

**SARS**  
**RFP 14/2016**  
**Network Carrier and Infrastructure**  
**Services**  
**Compulsory Briefing Session**

7 July 2016

SARS Procurement Office  
Linton House  
Brooklyn

RFP 14/2016  
Network Carrier and Infrastructure  
Services  
Briefing Session  
**Welcome**

# Governance, Rules and Procedures

## SARS Procurement

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## 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 posted on the SARS website**
- **The RFP pack remains the primary source of information for the Bidder to respond.**

- **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 as part of the wider Q & A process
  - The published answers will take precedence over any verbal response given in the briefing session.
- **The session is being recorded.**

## Registration

- Attendance register circulated
- 2 x valid e-mail address, contact numbers and company address
- The list will be read out prior the end of the briefing
  - Confirmation will be required
  - If not on the list, rectify prior to the close of the session
- **Important**
  - **Registration must be made in the name of the entity that will be submitting a Proposal**
  - **This is not transferable and new registrations cannot be made after the close of the briefing session.**

- **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.**

- **Other than the contact for the RFP below:**
  - Bidders may not contact with SARS staff.
  - Bidders who are existing service provider(s) to SARS may only engage SARS staff regarding operational matters.
- **All contact relating to RFP matters are only to be addressed to SARS Procurement at RFP14-2016@sars.gov.za and copy tenderoffice@sars.gov.za.**



# Agenda

| <u>Start</u>  | <u>End</u> | <u>Topic</u>                                  |
|---------------|------------|---|
| 12:30 - 12:35 |            | Welcome                                       |
| 12:35 - 12:45 |            | Governance, Rules and Procedures              |
| 12:45 - 13:00 |            | RFP Overview                                  |
| 13:00 - 13:15 |            | Business Requirements Specification           |
| 13:15 - 13:30 |            | RFP Process                                   |
| 13:30 - 13:40 |            | RFP Pack Content                              |
| 13:40 - 13:50 |            | Bidder's Proposal Format                      |
| 13:50 - 14:10 |            | Pricing Templates                             |
| 14:10 - 14:20 |            | Financial analysis                            |
| 14:20 - 14:30 |            | Central Supplier Database Registration Report |
| 14:30 - 14:40 |            | B-BBEE Overview                               |
| 14:40 - 14:50 |            | Service Levels                                |
| 14:50 - 15:00 |            | Contract Mark-ups                             |
| 15:00 - 15:05 |            | Bid Bonds                                     |
| 15:05 - 15:35 |            | Break (hand in written questions)             |
| 15:35 - 15:55 |            | Responses to questions                        |
| 15:55 - 16:00 |            | Register & Wrap-up                            |

# RFP Overview

- **SARS's Mandate**

- South African Revenue Service Act, 1997 (Act No 34 of 1997)
- collection of all revenues that are due, ensuring maximum compliance with revenue legislation
- providing a customs service that will maximise revenue collection, facilitate trade and protect the borders of South Africa.

- **SARS's vision**

- innovative revenue and customs agency that enhances economic growth and social development
- supports South Africa's integration into the global economy in a way that benefits all citizens. SARS strives to exercise its mandate in an efficient and cost effective manner.

- **During 2006/7 SARS issued and awarded RFT 06/2006 in terms of which the incumbent service providers were engaged to undertake a technical transformation of the data, voice and internet carrier services.**
- **SARS has been operating under this model of service provision since, incorporating substitute technologies to maintain currency with the increasing data requirements and changing voice strategy.**

- **The objectives of the Network Carrier and Infrastructure Services RFP are to:**
  - ensure the continuity and cost-effectiveness of SARS's data carrier, voice carrier, Internet and hosting, and SMS carrier services
  - achieve ongoing cost savings for SARS without any degradation in the Services
  - appropriately contain SARS's risk with regards to these Services
  - procure the Services under a flexible and scalable arrangement which reflects SARS's changing needs from time to time during the term
  - procure the Services for charges that: (i) are commensurate with SARS's actual consumption, (ii) are predictable and controllable, (iii) decline over the Term, and (iv) are at or below the South African market throughout the Term

- **The objectives of the Network Carrier and Infrastructure Services tender are to:**
  - establish a successful contractual relationship between the parties that is flexible and responsive to SARS's changing requirements during the Term
  - provide SARS with expertise including that which is required to identify, analyse, recommend, provide and implement, amongst other things, new technologies and processes
  - respond to changes in technology that are cost effective and competitive in relation to the South African market
  - provide SARS with services that remain competitive during the Term.

- **In order to achieve the selection of the best in class solutions, SARS has divided the scope into 4 (four) Towers of scope:**
  - Tower D: Data Carrier Services;
  - Tower V: Voice Carrier Services;
  - Tower I: Internet and Hosting Services; and
  - Tower S: SMS Carrier Services.
- **Bidders can submit Proposals for one or more of the Towers**
- **Each Tower has a specific model according to which the services are to be delivered / priced**

- **The evaluation of each Tower will be conducted separately.**
- **The Bidders will be ranked in each Tower (as evaluated in accordance with the evaluation methodology).**
- **Regardless of the specifics of the Tower for which Bidder is submitting a Proposal, there are common services that must form part of the Bidder's Proposal.**



## **Tower D – Data Carrier Services**

- **Provision of all underlying data carrier technologies for SARS's data network**
  - **MPLS**
  - **ATM circuits**
  - **Fibre**
  - **Satellite**
  - **Wireless**
- **Service management**
- **Monitoring and reporting portal**
- **Customer provisioning portal**
- **SARS's objective is to appoint a single service provider to provide the entire scope**
- **SARS may issue future requests for non-exclusive services within the scope to Bidders who have progressed to the 2nd round of evaluation (6.8.1 of RFP Main Document)**

## **Tower V – Voice Carrier Services**

- **Primary Voice Carrier**
  - **Able to provide all SARS's voice carrier requirements**
    - **Inbound/Outbound calls at all sites**
    - **SARS's objective is to appoint a single provider**
- **Preferred Outbound Carrier**
  - **Provide competitive rates for outbound calls. Carried from Alberton and Doornkloof**
- **Service management**
- **Monitoring and reporting portal**
- **Customer provisioning portal**

## **Tower I – Internet and Hosting Services**

- **Internet Access**
  - **Related services (mail filtering, web filtering, firewalling etc.)**
- **Hosting services (SARS may optionally take up)**
  - **Including network support services**
  - **Firewall and Intrusion protection services**
  - **Remote access**
- **Service management**
- **Monitoring and reporting portal**
- **Customer provisioning portal**

## **Tower S – SMS Carrier Services**

- **Computer-generated SMS**
  - **To all mobile network operator subscribers**
- **Monitoring and reporting portal**
- **Service management**

**SARS intends appointing 1 or 2 service providers.**

# Business Requirements Specification

Tower D  
Data Carrier (WAN) Services

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## Approach / model (WAN)

- **SARS is not specifying the technologies to achieve WAN connectivity to its sites, only bandwidth.**
- **Key principles**
  - **MPLS core**
  - **Platinum sites (13 key sites)**
    - **Full, active redundancy**
    - **Zero downtime (at the site level)**
  - **Non-Platinum (all other sites)**
    - **Redundancy**
    - **Automated failover**
    - **Secondary circuits tested weekly**
    - **Service levels specified at the circuit level**
- **Service provider will be responsible for connectivity including the CPE router.**

## Approach / model (continued)

- **Satellite**
  - **Dual earth station**
  - **Satellite used as secondary , pooled bandwidth is specified**
  - **If satellite technology is used for primary and secondary circuits, must be different providers.**
- **Point to point circuits**
  - **Specific technologies required**
- **Mobile (Mobile Tax Units)**
  - **Single satellite circuit required**

## **Solution specification**

- **Bidders must describe its solution for each of the Platinum and non-Platinum sites**
- **The Bidder's solution for the non-Platinum sites must include a solution for Gold, Silver and Bronze service levels.**
  - **The solution and/or pricing for Gold Silver Bronze may differ.**
- **Point to point circuits must similarly be specified for Gold, Silver and Bronze circuit levels**



## **Solution specification**

- **Monitoring and Reporting Portal**
  - **Service provider maintained portal providing SARS with access to:**
    - **Near real-time network status and statistics**
    - **Reports, trends**
    - **Inventory data**
- **Customer Provisioning Portal**
  - **Service provider maintained portal providing**
    - **Pricing tables**
    - **Order request, tracking, reporting**
    - **Contractual notices**

# Business Requirements Specification

Tower V  
Voice Carrier Services

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## Approach

- **SARS is implementing a strategy to:**
  - **Carry all voice traffic to/from its Contact Centres at Alberton and Doornkloof**
  - **Alberton and Doornkloof are only breakin/out points for voice**
  - **Both sites require SIP trunking to carry calls**
- **Premium voice services (toll-free/shared toll incoming services) may be requested during the term on a non-exclusive basis.**

## RFP Model

- **SARS aims to make appointments at two levels:**
  - **Primary Voice Carrier**
    - **Single appointment**
    - **Must be able to carry voice traffic to/from all sites as specified in the Business Requirements Specification and in the Tower V Technical Response Template.**
    - **Provide carrier technologies to do so (PRI/BRI/Analogue)**
    - **Other**
  - **Preferred Outgoing Voice Carrier**
    - **Least cost provider concept**
    - **Must provide own infrastructure (SIP) from Alb/Dklf**
    - **Call routing strategy renewed on annual basis on price.**

- **Requirements**
  - **Pricing must be made for:**
    - **CLI included**
    - **Per second billing**
    - **Audio Quality (MoS 3.8 or higher)**
    - **Include any volume/term based discounting effects**
  - **Service levels**
    - **Required for SIP trunking**
    - **Preferred for PRIs**

# Business Requirements Specification

## Tower I Internet and Hosting Services

## Scope

- **Bidders must submit a proposal for all elements of scope**
  - **Internet Access and address space management**
    - **(200Mbs local, 200Mbs international)**
  - **Email Gateway (Anti-Spam / Anti-Virus)**
  - **Web filtering, proxy services**
  - **Assessment and penetration testing (on request)**

## Scope

- **Hosting (SARS may take up during the Term)**
  - **(18 Racks, 1 TB hosting traffic, directly connected)**
  - **Firewall and IPS Services**
  - **Remote Access**
  - **Hosted environment network support**
- **Monitoring and Reporting Portal**
- **Customer Provisioning Portal**



# Business Requirements Specification

## Tower S SMS Carrier Services

## Scope

- **Bidders must submit a proposal to carry bulk SMS directly to Mobile network operators**
- **Must be capable of**
  - **Restricting the carriage of messages to certain times depending on the day of the week**
- **Additional functionality**
  - **USSD**
  - **User initiated SMS-based queries**
  - **Multimedia messaging services**
- **Monitoring and reporting to be performed by the Service Provider**

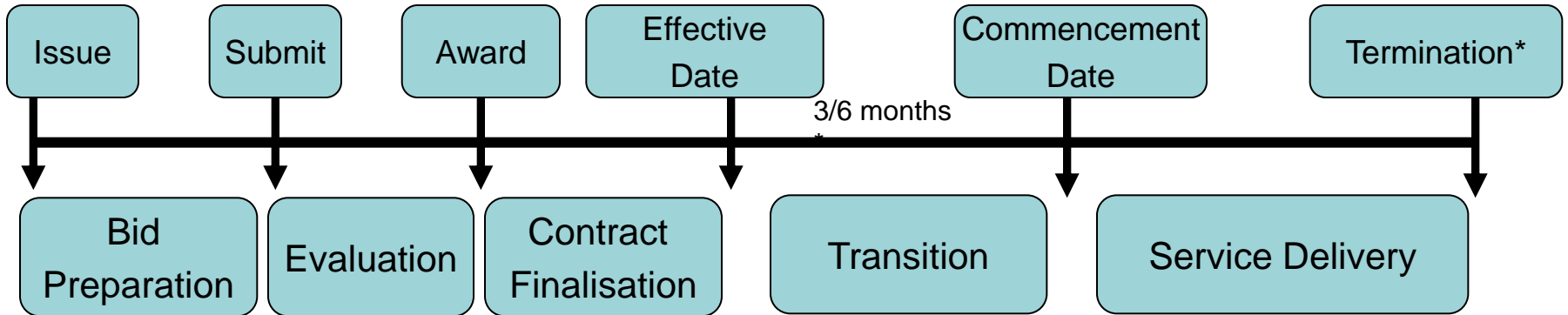
# RFP Process

- **Open tender**
- **The RFP has mandatory pre-qualification requirements**
  - Bidder must meet these before Bidder's Proposal will be considered for evaluation.

**Bidder is strongly advised to make sure it complies fully before making the decision to submit a Proposal.**

# Key events and phases

## RFP Process



\* See the Proposed contract for details of the term of each Tower and the provisions under which the contract for a Tower may be extended

# High level RFP timeline

|                              | 2016 |     |     |     |     |     |     | 2017 |     |     |     |
|------------------------------|------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|
|                              | Jun  | Jul | Aug | Sep | Oct | Nov | Dec | Jan  | Feb | Mar | Apr |
| <b>Bid Preparation</b>       |      |     |     |     |     |     |     |      |     |     |     |
| <b>Evaluation</b>            |      |     |     |     |     |     |     |      |     |     |     |
| <b>Contract Finalisation</b> |      |     |     |     |     |     |     |      |     |     |     |
| <b>Transition</b>            |      |     |     |     |     |     |     |      |     |     |     |
| <b>Service Delivery</b>      |      |     |     |     |     |     |     |      |     |     |     |

3 August 2016 Closing Date

Note that this represents the timelines of the envisaged plan and may change. SARS will not be held to these dates nor will SARS be obligated to give reasons for deviations from the plan.

- Any questions / queries regarding the RFP process or content must be submitted in writing (email) to the email address below.
- All questions / queries must be submitted by Bidders no later than 25 July 2016.
- Any oral communication will be considered unofficial and non-binding to SARS.
- The queries must be :
  - from registered representatives
  - to [RFP14-2016@sars.gov.za](mailto:RFP14-2016@sars.gov.za)
  - Email format:

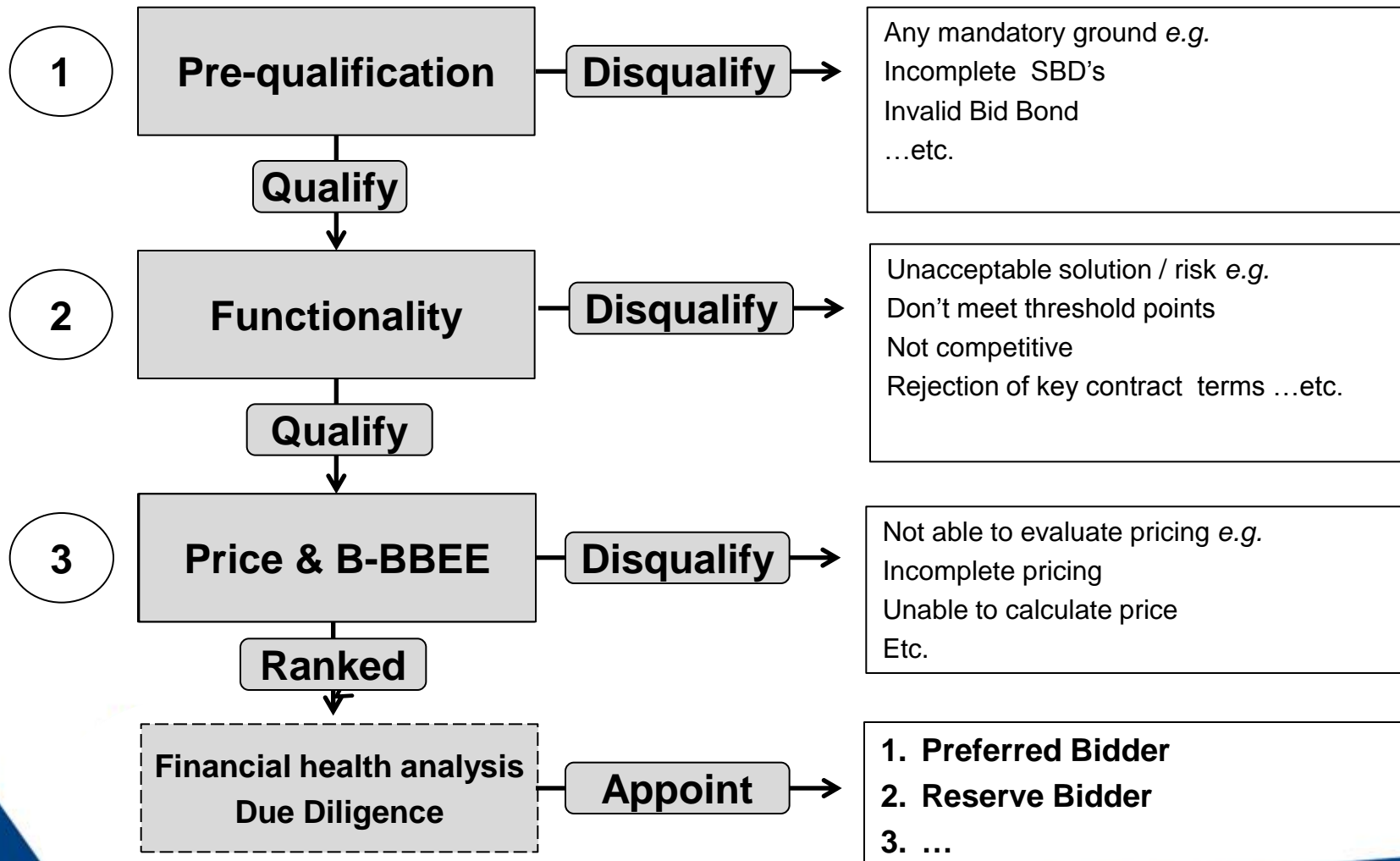
**Subject** : “RFP 14-2016 – Question”  
**Body** : “Bidder: <Bidder name>”  
: “Tower: <Tower>”  
: “Question : <Question text>”

- **The answers will be published on the SARS website without the details of who posed the question**
- **SARS will endeavour:**
  - to provide a response to questions as soon as possible after receipt
  - to finalise all responses on or before **28 July 2016**



- **SARS may:**
  - call one or more briefing sessions
    - compulsory or non-compulsory
  - require Bidders to attend a site visit
  - issue communications
    - answering questions from Bidders
    - clarifying issues arising from questions
    - amending the RFP, including changing dates and times in the RFP process.

# Evaluation process



# Pre qualification and evaluation

- **Bidder entity**
  - No consortia / special purpose vehicles
  - Bidder must be incorporated & registered in South Africa
  - Similar provisions apply to subcontractors that apply to the Bidder.
- **Common pre-qualification requirements across all Towers**
  - Bidder must submit licences required for each Tower bid on and warrant it hold the necessary licences to provide the services in the Tower.

**Ref:** SARS RFP 14-2016 1-1 RFP Main Document.

- **Tower D (Data Carrier Services)**
  - Operating MPLS network for SA customers for past 3 (years)
  - Currently (as at the Closing Date) be supply data carrier services to 2 SA customers at 100 or more sites each.

**Ref:** SARS RFP 14-2016 1-1 RFP Main Document.

- **Tower V (Voice Carrier Services)**
  - **Primary Voice Carrier:**
    - Currently (as at the Closing Date) be supplying voice carrier services to 2 SA customers at 100 or more sites each
  - **Preferred Outbound Carrier:**
    - Currently (as at the Closing Date) be supplying voice carrier services to two SA customers over SIP infrastructure

**Ref:** SARS RFP 14-2016 1-1 RFP Main Document.

- **Tower I (Internet and Hosting Services)**
  - **Supplying Internet service provider services for 3 years**
- **Tower S (SMS Carrier Services)**
  - **Have carried 70 million messages over the past 12 month period**
  - **Must carry SMSs directly to mobile operators**

**Ref:** SARS RFP 14-2016 1-1 RFP Main Document.

- **History**
  - No member of management / shareholding with history of collusive dealings or corruption.
- **Board Resolution**
  - Bidder must supply a board resolution authorising the signatory to the Bidder's Proposal(s)
- **3 year's audited financial statements**
- **All Standard Bid Documents completed and signed**
- **Signed Oaths of Secrecy**
  - By all members of the Bidder's bid team

Ref: SARS RFP 14-2016 1-1 RFP Main Document.



- **SARS, at its sole discretion, may disqualify a Bidder from the evaluation process for:**
  - Shareholder, indirect shareholder (>15%), director or senior management not fully tax compliant
  - Incomplete tender documentation
    - Oath of Secrecy / 3 year financial statements / required format / number of copies / omitted or incomplete responses

- **SARS, at its sole discretion, may disqualify a Bidder from evaluation for:**
  - Non-adherence to RFP rules
  - Non-adherence to rules of engagement
  - Non-compliance to ethics

# Evaluation : Functionality 1/6

| <b>Criteria</b>                     | <b>Weighting per Tower</b> |            |            |            |
|-------------------------------------|----------------------------|------------|------------|------------|
|                                     | <b>D</b>                   | <b>V</b>   | <b>I</b>   | <b>S</b>   |
| <b>Capability</b>                   | <b>25</b>                  | <b>20</b>  | <b>30</b>  | <b>30</b>  |
| <b>Technical Solution</b>           | <b>35</b>                  | <b>40</b>  | <b>35</b>  | <b>35</b>  |
| <b>Service Management</b>           | <b>10</b>                  | <b>10</b>  | <b>5</b>   | <b>10</b>  |
| <b>Transition, risk and quality</b> | <b>15</b>                  | <b>15</b>  | <b>15</b>  | <b>10</b>  |
| <b>Contract Risk</b>                | <b>15</b>                  | <b>15</b>  | <b>15</b>  | <b>15</b>  |
| <b>Total</b>                        | <b>100</b>                 | <b>100</b> | <b>100</b> | <b>100</b> |

- **Capability**
  - demonstrate proof of a sustainable business of sufficient size and experience to take on the SARS scope for a Tower and has a successful track record of delivery and a satisfied customer base of 3 (three) or more years.
- **Technology Solution**
  - Bidder's ability to meet or exceeds the technical requirements and a commitment to the development of the technical offering, including provision of specified portals
- **Service Management**
  - Bidder's ability to provide specified service management services,

- **Transition, risk and quality**
  - Bidder's ability to transition current provider(s) to the Bidder's proposed solution
  - with a comprehensive risk and quality management approach will achieve maximum points.
- **Contract risk**
  - Bidder's acceptance of the provisions of the Proposed Contract issued with the RFP.

- **A Bidder's Proposal for a Tower may be disqualified at any stage during the evaluation of functionality if:**
  - for whatever reason SARS is unable to evaluate the Bidder's proposal
  - the solution proposed by the Bidder will not meet SARS's minimum requirements or will not achieve SARS's objectives for that Tower.
  - the proposal submitted by the Bidder presents an unacceptably high level of risk to SARS in that Tower.

- **A Bidder's Proposal may be selected to progress to the Stage 2 (Price and BEE) evaluation for a Tower if:**
  - **the Bidder has not been disqualified for any reason during the evaluation for that Tower; and**
  - **the Bidder's Proposal's aggregated weighted score for functionality equal or exceeds 70 (seventy) points**

- **If no Proposal qualifies to proceed to the next stage of evaluation in a Tower then SARS may consider the selection of:**
    - **any Proposals scoring higher than 95% (ninety-five percent) of the highest scoring Proposal's score within that Tower**
- to proceed to the second stage of evaluation for that Tower.**



| Criteria | Weighting<br>(ex 100) |
|----------|-----------------------|
| B-BBEE   | 10                    |
| Price    | 90                    |

- 90/10 evaluation in terms of PPPFA<sup>1</sup> on contract value.
- B-BBEE evaluation performed on the basis of the submitted B-BBEE certificate.<sup>2</sup>
- Statutory formula<sup>2</sup> applied to the Bidder's submitted pricing.

<sup>1</sup> Preferential Procurement Policy Framework Act 5 of 2000

<sup>2</sup> National Treasury Regulations 2011 to the PPPFA

- **B-BBEE**
  - Details covered later
- **Pricing**
  - Solution price will be calculated over a 7 year period
  - Details covered later

# RFP Pack content

- **RFP pack is organised into 5 Sections**

|                  |   |
|------------------|---|
| <b>Section 1</b> | <b>Summary, guidelines, instructions and Conditions.</b><br><b>Required documents for the Briefing Session. (Oath, registration etc.)</b> |
| <b>Section 2</b> | <b>Standard Bid Documents</b><br><b>Cost and Risk Assessment</b>  |
| <b>Section 3</b> | <b>Business requirements specification</b>  |
| <b>Section 4</b> | <b>Proposed contract, statements of work, service levels etc.</b>   |
| <b>Section 5</b> | <b>Documents, templates, questionnaires and checklists required for the submission of the Bidder's Proposal</b>                           |

- **The SARS website may indicate the use of Standard Bid documents not included in the RFP pack.**
  - DO NOT SUBMIT THESE.
  - SUBMIT THE DOCUMENTS AS PER THE INSTRUCTIONS AND THE TEMPLATES INCLUDED IN THE RFP PACK.

**Section 1 of the RFP pack contains the documents necessary to gain an overview of the RFP and for attendance to the Briefing Session**

- 1. Invitation Letter**
- 2. SARS RFP 14-2016 1-1 RFP Main Document. This must be read in detail by all Bidders.**
- 3. The Oath of Secrecy / Solemn Declaration is the document that must be completed and signed by every member of the Bidder's team (including subcontractors) and submitted with the Bidder's tender.**

**Section 2 contains the**

- **Standard Bid Documents (SBDs)**
- **Supplier Risk and Assessment documents**
- **The Oath of Secrecy / Solemn Declaration is the document that must be completed and signed by every member of the Bidder's team (including subcontractors) and submitted with the Bidder's tender**

**ALL THESE DOCUMENTS MUST BE COMPLETED SIGNED  
AND SUBMITTED AS PER THE INSTRUCTIONS  
EMBEDDED IN THE FORMS**

## **Section 3 has 15 (fifteen) documents which detail the business and technical requirements of the RFP**

### **SARS RFP 14-2016 3-1 Business Requirement Specification.**

- **The BRS details the requirements of the four Towers. It must be read in detail to understand SARS's requirements for all aspects of the services.**
- **While the other 14 documents apply mainly to Tower D, V and I, Bidders in all Towers should satisfy themselves that the contents have no bearing on their Proposals before disregarding.**



## **Section 4 has one document containing the proposed contract:**

*SARS RFP 14-2016 4-1 Network Carrier and Infrastructure Services Agreement*

- **The proposed contracts contain the details of the terms and conditions under which SARS wishes to enter into agreement with the successful Bidder(s). Attention must be paid to the notes in the contract contained in [square brackets]. These guide the Bidder as to whether a specific response is required.**
- **The proposed contract requires a response in the Bidder's tender. The templates for the response to the proposed contract are in Section 5.**

## Section 5 contains the templates required for the completion of a Bidder's Proposal

1. **SARS RFP 14-2016 5-1-x Tower x Pre-qualification Response Template.**

This template must be completed in order for the Bidder to be evaluated in terms of the mandatory requirements for pre-qualification for Tower x

2. **SARS RFP 14-2016 5-2-x Tower x Technical Response Template .**

This template must be completed in order for the Bidder to be evaluated for functionality for Tower x

3. **SARS RFP 14-2016 5-3-x Tower x Contract Response Template.**

This template must be used to register the Bidder's mark-ups to the proposed contract issued in Section 4 for Tower x.

4. **SARS RFP 14-2016 5-4-x Tower x Pricing Response Template.**

The Pricing template to be completed by the Bidder for usage in the Pricing /B-BBEE stage of the evaluation for Tower x.

## **Section 5 contains the templates required for the completion of a Bidder's Proposal**

**5. SARS RFP 14-2016 5-5 Proposal Response Checklist.**

The RFP Response checklist must be completed and signed by the Bidder and included in the Bidder's proposal.

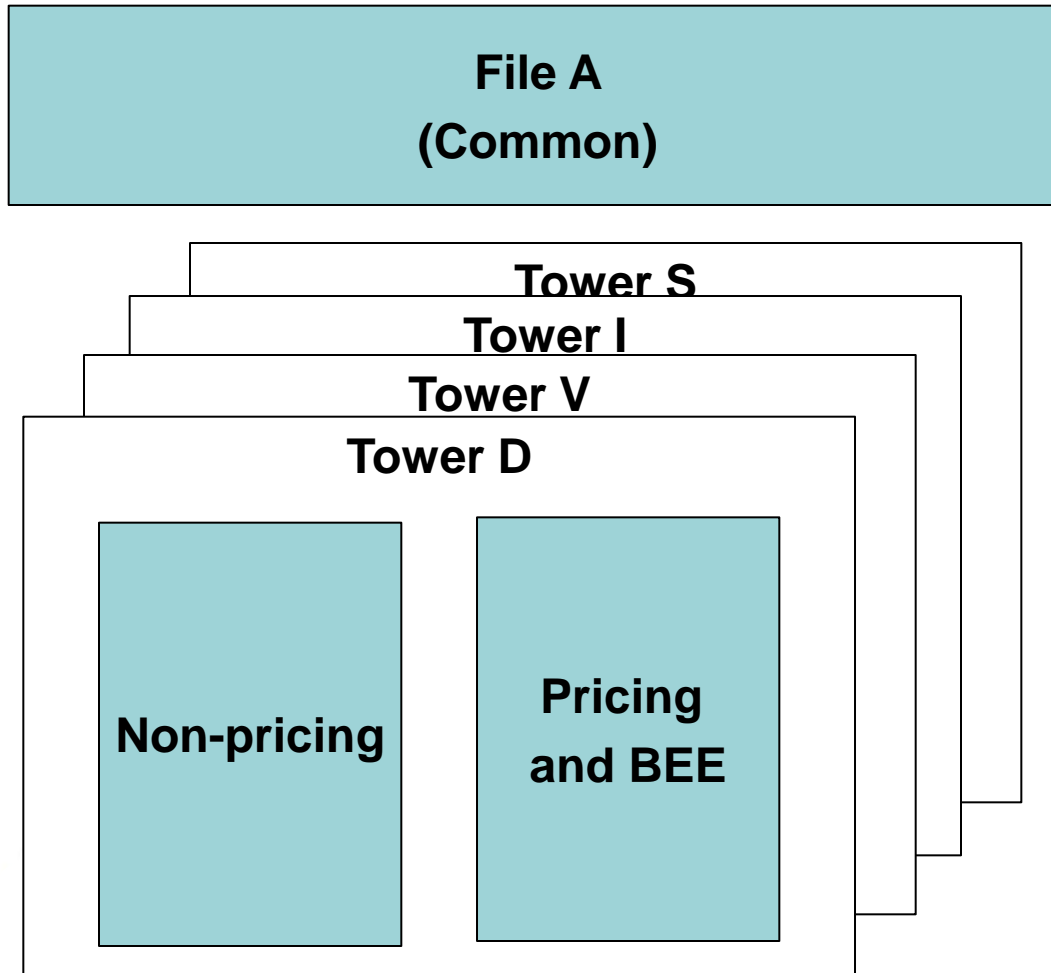
**6. SARS RFP 14-2016 5-6 Bid Bond - required format.**

This is the format required for an acceptable bid bond.

# Bidder's Proposal Format

- This is covered in detail in the document:  
*SARS RFP 14-2016 1-1 Network Carrier and Infrastructure Services Summary Guidelines Instructions and Conditions* (Section 13, pp 41-52)
- Regardless of how many Towers a Bidder is submitting a proposal for – the Proposal must contain **ONE Common File**
- The Bidder must submit a Pricing Section for each Tower the Bidder is submitting a Proposal.
- The Bidder must submit a Non-Pricing Section for each Tower the Bidder is submitting a Proposal.

- **Each Proposal section must be separately wrapped and must contain:**
  - One hardcopy
    - A4, ring binders
  - One electronic copy
    - CD or DVD
- **The hardcopy must be signed and must contain the original signatures.**



Each blue block represents a separately wrapped and sealed package and separate CD/DVD

There must be a separately wrapped Non-pricing and a Pricing File for each Tower for which the Bidder is submitting a Proposal.

## Common File A - Sections

- Covering Letter (signed)
- Board resolution (signed)
- Standard Bid Documents
- Bidder Oaths of Secrecy
- Bidders CSD Registration report
- Bid Bond
- Pre-qualification template(s)
- Bidder Annual Financial Statements
- Checklist (signed)

The sections are separated by file dividers labelled with the section names in the hardcopy version. On the CD/DVD the files must be placed in directories named after the sections.



## Non-Pricing – Sections

- Technical Response Template  
- Tower x
- Contract Response Template  
- Tower x
- Subcontractor CSD  
Registration Report

## Pricing - Section

- Pricing template (signed)
- Preference Points Claim  
Form (SBD 6.1)
- Bidder's BEE certification
- Subcontractor BEE  
certifications

The sections are separated by file dividers labelled with the section names in the hardcopy version.

On the CD/DVD the files must be placed in directories named after the sections.

# Selected topics

# Pricing templates

- **Pricing Templates**

- Each tower in the RFP has its own excel workbook.
- The Pricing Template for Tower D,V,I & S for which the Bidder is submitting a Proposal must be completed.
- All worksheets in the template must be fully populated. SARS may not be able to evaluate a partially completed template and may be forced to reject the proposal if this is the case.
- Each page of the pricing template must be signed by the Bidder's authorised signatory.
- Submit questions through the Q&A process.
- Each excel workbook has an instructions tab and an index.

- **Complete green cells only**
- **All pages of the hardcopies need to be signed and are legally binding if there are conflicts with the submitted soft-copies**
- **Varying numbers of decimals dependant on which table is being completed**
- **All figures INCLUSIVE of VAT**
- **The items that comprise the work to be done in the Transition Project must be itemised in the Bidders Technical Submission, and the Transition Charge in these Templates is a TOTAL cost of transition**
- **For Towers D, I and S, Bidders should complete ALL tables in the templates. For Tower V special note must be taken as to which sections to complete.**
- **Bidders are encouraged to commit to deflationary price growth given the nature of this industry.**

# Pricing templates – Voice Carrier Services<sup>77</sup>

- **Bidders for the Primary Voice Carrier should complete ALL templates and ALL sites**
- **Bidders for Preferred Outbound Voice Carrier must complete the rates table**
- **Bidders are to calculate and offer a flat rate, using the 90/10 peak/off-peak ratio mentioned.**
- **The templates only cater for per second tariffs, and details of SARS call-duration patterns are given.**
- **Given the trend to preferential on-net calling, details are also provided of SARS existing outbound call-pattern, should Bidders wish to weight their tariffs accordingly.**

- **Personnel rates - will only apply to ad-hoc requests for services.**
- **Do not attempt to change formulas, formats or to unprotect the templates. If there is a problem – submit the details in a question to SARS.**

# Financial Analysis Requirements

- **Public Finance Management Act (PFMA)**
  - Fair
  - Equitable
  - Transparent
  - Competitive
  - Cost-effective



- **Financially Stable**
- **Financially Viable**
- **Identify Financial Risks**
- **Apply Appropriate Mitigating Strategies**

- **Complete Sets of Audited/Reviewed Annual Financial Statements**
  - Signed Auditors / Accounting Officers Opinions
  - Statement Of Comprehensive Income (Income Statement)
  - Statement of Financial Position (Balance Sheet)
  - Statement of Cash Flows (Cash Flow Statement)
  - Accompanying Unabridged Notes for ALL of the above documents
- **Less than 3 Financial Periods**
  - Explanatory Letter
- **Joint Ventures**
  - Unincorporated JVs must submit separate F/S for each party to the JV.
  - Signed JV legal agreement.
- **Financial statements in Bidding Companies Name**
  - Subsidiary submitting holding company's F/S must also furnish a Performance Guarantee

# National Treasury Central Supplier Database

## Registration and Tax Compliance

- Bidders are required to be registered on the National Treasury database (CSD), failure to do so will result in SARS not being able to conduct business with the bidder as per NT SCM Instruction no.4A 2016/2017. (Refer to [www.csd.gov.za](http://www.csd.gov.za) for registration process).
- Bidders to submit proof of registration with the bid (preferable CSD report in a PDF format).



|  |
|--|
| <b>Report Date:</b>                      |
| 05 May 2016 11:14:16 AM                  |
| <b>Unique Registration Reference Nr:</b> |
| C3D97624-AAB5-4E62-AD86-347A5860B3AF     |

## CSD REGISTRATION REPORT

| SUPPLIER IDENTIFICATION |                  |  |            |
|-------------------------|------------------|--|------------|
| Supplier number         | MAAAD [REDACTED] | South African company/CC registration number | [REDACTED] |

- **Tax compliance**

- Bidder (and subcontractors) must be fully tax compliant.
- Valid tax clearance certificate (TCC) not necessary, SARS will verify the tax compliance status of the bidders on the CSD.
- Selected service provider must be tax compliant during award and the term of the agreement.

## TAX INFORMATION

|  |                       |                              |  |
|--|-----------------------|------------------------------|--|
| Income tax number                        | <del>XXXXXXXXXX</del> | Validation response received | Tax Clearance Compliance Status / Certificate Verified |
| VAT number                               | <del>XXXXXXXXXX</del> | Status                       | Active   |
| Are you Registered with SARS?            | Yes                   | Created by                   | <del>XXXXXXXXXX</del>                                  |
| Is tax declaration accepted?             | Yes                   | Created date                 | 29 Apr 2016 16:37:15:000                               |
| Last validation date                     | 5/6/2016 8:23:00 AM   | Edit by                      | <del>XXXXXXXXXX</del>                                  |
| Tax clearance certificate expiry date    | 14 Mar 2017           | Edit date                    | 29 Apr 2016 16:37:15:000                               |
| Would you like to receive notifications? | No                    |                              |  |

## TAX INFORMATION

|                                       |                     |                              |                                |
|---------------------------------------|---------------------|------------------------------|--------------------------------|
| Income tax number                     | [REDACTED]          | Validation response received | Non-compliant tax status found |
| VAT number                            | [REDACTED]          | Status                       | Active                         |
| Are you Registered with SARS?         | Yes                 | Created by                   | [REDACTED]                     |
| Is tax declaration accepted?          | Yes                 | Created date                 | 03 May 2016 19:24:08:000       |
| Last validation date                  | 5/3/2016 8:22:00 PM | Edit by                      | [REDACTED]                     |
| Tax clearance certificate expiry date | 04 May 2015         | Edit date                    | 03 May 2016 20:21:38:000       |



# B-BBEE Overview

# BEE = 10 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. | 10     |

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.

# • B-BBEE KEY SECTIONS TO COMPLETE IN SBD

## BID DECLARATION

6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: ..... = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

## 8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....%
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

- The table below indicates the specific B-BBEE certification documents that must be submitted for this tender. Failure to submit the required certification documents will also result in Bidders scoring zero for B-BBEE.

| Classification              | Turnover   | Submission Requirement  |
|-----------------------------|--|---|
| Exempted Enterprise ( EME)  | Micro<br>Below R5 million p.a. - (Old Codes)                 | Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA or a letter from an Accounting Officer as contemplated in the CCA.<br>A sworn Affidavit or Certificate from CIPC |
|                             | Below R10 million p.a. - (Amended Codes)                     |   |
| Qualifying Enterprise (QSE) | Small<br>Between R5 million and R35 million p.a. (Old Codes) | Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA.<br>A sworn Affidavit or Certificate from CIPC   |
|                             | Between R10 million and R50 million p.a. (Amended Codes)     |   |
| Large Enterprise (LE)       | Above R35 million p.a. (Old Codes)                           | Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA.   |
|                             | Above R50 million p.a. ( Amended Codes)                      |   |

- **It has been advised that the Verification Professional will need to test the affidavits submitted as part of a company's procurement rating. All companies will need to request the information which proves Black Ownership and Turnover in addition to the Affidavit, or request that their EME/QSE suppliers be verified and have this confirmed on the Affidavit.**
- **SARS reserves the right to request that bidders submit their Black ownership and turnover information in support of their Affidavits.**

## Joint Ventures and Consortiums

- 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.

## Sub-contracting

- Bidders who want to claim preference points will have to comply fully with regulations 11(8) and 11(9) of the Preferential Procurement Regulations, 2011 with regard to sub-contracting:

### Regulation 11(8)

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

## Regulation 11(9)

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

### **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.**

# Service Levels



- **Schedule C of the proposed contract contains:**
  - Framework for service levels
    - Measurement
    - Operation
    - Conditions under which they apply / excused etc
    - Service credits
  - Minimum service levels.

- **Some service credits may seem high. This is an indication of the seriousness with which the service is taken and the impact of certain performance failures.**
- **There is no reason for the service levels not to be met with reasonable processes and due care.**

- **Remedial procedures**
- **Service Levels credits**
  - Amounts are specified
  - Operate as an amount deducted from subsequent invoice.
  - Limited to 15% of monthly charges
- **Termination**
  - repeated Service Level Failures

- **Performance is excused under certain conditions**
  - Factors outside the Service Provider's control; and
  - Commercially reasonable efforts were applied by the Service Provider to avoid a service level failure

# Contract Mark-ups

- The proposed contract is applicable to all 4 Towers and is found in  
*SARS RFP 14-2016 4-1 Network Carrier and Infrastructure Services Agreement*
- The Bidders are directed to take note of all instructions or notes embedded in the proposed contract.
  - Such instructions or notes are embedded in the proposed contract and are contained in square brackets, i.e. **[Note to Bidder:... ]**
- Certain of the embedded notes indicate which provisions of the proposed contract are specific to certain Tower(s). If provisions in the contract are not qualified by a note, they are applicable to all Towers.

- A Bidder may accept the terms and conditions of the Proposed Contract as-is or mark-up the terms and conditions which the Bidder wishes to amend
- Bidders must submit their Proposed Contract mark-ups in the provided Contract Response Template document for each Tower.

**SARS RFP 14-2016 5-3-x Tower x Contract Response Template**  
*(where x is the Tower reference (D, V, I or S))*

- Bidder must provide reason(s) and/or alternative terms and conditions to each mark-up it makes. (as provided for in the template). Any mark-up or deletion of a provision of the Proposed Contract(s) without providing a reason or an alternative provision will be ignored by SARS and considered accepted by the Bidder as-is.

- Bidder(s) who are responding to more than 1 (one) Tower must submit a Contract Response Template document for each Tower irrespective of whether its mark-ups are identical in the different Towers.
- If the Bidder has no mark-ups to the proposed contract i.e. is prepared to contract with SARS in a Tower in terms of the proposed contract without change, the Bidder must still submit a Contract Response Template for the Tower with the words “No mark-ups requested” in the first line of the template.
- Any additional provisions which a Bidder wishes to propose adding to the Contract must also be submitted in the Contract Response Template with the words “Additional” in the reference column of the template. SARS will in any event reserve the right to accept or reject such additional terms.



## **Bidders must note:**

- that mark-ups to the proposed contract will be evaluated and scored negatively in terms of the additional contractual risk they would pose to SARS. Therefore material mark-ups or deviations from the Proposed Contract provisions will affect the overall score of a Bidder.**
- In the event the Bidder is successful, no mark-ups other than those submitted by the Bidder will be countenanced by SARS during contract finalisation.**

**Ref: Par 6.7 SARS RFP 14-2016 1-1 RFP Main Document**

# Bid Bonds

## Bid Bond

- The purpose of the Bid Bond is to ensure strict adherence to RFP procedures and rules.
- The Bid Bond is a pre-qualification requirement.
- The Bid Bond that is submitted by the Bidder must not expire earlier than 27 January 2017, whether returned to the Bank for cancellation or not.
- It is mandatory that the Bid Bond be submitted in the following format  
[SARS RFP 14-2016 5-6 Bid Bond - required format.pdf](#)
- Failure to comply in all respects will result in disqualification.

- **Bid Bond**

**Value of Bid Bond for each Tower (cumulative):**

| Tower   | Bid Bond Value |
|---------|----------------|
| Tower D | R1,500,000     |
| Tower V | R1,500,000     |
| Tower I | R1,500,000     |
| Tower S | R1,500,000     |

**Example:** If a Bidder wishes to submit a Proposal for Towers D, V and I; then the required Bid Bond will be:

$$R1,500,000 + R1,500,000 + R1,500,000 = R4,500,000.$$

**Ref:** SARS RFP 14-2016 1-1 RFP Main Document.

# BREAK

- **Please submit all written questions from during the session**
  - **Reminder that the attendance register will be read out /verified after SARS's responses to the questions.**
-

# WRAP UP

- **Reminder to submit all follow-up questions electronically to SARS Procurement before close of business 25 July 2016 to**

**[RFP14-2016@sars.gov.za](mailto:RFP14-2016@sars.gov.za)**