
REFERENCE: RFP 052/2018

REQUEST FOR PROPOSAL

DESCRIPTION:

A PANEL OF EXPERT ADVISORY SERVICES (FORENSIC INVESTIGATIONS, INTERNAL AUDIT, FINANCIAL RISK MANAGEMENT, VALUATIONS ADVICE, DEBT MANAGEMENT AND DIGITAL FORENSIC SERVICES)

DATE ISSUED: 26 NOVEMBER 2018

CLOSING DATE: 14 JANUARY 2019, 11H00

**TENDER BOX:
570 FEHRSEN STREET
BROOKLYN BRIDGE
GROUND FLOOR, LINTON HOUSE
BROOKLYN, PRETORIA**

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1. INTRODUCTION

The South African Revenue Service (SARS) is uniquely placed to contribute to government's plan of action to address socio-economic growth and development, poverty alleviation and job creation. Through the vital role of providing the revenue to fund the full spectrum of initiatives, plans, programmes and strategies of national and provincial government departments, SARS plays a crucial enabling role in government delivery.

2. OVERVIEW OF SARS

Our Mandate

In terms of the South African Revenue Service Act, 1997 (No. 34 of 1997), SARS is mandated to:

- Collect all revenues due;
- Ensure maximum compliance with tax and customs legislation; and
- Provide a customs service that will maximise revenue collection, protect our borders and facilitate trade.

Our Vision

SARS is an innovative revenue and customs agency that enhances economic growth and social development, and that supports the country's integration into the global economy in a way that benefits all South Africans.

Our Mission

To optimise revenue yield, to facilitate trade and to enlist new tax contributors by promoting awareness of the obligation to comply with tax and customs laws, and to provide a quality, responsive service to the public.

Our Values

- Integrity
- Fairness
- Respect
- Trust
- Honesty
- Accountability
- Transparency

Our Core Outcomes

- Increased Customs and Excise Compliance
- Increased Tax Compliance
- Increased ease and fairness of doing business with SARS
- Increased cost effectiveness, internal efficiency and institutional respectability
- Increased public trust and credibility

3. PURPOSE

The purpose of this request for proposals (RFP) is to solicit proposals from bidders to enable SARS to establish a list of pre-approved bidders for Expert Advisory services as and when required for:

- Forensic Investigations;
- Internal Audit;
- Financial Risk Management;
- Valuations Advice;
- Debt Management; and
- Digital Forensic Services.

This RFP does not constitute an offer to do business with SARS, but merely serves as an invitation to potential bidders to facilitate requirements-based decision process.

4. LEGISLATIVE METHODOLOGY OF THE BID

4.1 LEGISLATION

The bidder should be familiar with all relevant legislation, including but not limited to tax laws applicable in the Republic of South Africa and should fully comply with such laws.

4.2 PROCUREMENT LEGISLATION

SARS has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

5. BRIEFING SESSION

Interested parties have an option to attend a non-compulsory briefing session that will be held at Linton House, Brooklyn Bridge, 570 Fehrson Street, Brooklyn, Pretoria, first on 29 November 2018 at 11h00 and second on 8 January 2019 at 11H00 respectively, to clarify to bidders the scope and extent of work to be executed.

6. DURATION OF CONTRACT

The successful bidders appointed will remain pre-approved on the panel for a period of sixty (60) months, during this period SARS reserves the right to, at any point, re-issue a tender to update and appoint additional bidders to the panel.

7. APPOINTMENT TERMS

SARS does not guarantee that successful bidders will receive work during their appointment term. The closed bidding process will be conducted to select from the pre-approved list of bidders prior to allocation of work. The principle of rotation to ensure equitable distribution will also be applied and due diligence conducted to ensure that no conflict of interest exist prior to the allocation of work.

The allocation of work will be governed by the Master Service Agreement and a Service Level as and when required by SARS.

8. TIMELINES OF THE BID PROCESS

The validity period of this tender is 180 calendar days after the closing date of the bid. The project timeframes of this bid are set out below:

Table 8A: Timelines

Activity	Date Due
Advertisement of bid in tender bulletin and e-Tender	23 NOVEMBER 2018
Distribution of bid documents on SARS Website	26 NOVEMBER 2018
1 st Non-compulsory Briefing Session	29 NOVEMBER 2018 at 11H00
2 nd Non-compulsory Briefing Session	08 JANUARY 2019 at 11H00
Questions relating to bid from Bidder(s)	26 NOVEMBER 2018 to 9 JANUARY 2019
Bid Closing date	14 JANUARY 2018 at 11H00
Notice to Bidder(s)	APRIL 2019*

* Dates subject to change.

All times and dates in this bid are South African Standard Time. Any time or date in this bid is subject to change at SARS's sole discretion. The establishment of a time or date in this bid does not create an obligation on the part of SARS to take any action, or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if SARS extends the deadline (the closing date) for bid submission for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

9. CONTACT

A nominated official of the potential bidder(s) can make enquiries in writing to the specified SARS person, Ms Vuyokazi Ntshinga (Procurement Tender Office) via email tenderoffice@sars.gov.za and copy

rft-professionalservices@sars.gov.za. Potential bidders must reduce all telephonic enquiries to writing and send the same to the above email addresses.

10. SCOPE OF WORK

10.1 BACKGROUND

SARS may from time to time utilise the services of Advisory Services firms for the provision of Expert Advisory services to SARS, which includes:

- 10.1.1** Forensic Investigation;
- 10.1.2** Internal Audit;
- 10.1.3** Financial Risk Management;
- 10.1.4** Valuation Advice;
- 10.1.5** Debt Management; and
- 10.1.6** Digital Forensic Services.

10.2 EXPERTISE REQUIRED

SARS may from time to time utilise the services of the aforesaid panellists to provide Expert Advisory services to SARS, and these may include participating in management, joint development and support projects as well as add-on skills to such projects on an “as and when required” basis.

Bidders may submit proposals in respect of the following Expert Advisory services categories:

10.2.1 Category A: Forensic Investigation

Forensic Investigation may include but not limited to:

- 10.2.1.1** Tax investigation (Forensic), scoping of possible financial investigations/forensic as well as the assistance with the execution of financial investigations;
- 10.2.1.2** Forensic investigative work (including electronic and hard copy document management in respect of information) to search for the assets/money of the taxpayer which could be hidden in trusts, entities and/or individuals (SA or offshore based) linked to the taxpayer;
- 10.2.1.3** Preparation of tax computation which resulted from the forensic work;
- 10.2.1.4** Provide tax advice;
- 10.2.1.5** To provide expert witness testimony and assist SARS in preparing for both Internal and court procedures;
- 10.2.1.6** To assess evidence gathered and provide a findings report;
- 10.2.1.7** Fraud and corruption investigations;
- 10.2.1.8** To provide examination of individual/entity's economic affairs with a view to uncover irregularities resulting in a report designed specifically for use in disciplinary proceedings and court of law; and
- 10.2.1.9** Demonstrate extensive knowledge and expertise in at least three (3) of the following fields:

- Forensic Accounting;
- Analytical Forensic Technology;
- Business Intelligence Service;
- Fraud Risk Management and Compliance Reviews;
- Expertise in testifying in civil and criminal investigations; and
- Litigation Support.

10.2.1.10 Bidders must ensure, where applicable, that the key personnel that may be assigned to SARS projects as and when required have proof of membership with professional bodies such as:

- Association of Certified Fraud Examiners (ACFE);
- Institute of Commercial Forensic Practitioners (ICFP); and
- Private Security Regulatory Authority (PSIRA).

10.2.2 Category B: Internal Audit

Internal Audit may include but not limited to:

- 10.2.2.1 Tax audit - providing assurance and advisory services on governance, risk management and control within SARS Tax Revenue section in accordance with the Institute of Internal Auditors (IIA);
- 10.2.2.2 Customs and Excise audit - providing assurance and advisory services on governance, risk management and control within SARS Custom and Excise in accordance with the Institute of Internal Auditors (IIA);
- 10.2.2.3 Audit of Support Services - providing assurance and advisory services on governance, risk management and control within SARS Support Services Divisions (e.g. Finance, Procurement, HR, etc.) in accordance with the Institute of Internal Auditors (IIA);
- 10.2.2.4 Performance audit - provides an independent auditing process aimed at evaluating the measures instituted by management, or the lack of these measures; ensuring that the resources have been acquired economically and are utilised efficiently and effectively; and reporting on the acquisition and use of resources to management;
- 10.2.2.5 Forensic audit – To provide assurance on the SARS fraud risk management framework and perform assurance on fraud indicators on various key processes within SARS;
- 10.2.2.6 Information System Audit (ISA) - providing assurance, effectiveness, efficiency and advisory services on governance, risk management and control within SARS ICT environment in accordance with the Institute of Internal Auditors (IIA) and the Information Systems Audit and Control Association (ISACA); and
- 10.2.2.7 Bidders must ensure, where applicable, that the key personnel that may be assigned to SARS projects as and when required have proof of membership with professional bodies such as:
 - Institute of Internal Audit (IIA);
 - South African Institute of Chartered Accountants (SAICA);

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- Association of Certified Fraud Examiners (ACFE); and
 - Information Systems Audit and Control Association (ISACA).

10.2.3 Category C: Financial Risk Management

Financial Risk Management may include but not limited to:

- 10.2.3.1 Identifying governance gaps and recommending governance improvements;
- 10.2.3.2 Providing advice to SARS on potential taxation risks;
- 10.2.3.3 Identifying regulatory compliance requirements and helping stay on top of compliance, especially with cross-border issues; and
- 10.2.3.4 Bidders must ensure, where applicable, that the key personnel that may be assigned to SARS projects as and when required have proof of membership with professional bodies such as:
 - Institute of Internal Audit (IIA);
 - Institute of Risk Management South Africa (IRMSA); and
 - South African Institute of Chartered Accountants (SAICA).

10.2.4 Category D: Valuation Advice

Valuation Advice may include but not limited to:

- 10.2.4.1 Evaluate the financial implications of corporate debt;
- 10.2.4.2 Restructuring;
- 10.2.4.3 Investments;
- 10.2.4.4 Mergers and acquisitions and joint ventures;
- 10.2.4.5 Liquidations and Sequestrations;
- 10.2.4.6 Capital Budgets and Financial Reporting;
- 10.2.4.7 Asset valuation; and
- 10.2.4.8 Deceased estates.

10.2.5 Category E: Debt Management

Debt Management may include but not limited to:

- 10.2.5.1 Advice on collection strategies;
- 10.2.5.2 Advice on compliance strategies;
- 10.2.5.3 Business Rescue;
- 10.2.5.4 Insight e.g. Debt Management, taxpayers , taxpayer behaviour;
- 10.2.5.5 Impairments and provisioning;
- 10.2.5.6 Outsourcing advice;
- 10.2.5.7 Business intelligence (including asset searches);
- 10.2.5.8 Analysis;
- 10.2.5.9 Skills transfer;
- 10.2.5.10 Credit Management;

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- 10.2.5.11 Preparation of financial position of the taxpayer which resulted from the forensic work;
 - 10.2.5.12 To assist with Tax Inquiries, assess evidence gathered and provide a findings report;
 - 10.2.5.13 To provide expert witness testimony and assist SARS in preparing for both Internal and court procedures, i.e. in personal liability claims for preservation orders, PAJA applications, arbitration matters;
 - 10.2.5.14 Personal liability; and
 - 10.2.5.15 Liquidations and sequestrations.

10.2.6 Category F: Digital Forensic Services

Digital Forensic Services may include but not limited to:

- 10.2.6.1 Identification, preservation, analysis and documentation of electronic data for judicial purposes;
- 10.2.6.2 Web based review platform for managing post collection stages of data collection;
- 10.2.6.3 Data imaging, storage and preservation in a forensically sound manner to present in court proceedings;
- 10.2.6.4 Using data extraction techniques to support multiple enterprise systems and other data sources into customised formats for data analytics
- 10.2.6.5 Perform data recovery services;
- 10.2.6.6 Database protection against viruses and loss of evidence;
- 10.2.6.7 Reconciliation of different data bases;
- 10.2.6.8 Analysis and recovery of any data deletions;
- 10.2.6.9 Tracking of information, e-mails and messages between different devices;
- 10.2.6.10 Demonstrate extensive knowledge and expertise in at least three (3) of the following field:
 - Data Analysis;
 - Data imaging services;
 - Data recovery; and
 - Data preservation and testifying in civil and criminal investigations.

Bidders may submit proposals in respect of any one or a combination of the 6 (six) expert advisory service categories. In the event that an insufficient number of bidders are successful in a certain expert advisory service category, SARS reserves the right to appoint additional bidders for the particular category from the approved and preferred panel of Expert Advisory services.

In the event that SARS has not prescribed the level of consultant required for a specific instruction, the bidder must in good faith appoint a consultant with suitable experience and qualifications.

10.3 BIDDERS RESPONSES/DOCUMENTATION REQUIRED

Bidders must respond to all the information required in this section in their bid proposals. Bidders should also refer to the paragraphs 10.1, 10.2 and 10.3 which details the technical requirements.

Bidders must complete **Annexure C** and clearly indicate the categories they are tendering for.

10.3.1 Company Profile

The bidders should provide in their response detailing:

10.3.1.1 Organisation structure and services including,

- Organogram;
- Services rendered in respect of expert advisory and related services;
- Years of experience in the industry; and
- The company's full contact details of key account manager who will be assigned to SARS including his/her role and responsibilities, with minimum of 5 years of experience and qualifications and his/her CV.

10.3.1.2 Provide information on the availability of the following:

- Infrastructure (geographical footprint, staff compliment and office location);
- Computer(s), email- and internet access;
- Information security safeguards (i.e. anti-virus software, firewalls etc.);
- Back-up and disaster recovery plans;
- Telephone and fax facilities;
- Printing- and photocopying facilities; and
- Library / research facilities.

10.3.2 Capability

10.3.2.1 Complete a schedule (**Annexure D**) per category of the bidder's experience and proven track record over the past five (5) years. The schedule must include for each client per category, the following information:

- Client Name;
- Contact person, phone number, business address;
- Contract period;
- Description of the project;
- Challenges; and
- Lessons learned.

SARS reserves the right to contact the clients for a reference check. It is therefore important to ensure that the clients on the schedule are contactable.

10.3.2.2 Complete (**Annexure E**) per category of all key personnel that may be assigned to SARS as and when the services are required. The information provided for each key personnel per category must include:

- Name and surname;
- Level of seniority;
- Relevant qualification(s);
- Summary of relevant experience; and
- Relevant certification(s) and/or accreditation(s) with professional bodies.

10.3.2.3 Proof of adherence to Digital Forensics ISO/IEC Standards, in particular ISO/IEC FDIS 27043 Information technology — Security techniques — Incident investigation principles and processes. This includes processes from pre-incident preparation up to and including returning evidence for storage or dissemination, as well as general advice and caveats on processes and appropriate identification, collection, acquisition, preservation, analysis, interpretation, and presentation of evidence.

Note: Sections 10.3.2.3 is only applicable to Category F.

SARS reserves the right to visit the premises of the successful bidder to ensure adherence to the aforementioned “ISO/IEC” Standards.

10.3.3 Skills Transfer

Demonstrate how transfer of relevant knowledge and skills will be implemented to SARS personnel on advisory and related projects.

10.3.4 References

Bidder should provide two (2) contactable testimonial letters from current / recent clients (not older than 5 years) for each category that the bidder has tendered for to whom similar services are being/have been provided. The testimonial letters must be on a company letterhead and include the following: company name, contact name, address, phone number, and duration of contract, a brief description of the services rendered and the level of customer satisfaction.

10.3.5 Presentation

All bidders who have been pre-qualified as outlined in paragraph 13.1 will be invited to present to SARS in four (4) categories as listed below. The case studies that must be presented are referenced as follows:

- Annexure F1: Forensic Investigation (**Category A**) and Financial Risk Management (**Category C**);
- Annexure F2: Valuation Advice (**Category D**); and

- Annexure F3: Debt Management (**Category E**).

Note: Section 10.3.5 is only applicable to Category A, C, D and E.

10.3.6 Site Inspections/Visits

SARS will conduct site inspection and/ visit on those bidders who have been pre-qualified in Category F as outlined in paragraph 13.1 as part of Technical / or Functional evaluations.

Note: Section 10.3.6 is only applicable to Category F.

10.4 CONDITIONS APPLICABLE TO APPOINTMENT

SARS further reserves the right during the term of this contract, if necessary, to appoint a firm of consultants outside the approved panel of Expert Advisory Bidders for purposes of rendering the services to SARS, subject to the necessary procurement processes being followed.

10.5 TECHNICAL COMPLIANCE CHECKLIST

Bidder(s) are required to complete the compliance checklist as outlined in (**Annexure A2**) in order to guide the SARS evaluators where to find their technical responses.

11. CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION

Foreign Suppliers who have no presence in South Africa currently are not required to register on Central Supplier Database (CSD). However, such entities should be successful in winning the award; they will be expected to register on the CSD. All other local suppliers or foreign suppliers that have local presence at the time of tendering are expected to abide by the following provisions. CSD can be accessed via the following link: <https://secure.csd.gov.za/>.

National Treasury will maintain the database for all suppliers for Government and its institutions; and all existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at www.CSD.gov.za

12. INSTRUCTIONS TO BIDDER(S)

12.1 Bids must be properly packaged and deposited on or before the closing date and before the closing time in the tender box situated at the main entrance of the:

SARS Procurement Centre
Brooklyn Bridge

Linton House - Ground floor
570 Fehrsen Street
Brooklyn, Pretoria

- 12.2** Alternatively, bid documents may also be posted to The Tender Office - SARS Procurement Department, Linton House, 570 Fehrsen Street, Brooklyn Bridge, Brooklyn, Pretoria, 0181.
- 12.3** Bid documents will only be considered if received by SARS before the closing date and time, regardless of the method used to send or deliver such documents to SARS.
- 12.4** Late bids will not be accepted and shall be returned to Bidder(s).
- 12.5** The bidder(s) are required to submit two (2) copies of each file (original and duplicate) and one (1) CD-ROM/USB with the contents of each file at the closing date and time, **14 JANUARY 2019 at 11H00**.
- 12.6** Bidders file and the CD-ROM/USB must be **marked correctly and sealed separately** for ease of reference during the evaluation process.
- 12.7** The files and information in the CD-ROM/USB must be submitted in the following format:

12.7.1 ARCH LEVER FILE 1

Exhibit 1

- Submit proof of Central Supplier Database (CSD) Registration report (preferably the CSD report in PDF format) from National Treasury;
- Pre-qualification documents (SBD documents and others);
- General Conditions of Contract (GCC); and
- Comments/inputs on the Draft Master Service Level Agreement.

Exhibit 2 – Technical Responses for Company Profile and Skills Transfer

- Company profile as per 10.3.1; and
- Skills transfer as per 10.3.3.

Exhibit 3 – Technical Responses per Category

- Capability as per 10.2.2; and
- References as per 10.3.4.

Exhibit 3a – Category A: Forensic Investigations;

Exhibit 3b – Category B: Internal Audit;

Exhibit 3c – Category C: Financial Risk Management;

Exhibit 3d – Category D: Valuation Advice;

Exhibit 3e – Category E: Debt Management; and

Exhibit 3f – Category F: Digital Forensic Services.

12.7.2 ARCH LEVER FILE 2

Exhibit 1

- B-BBEE Certificate; and
- SBD 6.1.

Exhibit 2

- Pricing Schedule; and
- Three (3) years audited/reviewed financial statements (a detailed explanation is required if statements are furnished for any lesser period).

13. EVALUATION AND SELECTION CRITERIA

SARS has set minimum standards (Gates) that a Bidder needs to meet in order to be evaluated and selected as a successful Bidder. The minimum standards consist of the following:

13.1 PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS' other critical requirements for this bid, bidder(s) must submit the documents listed in **Table 13A** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). A bidder(s) proposal may be disqualified for non-submission of any of the listed documents.

Table 13A: Pre-qualification Requirements

Name of the document that must be submitted	Non-submission may result in disqualification?
Proof of registration/membership with professional bodies where applicable	YES – Please submit proof
Tax Compliance status pin	YES – Submit Tax Compliance status pin
Proof of Central Supplier Database (CSD) Registration Report (preferably the CSD report in PDF format) from National Treasury.	YES – Bidders must register on Central Supplier Database System and submit the Report as confirmation of registration.

Name of the document that must be submitted	Non-submission may result in disqualification?
Pricing Schedule – Annexure B: Pricing Template	YES – Complete and sign the supplied pro-forma document. Submit full details of the pricing proposal to SARS in Annexure B.
Invitation to Bid – SBD 1	YES – Complete and sign the supplied pro forma document.
Declaration of Interest – SBD 4	YES – Complete and sign the supplied pro forma document.
Preference Point Claim Form – SBD 6.1	YES – Complete and sign the supplied pro forma document. Non-submission will lead to a zero score for B-BBEE.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES – Complete and sign the supplied pro forma document.
Certificate of Independent Bid Determination – SBD 9	YES – Complete and sign the supplied pro forma document
Supplier Cost and Risk Assessment Questionnaire	YES – Complete and sign the supplied pro forma document
SARS' s Oath of Secrecy	YES – Bidder(s) must complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page.
General Condition of Contract (GCC)	YES – Sign the supplied GCC.
Bidder Compliance Checklist Form for Technical Evaluation (Annexure A3)	NO – Complete and sign the supplied pro forma document to assist with ease of reference evaluation.

Only Bidder(s) that have met the Pre-Qualification Criteria in (Gate 0) will be evaluated in Gate 1 for Mandatory Requirements.

Table 13B: Mandatory Requirements

Name of the document that must be submitted	Non-submission may result in disqualification?
A minimum B-BBEE status level 4 certificate or sworn affidavit.	YES – Non-submission will result in disqualification.

Table 13C: B-BBEE Checklist

CLASSIFICATION	Codes	SUBMISSION REQUIREMENT
Exempted Micro Enterprise (EME)	Below R10 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by the Independent Regulatory Board for Auditors ("IRBA") or a letter from an Accounting Officer as contemplated in the CCA. A sworn affidavit
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA. A sworn affidavit
Large Entity (LE)	Above R50 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA.

13.2 TECHNICAL EVALUATION (GATE 1) = 100 POINTS

Functionality will be evaluated as follows:

Table 13D: Functionality Points

	Desktop Evaluation	Presentations (Case Studies)	Site Inspection
All categories (General)	Annexure A1 (30 points)		
Category A	Annexure A2 (35 points)	Annexure F (35 points)	
Category B	Annexure A3 (70 points)		
Category C	Annexure A4 (35 points)	Annexure F (35 points)	
Category D	Annexure A5 (35 points)	Annexure G (35 points)	
Category E	Annexure A6 (35 points)	Annexure H (35 points)	
Category F	Annexure A7 (35 points)		Annexure A8 (35 points)

Bidders that have met the threshold of 75 out of 100 points will proceed to Gate 2 for B-BBEE evaluation.

13.3 PRICE EVALUATION (GATE 2)

13.3.1 Price Analysis

Bidders must submit Annexure B - Rate cards for the category of interest. Price is not a disqualifier in this RFP. The bidders Rates will be evaluated for internal analysis and will form the basis for future engagement with the bidders during the MSA negotiations and as and when projects become available.

13.3.2 Methodology applicable to bidders' rates

13.3.2.1 Bidders' proposed rates are subject to negotiations;

13.3.2.2 SARS will analyse and compare bidder's proposed rates to establish Rate schedule range per category. This rate schedule will form part of the Master Service Agreement. The Rate schedule range will be derived as follows:

- PMIN – The Rand value of the lowest acceptable bid;
- PAVE – The Rand value of the average number of bids received; and
- PMAX – where applicable, the Rand value that are outliers may be excluded in accordance with section 13.3.2.4 to calculate the PAVE

Refer to Annexure B2: Example of the MSA Rate schedule range

- 13.3.2.3 Bidders be required to quote between the PMIN and PAVE rates for Specific Services Agreement.
- 13.3.2.4 The bidder's MSA rate schedule will be reviewed on the second (2nd) and fourth (4th) anniversary of the Agreement, at the discretion of SARS, and if necessary after a thorough consultation with the bidders in each Category. The review process will commence six (6) months prior to the anniversary of the Agreement; and
- 13.3.2.5 The bidders proposed rates must comply with the Cost Containment Measures of the National Treasury Instruction No. 2 of 2016/17.

13.4 B-BBEE EVALUATION (GATE 2)

Stage 2 – B-BBEE Evaluation (10 points)

Table 13E: B-BBEE Points allocation and required documents

Adjudication Criteria	Points
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1) and a B-BBEE Certificate	10

The checklist below indicates the B-BBEE documents that must be submitted for this Bid, failure to submit will result in scoring zero for B-BBEE.

Table 13F: B-BBEE Checklist

CLASSIFICATION	Codes	SUBMISSION REQUIREMENT
Exempted Micro Enterprise (EME)	Below R10 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by the Independent Regulatory Board for Auditors ("IRBA") or a letter from an Accounting Officer as contemplated in the CCA. A sworn affidavit
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA. A sworn affidavit

CLASSIFICATION	Codes	SUBMISSION REQUIREMENT
Large Entity (LE)	Above R50 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA.

Use and acceptance of Affidavits

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

Joint Ventures and Consortiums

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Tertiary Institutions and Public Entities

Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

Pre-qualification criteria

In line with the Governments objectives for the advancement of SMMEs and certain designated groups, a Pre-Qualification Criteria is being introduced for preferential procurement.

- The Pre-qualification criteria may stipulate that only one or more of the following tenderers may respond to this bid:
 - a) A tenderer having a stipulated minimum B-BBEE status level of contributor
 - b) An EME or QSE
 - c) A tenderer subcontracting a minimum of 30% to:
 - I. An EME or QSE which is at least 51% owned by black people
 - II. An EME or QSE which is at least 51% owned by black people who are youth
 - III. An EME or QSE which is at least 51% owned by black people who are women
 - IV. An EME or QSE which is at least 51% owned by black people with disabilities
 - V. An EME or QSE which is at least 51% owned by black people

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- VI. An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships
 - VII. A cooperative which is at least 51% owned by black people
 - VIII. An EME or QSE which is at least 51% owned by black people who are military veterans

A tender that fails to meet any qualifying criteria stipulated in the tender documents is NOT an acceptable tender

Sub-contracting

Compulsory sub-contracting of a minimum 30% of contracts or projects above R30 million to EMEs or QSEs.

Bidders who submit bids for contracts or projects above R30 million will have to comply fully with regulations 9 and 12 of the PPPFA Act with regard to sub-contracting.

- **Regulation 9 – Subcontracting as condition of tender**

- (1) If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.
- (2) If an organ of state applies subcontracting as contemplated in sub-regulation (1), the organ of state must advertise the with a specific tendering condition that the successful tenderer must sub a minimum of 30% of the value of the contract to:
 - a) An EME or QSE
 - b) An EME or QSE which is at least 51% owned by black people
 - c) An EME or QSE which is at least 51% owned by black people who are youth
 - d) An EME or QSE which is at least 51% owned by black people who are women
 - e) An EME or QSE which is at least 51% owned by black people with disabilities
 - f) An EME or QSE which is at least 51% owned by black people living in rural or underdeveloped areas or townships
 - g) Bnbn66yA cooperative which is at least 51% owned by black people
 - h) An EME or QSE which is at least 51% owned by black people who are military veterans
 - i) More than one of the categories referred to in paragraphs (a) to (h)
- (3) The organ of state must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods and services in respect of the applicable designated groups mentioned in sub-regulation (2) from which the tenderer must select a supplier.

The discretionary 25% or more subcontracting it is still applicable (Regulation 12). Nothing prevents organs of state from enforcing subcontracting to contracts or projects below R30 million.

- **Regulation 12 – Subcontracting after award of tender**

- (1) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- (2) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- (3) 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.

14. AGREEMENTS

14.1 GENERAL CONDITIONS OF CONTRACT

Any award made to a Bidder under this bid is conditional, amongst others, upon:

- 14.1.1** such Bidder as a minimum accepting the terms and conditions set out in the General Conditions of Contract (GCC), which forms part of this tender pack;
- 14.1.2** such Bidder accepting all terms and conditions applicable to the provision of Expert Advisory Services as set out in this RFP document;
- 14.1.3** such Bidder accepting that SARS reserves the right to vary the aforesaid terms and conditions during the course of the contract negotiations with a successful Bidder/s (including for purposes of better giving effect to the objectives of this bid) and further that pending the conclusion and signing of a Services Agreement, the successful bidder will be bound by the terms and conditions of the SARS General Conditions of Contract; and

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- 14.1.4** such Bidder will be expected to sign the SARS Oath of Secrecy and further undertakes, at all times during the existence of the contract or any renewal thereof or after termination thereof, not to reveal any confidential or sensitive information or knowledge concerning SARS or clients of SARS.

14.2 MASTER SERVICES AGREEMENT

The draft Master Services Agreement constitutes the terms and conditions upon which SARS is prepared to contractually engage the prospective Bidder(s) to render the services under this bid. Bidders are requested to:

- 14.2.1** Indicate their acceptance of the terms and conditions set out in the draft Master Services Agreement, alternatively to propose required changes to such terms and conditions;
- 14.2.2** Each comment and/or amendment must be fully explained; and,
- 14.2.3** All changes and/or amendments to the draft Master Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.

SARS reserves the right to accept or reject any or all changes or amendments proposed by Bidders. In addition, SARS reserves the right to change, amend or add to the terms and conditions of the draft Master Services Agreement.

14.3 SPECIAL CONDITIONS OF THIS BID

14.3.1 SARS reserves the right:

- 14.3.1.1** Not to award or to cancel this bid at any time and shall not be bound to accept the lowest or any bid;
- 14.3.1.2** To negotiate with one or more Preferred Bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Bidder(s) who has not been awarded the status of the Preferred Bidder(s);
- 14.3.1.3** To accept part of a Bid rather than the whole Bid;
- 14.3.1.4** To cancel and/or terminate the Bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after Bids have been evaluated and/or after the preferred Bidder(s) have been notified of their status as such;
- 14.3.1.5** To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the Bidder(s), whether before or after adjudication of the Bid;
- 14.3.1.6** To correct any mistakes at any stage of the Bid that may have been in the Bid documents or that occurred at any stage of the Bid process; and

14.3.1.7 To reduce the duration of contract before appointment of the successful bidders on the panel, in which case such bidders will be informed thereof beforehand.

14.3.2 SARS requires bidder(s) to declare

In a Bidder's Technical response, the Bidder is required to:

14.3.2.1 Confirm that the Bidder will:

- Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
- Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- Act with circumspection and treat SARS fairly in a situation of conflicting interests;
- Comply with all applicable statutory or common law requirements applicable to the services;
- Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with SARS;
- Avoid fraudulent acts and misleading advertising, canvassing and marketing;
- Conduct its business activities with transparency and consistently upholding the interests and needs of SARS as a client before any other consideration; and
- Ensure that any information acquired by the Bidder(s) from SARS will not be used or disclosed unless the written consent of SARS has been obtained to do so.

14.3.3 Conflict of interest, corruption and fraud

SARS reserves its right to disqualify any Bidder who either itself or any of whose members (save for such members who hold a minority interest in the Bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the Bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of SARS or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity"):

14.3.3.1 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 Bid;

14.3.3.2 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;

14.3.3.3 Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of SARS's officers, directors, employees, advisors or other representatives;

14.3.3.4 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;

14.3.3.5 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;

14.3.3.6 Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;

14.3.3.7 Has in the past engaged in any matter referred to above; or

14.3.3.8 Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such Bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

14.3.4 Misrepresentation during the tender process and Lifecycle of the Contract

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

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

14.3.5 Preparation Costs

The Bidder will bear all its costs in preparing, submitting and presenting its response to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing SARS, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the Bidders in the preparation of their response to this bid.

14.3.6 Indemnity

If a Bidder breaches the conditions of this bid and, as a result of that breach, SARS incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the 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.

14.3.7 Precedence

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

14.3.8 Limitation of Liability

A Bidder participates in this bid process entirely at its own risk and cost. SARS shall 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 bid process.

14.3.9 Tax Compliance

No tender shall be awarded to a Bidder whose tax affairs are not in order. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful Bidder in the event that it is established that such Bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent Tax Clearance Certificate ("TCC") to SARS. SARS further reserves the right to cancel a contract with a successful Bidder in the event that such Bidder does not remain tax compliant for the full term of the contract. The Bidder will be required to submit a new tax clearance certificate upon expiry of a previous TCC.

14.3.10 National Treasury

No tender shall be awarded to a Bidder whose name (or any of its members, directors, partners or trustees), appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. SARS reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a Bidder has been blacklisted with National Treasury by another government institution.

14.3.11 Governing Law

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

14.3.12 Responsibility for Sub-contractors and Bidder's Personnel

A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and the personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that SARS allows a Bidder to make use of sub-contractors, such sub-contractors 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 or caused by such sub-contractors.

14.3.13 Confidentiality

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a Bidder's Tender(s) will be disclosed by any Bidder or other person not officially involved with SARS's examination and evaluation of a Tender.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by SARS remain proprietary to SARS and must be promptly returned to SARS upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, Bidders must secure SARS's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

No confidential information relating to the process of evaluating or adjudicating Tenders or appointing a Bidder will be disclosed to a Bidder or any other person not officially involved with such process.

14.3.14 SARS Proprietary Information

Bidders must on their Bid cover letter make a declaration that they did not have access to any SARS proprietary information or any other information that may have unfairly placed that Bidder in a preferential position in relation to any of the other Bidders.

14.3.15 Screening and Vetting of Bidders

Acceptance of this tender is subject to the condition that both the contracting firm and its personnel providing the service must be screened and cleared by appropriate authorities to the grade of clearance in line to classified information, intelligence in the possession of SARS and areas designated as National Key Points that they may have. Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a subcontractor, the same process and measures will apply to the subcontractor.