifier is to assess, verify and validate both disclosed and undisclosed B-BBEE related information of the measured entity. The verification thereof should be based on the principles contained in the B-BBEE Act and relevant Codes, by applying the verification methodologies outlined in the Framework for accreditation and verification by all verification agencies (also known as the verification manual) as well as the Accreditation of B-BBEE Verification Agencies document issued by SANAS (also referred to as the R47-03). Important to note that a verifier is not to provide clarity or opinion on interpretation of any B-BBEE matter as such clarity must be sought from the B-BBEE Commission using the contact details mentioned below.

**7.5.12 A B-BBEE Verification Certificate shall identify the following information:**

- i. The name and identifiable physical location(s) of the measured entity as per the CIPC records.
- ii. The registration and VAT number of the measured entity.
- iii. The dates of granting of the B-BBEE score/the period of validity, which is the initial issue date (e.g. 7 October 2021 to 6 October 2022) and the expiry date of the verification certificate.
- iv. The revision or reissue date if applicable.
- v. A unique identification number including revision number if applicable.
- vi. The standard and/or normative document, including the issue and/or revision used to evaluate.
- vii. The name and/or mark/logo of the B the client (amended codes / specialised or respective sector codes).
- viii. BBEE verification agency.
- ix. The scorecard against which the measured entity has been verified (Generic / QSE).

- x. The B-BBEE status level.
- xi. The SANAS Accreditation Symbol on the verification certificate.
- xii. The B-BBEE procurement recognition level.
- xiii. Score per element including total score achieved.
- xiv. Black ownership percentage.
- xv. Black Female ownership percentage.
- xvi. Black designated group percentage:
- xvii. Black Youth percentage
- xviii. Black Disabled percentage
- xix. Black Unemployed percentage
- xx. Black People living in Rural areas percentage
- xxi. Black Military Veterans percentage
- xxii. Modified flow has been applied, indicate yes or no.
- xxiii. Exclusion principle used, indicate yes or no.
- xxiv. Recent financial year end used (day/month/year).
- xxv. Discounting principle used, indicate yes / no.
- xxvi. Empowering Supplier status, indicate yes / no.
- xxvii. Name and signature of technical signatory
- xxviii. Amendments to certificate to be clearly documented.

7.5.13 A consolidated certificate to state as such and refers to attachment of the measured entities that are consolidated with registration and vat numbers.

7.5.14 In **terms of the reflection of the level and points on the B-BBEE verification certificate, the following is applicable:**

- i. Participated in Y.E.S Initiative yes / no
- ii. Achieve Y.E.S Target and 2.5% Absorption yes / no
- iii. Achieve 1.5 x Y.E.S Target and 5% Absorption yes / no
- iv. Achieve Double Y.E.S Target and 5% Absorption yes / no

7.5.15 The recipient or user of a B-BBEE verification certificate can contact any of the accredited verification professionals or agency that is said to have issued the B-BBEE verification certificate, to request confirmation on the issuance of B-BBEE certificate. The recipient or user is also advised to use the SANAS website to verify the accreditation status, accreditation period and scope of accreditation for the verification professional or agency. The SANAS website also has a list of all

verification professionals or agencies whose accreditation status has been withdrawn, or suspended, because a verification professional or agency cannot issue a B-BBEE certificate if the accreditation status has expired, withdrawn or suspended.

- 7.5.16 The recipient or user of the B-BBEE verification certificate, sworn affidavit or B-BBEE certificate issued by CIPC is also allowed, as part of its due diligence processes, to request any relevant additional information or documents from the measured entity in order to validate the credibility of the information recorded on the B-BBEE verification certificate, sworn affidavit/CIPC B-BBEE certificate. It is also the responsibility of the recipient or user of the B-BBEE verification certificate or sworn affidavit/CIPC certificate to specify if measured entities ought to furnish an original or copy including certified copy of the B-BBEE verification certificate or sworn affidavit/CIPC certificate.

- 7.5.17 Consolidation of price and B-BBEE/specific goals evaluation (Gate 4)

- 7.5.18 The points scored by a bidder for the price evaluation and the B-BBEE/specific goals evaluation will be added together to determine the overall points a bidder's proposal will score out of 100 points for the consolidated price and B-BBEE/specific goals evaluation and ranking of the bidders.

**7.5.19 Financial risk analysis**

The bidders are required to submit complete sets of annual financial statements, for the three (3) most recent financial periods in the name of the bidding entity. The annual financial statements must either be audited or independently reviewed in accordance with the public interest score (PIS) in compliance with the Companies Act, Act 71 of 2008, and the bidders are required to submit the public interest score (PIS) in compliance with the Companies Act, Act 71 of 2008. The annual financial statements must contain:

- a) A statement of profit and loss and other comprehensive income;
- b) A statement of financial position;
- c) A statement of cash flows;
- d) A statement of changes in equity / net assets; and
- e) Accompanying notes
- f) If the bidder cannot provide the preceding year's audited / independently reviewed financial statements as part of its bid submission, the bidder should submit draft annual financial statements or its latest management accounts, together with the three (3) most recent years audited / independently reviewed annual financial statements.
- g) Bidders who have been trading for less than three (3) financial periods must provide:
- h) A letter detailing the fact, signed by a duly authorised representative of the entity;
- i) The annual financial statements that the entity can provide, considering the period that it has been trading; and
- j) Any other information or documentation which would provide more clarity on the financial history of a bidder.
- k) SARS reserves the right to request further information regarding the annual financial statements of a bidder at a later stage to demonstrate the potential bidder's financial capability. These will include, but are not limited to:

- l) Holding company's / Parent company's accounts;
- m) Management accounts;
- n) Signed letter from a recognised financial institution confirming capital availability and bank statements; and/or
- o) Credit rating reports (confirming capital availability or access to capital).
- p) In the event of a subsidiary being the bidding entity and it submits the holding company's financial statements for financial analysis purposes, the holding company must furnish a Performance Guarantee that is signed by a Financial Service Provider (Guarantor) of the holding company, stating that the Guarantor will undertake to cover any or all risks associated with a bidder, in the event the bidder is awarded the RFP.
- q) If the proposal is submitted by an incorporated joint venture, the incorporated joint venture is required to submit annual financial statements of the joint venture. If the proposal is submitted by an unincorporated joint venture / consortium arrangement, the unincorporated joint venture / consortium is required to submit annual financial statements of each of the parties to the arrangement.
- r) SARS reserves the right to request a financial guarantee from the recommended bidder(s) prior to award, based on the financial risk evaluation outcome.

## **7.6 Recommended bidders' due diligence and risk assessment prior to award**

- 7.6.1 SARS has a legal and moral obligation to ensure that a supplier's financial position does not place public money or services at unacceptable risks and will therefore perform due diligence and risk assessment of recommended bidder(s) prior to award.
- 7.6.2 As part of due diligence and risk assessment, the bidder must ensure that the bidder is complying to all regulatory prescripts, including industry regulations specific to the commodity/services procuring, that are applicable to this tender, as well as ethical business practices. SARS has the right to request evidence of this compliance from the bidder, and third parties, for purposes of the due diligence exercise and for audit or contracting arrangements.
- 7.6.3 In the event that a due diligence exercise reveals that a recommended bidder does not comply with SARS' risk appetite or compliance requirements then SARS has the right not to make an award to the recommended bidder.
- 7.6.4 The recommended bidder(s) will be required to consent in the agreement to continuous and in-depth due diligence to ensure ethical business practices throughout the term of the tender.

## **7.7 Proposed legal agreement**

- 7.7.1 Should an award be made to a bidder under this RFP, SARS and such bidder must conclude a written Supplementary Agreement within the number of days stipulated in the letter of award.
- 7.7.2 If the recommended bidder(s) fails to sign the proposed Supplementary Agreement within the time frame stipulated, SARS reserves the right to:
  - 7.7.2.1 cancel the award to the recommended bidder; or
  - 7.7.2.2 take any other action SARS deems reasonable and appropriate.

- 7.7.3 Upon award, SARS and the successful bidders will conclude the Supplementary Agreement. In this regard:
- 7.7.3.1 The draft supplementary agreement constitutes the specialised terms and conditions upon which SARS is prepared to contractually engage the prospective Bidder(s) to render the services under this bid.
  - 7.7.3.2 The bidder is requested to indicate acceptance of the terms and conditions set out in the draft supplementary in their bid proposal covering letter.
  - 7.7.3.3 SARS will be entitled to cease contracting with a bidder if SARS, in its sole discretion, is of the opinion that: (i) the bidder has made misrepresentations in its proposal; (ii) the bidder is attempting to withdraw from positions or commitments made in its proposal; or (iii) an agreement may not be expeditiously concluded with the bidder for any other reason.
  - 7.7.3.4 SARS reserves the right to vary the terms and conditions of the proposed supplementary agreement prior to presenting the final draft of the supplementary agreement for signature to the bidder at SARS' sole discretion.
- 7.7.4 A bidder should note that the terms of its proposal will be incorporated in the proposed supplementary agreement by reference and that SARS relies upon the bidder's proposal as a material representation in making an award to a successful bidder and in concluding a supplementary agreement with the bidder. It follows therefore that any misrepresentations in a proposal may result in legal action or other processes by SARS against the bidder, notwithstanding the conclusion of a supplementary agreement between SARS and the bidder for the provision of the goods and services in question. In the event of a conflict between the bidder's proposal and the supplementary agreement concluded between the parties, the supplementary agreement will prevail.

## **7.8 Insurance and Related Risk Monitoring**

- 7.8.1 The successful bidder will be required to, have and maintain appropriate and adequate insurance cover with a financially sound and legally recognised insurance provider to cover itself against any claim, damages, losses or other expenses that may arise out of the services contemplated in this RFP or the execution thereof, and provide evidence of such cover upon request for the duration of the Services Agreement with SARS, pursuant to this RFP; and
- 7.8.2 The successful bidder will be required, on or before the effective date of the supplementary 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.
- 7.8.3 in addition to the insurance cover contemplated in paragraph **7.8.2** above, continually monitor and assess all regulatory, commercial or business risk that may



emerge or arise out of the services contemplated in this RFP or the execution thereof, and take appropriate, reasonably commensurate measures which may include additional or supplementary insurance to cover itself against any such risk.

## **7.9 Indemnity in respect of the RFP**

7.9.1 If a bidder breaches any condition of this RFP 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 RFP process and/or enforcement or defence 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.

## **7.9.2 Indemnity in respect of the Supplementary Agreement**

7.9.2.1 A successful bidder shall indemnify, hold harmless and agree to defend SARS and its officers, employees, agents, successors and assigns, against all claims or Losses arising from, or in connection with, any of the following-

7.9.2.1.1 Third party claims attributable to any breach of the provisions of the Supplementary Agreement by the successful bidder;

7.9.2.2 Third party claims attributable to theft, fraud or other unlawful activity or any negligent, wilful or fraudulent conduct by the successful bidder or its Personnel and claims attributable to errors and/or omissions;

7.9.2.3 Third party claims arising from or related to the death or bodily injury of any agent, employee, customer, business invitee, or business visitor or other person on SARS' premises caused by the delictual conduct of the successful bidder or its Personnel; and

7.9.2.4 Claims arising from damage to property owned or leased by SARS or belonging to a third party caused by the acts or omissions of the successful bidder or its Personnel.

## **7.10 Liability**

7.10.1 The successful bidder shall be liable to SARS, where SARS has suffered any direct damages and/or Losses as a result of the successful bidder's failure to observe its obligations in terms of the Services Agreement.

7.10.2 The successful bidder shall further be liable to SARS for all indirect and consequential or special damages and/or Losses suffered by SARS as a result of gross negligence, wilful misconduct or breach by the successful bidder or its Personnel of confidentiality provisions in the Services Agreement, breach of Applicable Laws, infringement of third party intellectual property rights or a criminal act committed by the successful bidder, its Personnel or any employee of the successful bidder.

## 8 TRUSTS, JOINT VENTURES, SUBCONTRACTING AND OTHER ARRANGEMENTS

### 8.1 Proof of existence of a trust, joint venture, consortium and subcontracting arrangements

8.1.1 Where, for the purposes of this RFP, a bidder submits its proposal as a trust, such bidder must submit concrete proof of the existence of a trust. SARS will accept a registered trust deed as acceptable proof of the existence of a trust. The trust deed must include amongst others:

8.1.1.1 Details of the trustees of the trust; and

8.1.1.2 Details of the beneficiaries of the trust. In instances where the beneficiary is a trust, the trust deed of that specific trust is required.

8.1.2 Where, for the purposes of this RFP, a bidder submits its proposal as a joint venture or consortium (incorporated or unincorporated), the bidder must submit the joint venture / consortium agreement, which sets forth the following details:

8.1.2.1 identification of each party to the agreement in full;

8.1.2.2 the percentage ownership of the joint venture / consortium of each party to the agreement (if applicable);

8.1.2.3 the precise functions and responsibilities which each party will fulfil in terms of the agreement. This should include details of the delimitations of scope within the goods and services to be assigned to such a party(ies);

8.1.2.4 the anticipated percentage of the revenue that the party(ies) would receive (anticipated revenue that the party(ies) would receive as a percentage of the total revenue the bidder would anticipate receiving over the term of the agreement with SARS), if the bidder is successful; and

8.1.2.5 clearly set out the roles and responsibilities of the Lead Partner and the remainder joint venture / consortium party(ies). The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party(ies) in respect of matters pertaining to the joint venture.

8.1.2.6 If a bidder is submitting a proposal in the form of an unincorporated joint venture / consortium, the SBD 4 Bidder's disclosure form should be completed by each party participating in the joint venture / consortium agreement, and proof of CSD registration should be submitted for all parties participating in the joint venture / consortium for this RFP.

8.1.2.7 Joint venture members should be advised that each member will be held jointly and severally liable for the performance of the joint venture.

8.1.3 Where, for the purposes of this RFP, a bidder has or intends to subcontract areas of scope of the goods and services, the bidder must submit the subcontracting agreement, and must note the following:

8.1.3.1 the bidder must indicate the name of the subcontractor(s), the percentage of the contract that will be subcontracted, the B-BBEE status level of the subcontractor(s) and whether the subcontractor(s) is an EME or QSE;

8.1.3.2 a bidder awarded a contract, may only enter into a subcontracting arrangement with the approval of SARS;

8.1.3.3 the agreement will be concluded between the main contractor(s) and SARS, therefore, the main contractor(s) and not its/their subcontractor(s) will be held liable for performance in terms of its contractual obligations;

- 8.1.3.4 the successful bidder must, at all times, be solely and entirely accountable to SARS for the performance of its contractual obligations in terms of the agreement; and
- 8.1.3.5 Without diminishing the bidder's accountability in any way for the delivery of the services, including the performance standards, SARS may require: access to and transparency in the subcontracting agreements; the full details of the functions which the subcontractor will fulfil in terms of the agreement including details of the delimitations of scope within the services to be assigned to such a subcontractor; monitoring and reporting of subcontractor's participation and performance to SARS; direct participation of subcontractor(s) in the account and project planning activities; and subcontractors' representation in governance structures and committees. SARS will, at all times, demand fair dealing in the relationship between a bidder and its subcontractor(s).

## 9 COMPLAINTS AND ALLEGATIONS

- 9.1 Should a Bidder have rational reasons to believe that the tender process is unfair or irregular, including the fact that the technical specifications are not open and/or are written for a particular bidder, brand or product; the bidder is urged to notify the Procurement Department within ten (10) days after publication of the bid and provide details of its complaint for SARS' consideration.
- 9.2 Any suspicious activity, including requests, approaches or calls asking for upfront payment to secure an award of a bid or in lieu of claims that the outcome of a tender can be influenced towards a particular bidder, bidders are requested to immediately inform the *SARS Fraud / Anti-Corruption* Hotline at 0800-002870 or email at [anti-corruption@sars.gov.za](mailto:anti-corruption@sars.gov.za) for further investigation.
- 9.3 The "SARS hotline" further provides an anonymous reporting channel for any unethical behaviour that a bidder wants to report.

## 10 GENERAL CONDITIONS OF BIDDING

- 10.1 **By bidding, a bidder, is deemed to have accepted all terms and conditions of this RFP; and is further deemed to have accepted that if successful, any award made will be made subject to the terms and conditions of this RFP.**

### 10.2 Reservation of rights

- 10.2.1 In addition to any rights which SARS has reserved to itself in this document or any other document in the RFP pack, SARS reserves the right in its sole discretion to:
  - 10.2.1.1 make no award, or to accept part of a proposal rather than the whole;
  - 10.2.1.2 withdraw, or cancel this RFP;
  - 10.2.1.3 amend, vary, or supplement any of the information, terms or requirements contained in this RFP, any information or requirements delivered pursuant to this RFP, or the structure of the RFP process;
  - 10.2.1.4 schedule additional briefing sessions / site inspections, and to conduct site visits, site inspections, product evaluations, local content evaluations, and/or perform audits including due diligence exercises on any bidder whenever SARS deems it prudent to do so;
  - 10.2.1.5 no longer consider a bidder's proposal where adverse information about the bidder or its proposal submission has come to the attention of SARS, provided that such bidder is informed accordingly and afforded an opportunity to object;

- 10.2.1.6 subject to applicable legislation and conditions of tender, award a proposal based on which bidder is offering the best value for money, even if such proposal has not scored the highest points during the evaluation;
  - 10.2.1.7 conduct a risk assessment of a bidder's capability to deliver the goods and perform the services in accordance with the specified service levels and/or achieve SARS' objectives;
  - 10.2.1.8 request clarification or verification in respect of any information contained in or omitted from a bidder's proposal, which SARS may do either in writing or at a meeting convened with the bidder for that purpose;
  - 10.2.1.9 conduct a due diligence on any bidder or its subcontractor, which may include interviewing customer references or performing other activities to verify information and capabilities submitted, claimed, or otherwise, (including visiting a bidder's, subcontractors, or customer reference premises, sites and/or facilities to verify certain stated facts or assumptions). The bidder will be obliged to grant SARS with all such access, assistance and/or information as SARS may reasonably request. The bidder must respond within the timeframes set by SARS, failing which SARS reserves the right not to consider the bidder's proposal any further; and/or
  - 10.2.1.10 request presentations from such short-listed bidders. All costs relating to the preparation of such presentations will be borne by the bidders.
- 10.2.2 SARS will disqualify any bidder, report to the National Treasury and take the necessary steps to restrict a bidder from doing business with the State, who:
- 10.2.2.1 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 RFP;
  - 10.2.2.2 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;
  - 10.2.2.3 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;
  - 10.2.2.4 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;
  - 10.2.2.5 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;
  - 10.2.2.6 pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, which 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;
  - 10.2.2.7 has been found guilty in a court of law or administrative or regulatory authority having appropriate jurisdiction on charges of unethical or improper conduct, regardless of whether or not a prison term or penalty was imposed;
  - 10.2.2.8 is listed on the National Treasury's Register for Tender Defaulters or the National Treasury's Database of Restricted Suppliers; or

10.2.2.9 whose tender contains a misrepresentation which is materially incorrect or misleading.

**10.2.3 Bidders' own conditions**

10.2.3.1 Bidders may not come up with their own terms and conditions, counter conditions, modify or vary any of the terms, conditions or requirements herein. SARS may disqualify any bidder who fails to comply with this clause.

**10.3 Conflict of interest**

10.3.1 If at any time a bidder identifies an actual or potential conflict of interest, the bidder must immediately notify SARS in writing. SARS reserves the right to exclude the proposal submitted by such bidder from further consideration, unless the bidder is able to resolve the conflict to SARS' satisfaction. If it comes to SARS' knowledge that there was indeed a conflict of interest or a potential conflict of interest, same will be grounds for the immediate disqualification of the bidder.

**10.4 Confidentiality**

10.4.1 Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, information contained in a bidder's proposal(s) may not be disclosed by any bidder, other than to a person officially involved with SARS' examination and evaluation of a proposal.

10.4.2 Throughout this RFP process and thereafter, the 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 RFP relates; or (ii) the process which follows this RFP. Failure to adhere to this requirement may result in disqualification from the RFP process and such legal action as SARS may deem suitable.

**10.5 Fronting**

10.5.1 SARS supports the spirit of broad-based black economic empowerment and recognises that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background SARS condemns any form of fronting.

10.5.2 SARS, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries / investigations to determine the accuracy of the representations made in the bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry / investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the bidder / contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies SARS may have against the bidder / contractor concerned.

**10.6 Indemnity in respect of the RFP**

10.6.1 If a bidder breaches any condition of this RFP 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 RFP process and/or enforcement or defence 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.

#### **10.6.2 Indemnity in respect of the Supplementary Agreement**

10.6.2.1 A successful bidder shall indemnify, hold harmless and agree to defend SARS and its officers, employees, agents, successors-in-title, and assigns, from any and all Losses arising from, or in connection with, any of the following-

10.6.2.1.1 Third party claims attributable to any breach of the provisions of the Supplementary Agreement by the successful bidder;

10.6.2.2 Third party claims attributable to theft, fraud or other unlawful activity or any negligent, wilful or fraudulent conduct by the successful bidder or its employees and claims attributable to errors and/or omissions;

10.6.2.3 Third party claims arising from or related to the death or bodily injury of any SARS agent, employee, business invitee, or business visitor or other person on SARS's premises caused by the negligent acts or omissions of the successful bidder or its employees; and

10.6.2.4 Third party claims arising from damage to property owned or leased by SARS or a third party caused by the successful bidder's or its employees' negligence or misconduct.

#### **10.7 Intellectual property**

##### **10.7.1 Intellectual property in respect of the RFP**

10.7.1.1 SARS retains ownership of all intellectual property rights in the documents that form part of this RFP.

##### **10.7.2 Intellectual property in respect of the Supplementary Agreement**

10.7.2.1 Bidders will retain the intellectual property rights in their proposals but grant SARS the right to reproduce any copyrighted works for the purposes of the tender process.

10.7.2.2 Subject to any specific provisions in any supplementary agreement, master services agreement, work orders or change orders or any other agreement concluded between SARS and a bidder in terms of this RFP, all intellectual property rights created, generated, coded or designed in terms of this bid to meet SARS' business requirements and needs will be, and remain the perpetual exclusive property of SARS. Successful bidders who so create, generate, code or design any intellectual property for SARS in terms of this RFP, undertake to provide SARS with full access to such intellectual property including the provision of security keys and access codes both during and after the bidders appointment as a service provider or vendor.

10.7.2.3 In the event that any bidder utilises any third party intellectual property, in terms of a license, to submit a bid, or that such third party intellectual property will be utilised to fulfil SARS' business requirements for the bid, bidders firstly warrant that they have the rights to do so, and secondly, agree to fully indemnify SARS against in any claims whatsoever arising from the application of third party intellectual property in the SARS environment and on the basis of SARS' indemnity rights in the Indemnity clause above.

## **10.8 Limitation of liability**

- 10.8.1 A bidder participates in this RFP process entirely at its own risk and cost. SARS will 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 RFP process.

## **10.9 Preparation costs**

- 10.9.1 A bidder will bear all its costs in preparing, submitting, delivering, and presenting any response or proposal to this RFP and all other costs incurred by it throughout the RFP process. No statement in this RFP 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 bidders in the preparation of their response to this RFP.

## **10.10 Precedence**

- 10.10.1 The terms and conditions of this document will prevail over any information provided during any briefing session or communication, whether oral or written, unless such information is official written communication, as set out per the Communication paragraph in this document, and that such information expressly states that it amends this document.

## **10.11 Responsibility for bidder's personnel and subcontractors**

- 10.11.1 A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives of a bidder), its subcontractors (if any), and personnel of its subcontractors comply with all the terms and conditions of this RFP.
- 10.11.2 If SARS allows a bidder to make use of subcontractors, such subcontractors 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 such subcontractors.
- 10.11.3 The proposal shall however be awarded to the bidder as a primary contractor who shall be responsible for the management of the awarded proposal. No separate contract shall be entered into between SARS and/or its client and any such subcontractors.
- 10.11.4 If a bidder includes evidence of experience of individuals that are not currently employed by the said bidder, then the bidder is required include in their submission a letter or agreement from the respective individual whose evidence of experience is included in the proposal, that the individual is aware and is in agreement that their evidence of experience may be included for tendering purposes, and that the said individual confirms to commit and will make him/herself available for the contract period should the contract be awarded.
- 10.11.5 If a bidder includes experience of an entity other than the bidder itself, then the bidder must include in their submission a letter or agreement from the respective entity that the entity is aware and agrees that their experience may be included for tendering purposes. Copies of the signed agreements between the relevant parties must be attached to the proposal responses.

## **10.12 Prohibition of participation in resultant tender**

- 10.12.1 Any bidder, whether participating in a trust, joint venture, consortium and/or subcontracting arrangement, who participates in preparatory work on the basis of which another tender will flow, may not participate in the resultant tender because of the advantage of having been privy to the underlying preparatory work.

**10.13 RFP not an offer**

- 10.13.1 This RFP does not constitute an offer to do business with SARS, but merely serves as an invitation to bidders to facilitate a requirements-based decision process. Nothing in this RFP or any other communication made between SARS (including its officers, directors, employees, advisers and representatives) is a representation that SARS will offer, award or enter into an agreement with the bidder.

**10.14 SARS' oath / affirmation of secrecy**

- 10.14.1 SARS has a Policy in terms of which the successful bidder; key personnel or any other personnel as may be determined by SARS will be required, upon award, to individually take a mandatory oath/ declaration/ affirmation of secrecy. The award will therefore be made subject to the condition that the successful bidder along with the personnel referred to above comply with the afore mentioned Policy.

**10.15 Screening and vetting of a bidder**

- 10.15.1 Acceptance of a bidder's proposal is subject to the condition that both the successful bidder and its personnel providing the goods and services, must be screened and cleared by the appropriate authorities to the grade of clearance in line with SARS' applicable policies.
- 10.15.2 Obtaining the necessary clearance is the responsibility of the successful bidder concerned. If the successful bidder appoints a subcontractor, the same provisions and measures will apply to the subcontractor.
- 10.15.3 The bidders shall supply and maintain a list of personnel involved on the project indicating their clearance status.

**10.16 Tax compliance**

- 10.16.1 It is a requirement that any supplier conducting business with SARS is tax compliant at the date of award of a contract / bid and remains tax compliant throughout the duration of their contracts with SARS.

**10.16.2 Verification of tax compliance status prior to award**

- 10.16.2.1 SARS must verify supplier/ bidder's tax compliance status prior to the awarding of a contract.
- 10.16.2.2 No contract / bid may be awarded to a supplier who is not tax compliant.
- 10.16.2.3 Where the recommended supplier / bidder is not tax compliant, it must be notified in writing of their non-compliant status and be granted a minimum of seven (7) working days to submit written proof regarding their tax compliance status with SARS or proof that arrangement has been made with SARS to meet their outstanding tax obligations.
- 10.16.2.4 Should the recommended bidder/ supplier fail to provide written proof of their tax compliance status as contemplated in paragraph 10.16.2.3 above, SARS as the procuring entity must reject the bid submitted.
- 10.16.2.5 Accordingly, the supplier / bidder is responsible to provide SARS with proof of its tax compliance status which must be verified through the Central Supplier Database



or eFiling.

**10.16.3 Verification and/or confirmation of tax compliance status during the course and scope of executing awarded contract**

10.16.3.1 SARS reserves the right to request the supplier or successful bidder to provide written proof of tax compliance status at any time during the execution of the awarded contract.

10.16.3.2 Further, SARS reserves the right to withdraw an award made, or cancel a contract concluded with a supplier / successful bidder in the event that it is established that such supplier / bidder was in fact not tax compliant at the time of the award.

10.16.3.3 Furthermore, SARS reserves the right to cancel a contract with a supplier / successful bidder in the event that such supplier/bidder does not remain tax compliant for the full term of its contract.

10.16.4 In line with SARS's strategic objectives, the directors / owners of the bidding entity who are not tax compliant may be referred to the SARS tax compliance unit for further investigation in order to achieve full tax compliance.

10.16.5 In terms of section 3 of the Tax Administration Act, Act No. 28 of 2011, SARS is responsible for the administration of a tax Act under the control or direction of the Commissioner for SARS. Accordingly, SARS may as part of the administration of a tax Act exercise its powers, *inter alia*, to collect revenue due to the fiscus and enforce compliance with legislation administered by the Commissioner for SARS.

**10.17 Tender defaulters and restricted suppliers**

10.17.1 No bid will be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appears on the National Treasury's Register for Tender Defaulters or the National Treasury's Database of Restricted Suppliers.

**10.18 Local production and content**

10.18.1 SARS supports and promotes local production and local content, environmentally friendly products, and sustainable sourcing.

10.18.2 To enable this objective to be adequately assessed and as part of contract management, bidders shall advise SARS of its local and regional strategy and its initiatives to involve, support and use local/regional entities and workforce.

10.18.3 The appointed supplier shall provide and use, for the performance of this contract, local subcontractors or locally acquired materials, equipment and facilities, to the extent available and within reasonable costs, to produce the quality and quantity of work and materials required by this contract.

**10.19 Validity of information**

10.19.1 SARS has made reasonable efforts to ensure the accuracy of the information contained in this RFP. However, neither SARS, nor its employees, officers, advisers or agents will be liable (directly or otherwise) to a bidder or any third party for any inaccuracy or omission of any information in the RFP or in respect of any additional information SARS may provide to a bidder as part of the RFP process.

- 10.19.2 A bidder is deemed to have examined this RFP and any other information supplied by SARS to the bidder and to have satisfied itself as to the correctness and sufficiency of such information before submitting any of its responses.

**10.20 Governing law**

- 10.20.1 This RFP and any resultant agreement shall be governed by the laws of the Republic of South Africa.

**11 CHECKLIST OF RETURNABLES****Table 11: Checklist of returnable documents**

	Checklist of returnable documents	Comply	Do not comply	Section
1.	A hardcopy and an electronic copy RFP proposal submission has been submitted for this RFP.			
2.	The pricing information is included as a separate file (File 2) and is not included in the Mandatory file (File 1).			
3.	SBD 1: Invitation to bid form has been completed and signed.			
4.	SBD 4: Bidder's Disclosure has been completed and signed.			
5.	SBD 6.1: Preference points claim form has been completed, points for B-BBEE / specific goals claimed, and signed.			
6.	Annexure A1: Response to Mandatory Requirements			
7.	Annexure A2: Response to Technical Requirements			
8.	Proof of registration on the Central Supplier Database (CSD) has been submitted.			
9.	Draft Supplementary Agreement / General Conditions of Contract (GCC) has been completed and signed.			
10.	All the pricing evaluation requirements have been submitted with this bid and the pricing template / Bill of Quantities has been completed in full and signed.			
11.	All the B-BBEE/specific goals evaluation and specific goal requirements have been submitted with this bid.			