

REQUEST FOR PROPOSAL

RFP RFP-0031/2019

PROVISION OF THE TRANSFER PRICING BENCHMARKING TOOL

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Summary, Guidelines, Conditions and Instructions

The South African Revenue Service (“**SARS**”) invites certain qualified persons (“**Bidders**”) to submit tenders and proposals (“**Tenders**”) in accordance with the rules set out in this RFP for the supply of the:

- Provision of a Transfer Pricing Benchmarking Tool to SARS during the term of the agreement.

1 STRUCTURE OF THE RFP PACK

1.1 Structure

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

Section	Description of section contents
1	Documents outlining the RFP background, conditions, instructions and documents necessary for the Bidder to register for the Bidders briefing session.
2	Standard Bid Documents (SBDs). These documents are required by SARS Procurement and National Treasury to be read and to be returned as part of the Bidder's Tender response.
3	Documents outlining the business requirements, technical requirements and other information required by the Bidder to submit a Tender response.
4	The proposed agreement under which SARS wishes to contract the services.
5	Response templates. Templates that are required to form part of the Bidder's Tender response.

2 KEY DATES AND ACTIVITIES

The table below lists certain key dates and activities relevant from time of issuance of the RFP up to and until the Closing Date:

No	Description	Start Date/Time
1.	RFP is issued	24 July 2020
2.	RFP uploaded on SARS Website	29 July 2020
3.	Bidders Non-Compulsory briefing session	06 August 2020 @ 12:00 pm
4.	Bidders to submit written questions	31 July 2020 – 14 August 2020
5.	Tenders due (the “ Closing Date ”)	25 August 2020 @ 11:00 am

All dates and times in this RFP are South African Standard Time.

Any time or date in this RFP is subject to change at SARS's discretion. The establishment of a time or date in this RFP does not create an obligation on the part of SARS to take any action, or create any right in any way for any Bidder to demand that any action be taken on the date established, or on any other date. The Bidder accepts that; if SARS extends the deadline for RFP submission for any reason, the requirements of this RFP otherwise apply equally to the extended deadline.

3 SARS'S REQUIREMENTS

3.1 Introduction

SARS's mandate under the South African Revenue Service Act 34 of 1997 includes the collection of all revenues that are due, ensuring maximum compliance with revenue legislation and providing a customs service that will maximise revenue collection, facilitate trade and protect the borders of South Africa. SARS's vision is to be an innovative revenue and customs agency that enhances economic growth and social development and 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.

3.2 Overview of SARS's Requirements

The scope of the software/database is required to provide an end to end solution for benchmarking or providing comparable data to enable SARS to perform benchmark studies on transactions between connected persons, where one of the entities is a tax resident.

It is envisaged that following award of the tender and subsequent contract, a detailed design phase will be undertaken to define specific business requirements and functional specifications based on the appointed Bidder's proposed solution. The solution design considers SARS current Transfer pricing situation, the associated risks and SARS strategic direction to mitigate such risks.

4 SARS'S APPROACH TO THIS RFP

4.1 Objectives

SARS's primary objective in issuing this RFP is to conclude one or more service agreements with successful Bidders that will achieve the following:

- 4.1.1 best value for money;
- 4.1.2 the sustainable supply of Services; and
- 4.1.3 the meeting of SARS's current requirements (at a minimum) and providing for flexibility to meet SARS's future needs related to the scope.

5 BIDDING QUALIFICATION

5.1 Introduction

SARS has a detailed evaluation methodology premised on Treasury Regulation 16A3 of the Public Finance Management Act 1 of 1999, which prescribes that SARS' procurement processes be:

- 5.1.1 economical, efficient, fair, equitable, transparent, competitive and cost effective;
- 5.1.2 consistent with the Preferential Procurement Policy Framework Act 5 of 2000, read together with the Preferential Procurement Regulations, 2011; and
- 5.1.3 consistent with the Broad-Based Black Economic Empowerment Act 53 of 2003.

In furtherance of this evaluation methodology, the following bidding qualifications set out further in this paragraph 5 will apply.

5.2 Central Supplier Database ("CSD")

- 5.2.1 Service Providers and suppliers who wish to render services to SARS will no longer register at SARS directly. Suppliers will have to register on National Treasury Central Supplier Database ("CSD") as per National Treasury Circular No 3 of 2015/6 – Central Supplier Database.
- 5.2.2 National Treasury will maintain the database for all suppliers for Government and its institutions.
- 5.2.3 All existing and prospective suppliers are requested to self- register on the CSD by accessing the National Treasury website at www.CSD.gov.za.
- 5.2.4 As part of the bid submission, bidders are required to submit their CSD number with their submission.

5.3 Bidding Qualification

- 5.3.1 Prospective Bidders who cannot, or do not, satisfy all of the conditions contained in paragraphs 5.3.1.1 to 5.3.1.2 should not submit bid proposals. If a Bidder is found not to meet any one of the requirements listed in paragraphs 5.3.1.1 to 5.3.1.2 then that Bidder's Tender will be rejected without any further consideration, at SARS' sole discretion.
 - 5.3.1.1 SARS is only interested in organisations that take accountability for service delivery. To avoid issues encountered where a single entity cannot provide the warranties of performance required or be held accountable for performance, SARS will not consider Tenders submitted by a consortium or a special purpose vehicle constituted only for the purpose of responding to this RFP.

- 5.3.1.2 The Bidder must be fully tax compliant and must submit a valid and original Tax Clearance Certificate as part of its Tender. The Bidder's attention is further drawn to the requirement that the successful Bidder must ensure that it remains compliant with all South African Tax and Customs laws and regulations throughout the Term, and a failure to do so will be a material breach of the Agreement.
- 5.3.1.3 The Bidder must comply with all applicable legislation in the Republic of South Africa in the performance of its daily activities, including but not limited to labour legislation and bargaining council agreements, health and safety regulations and environmental laws.
- 5.3.1.4 In respect of international (foreign) bidders, such bidder must abide by the Equity Equivalent Programmes for Multinationals as well as create beneficiation within South Africa for the duration of the contract.
- 5.3.2 Subject to sub-paragraph 5.3.3 below, SARS will 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"):
 - 5.3.2.1 engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Bidder in respect of the subject matter of this RFP;
 - 5.3.2.2 seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
 - 5.3.2.3 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;
 - 5.3.2.4 makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
 - 5.3.2.5 accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
 - 5.3.2.6 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;

- 5.3.2.7 has in the past engaged in any matter referred to in sub-paragraphs 5.3.2.1 to 5.3.2.6 foregoing; or
- 5.3.2.8 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.
- 5.3.3 SARS in its sole discretion will be entitled (but not obliged) to exempt, in writing, a Bidder from disqualification in terms of sub-paragraph 5.3.2.7 foregoing. A Bidder that stands to be disqualified in term of sub-paragraph 5.3.2.7.6 foregoing may, prior to submitting a Tender, approach SARS in writing for an exemption as foresaid, in which event:
 - 5.3.3.1 the Bidder is required to provide SARS with full information to enable SARS to consider such application for exemption; and
 - 5.3.3.2 SARS will not be obliged to consider any such application or to grant any exemption, such consideration or granting of exemption being solely within SARS's discretion.
- 5.3.4 By submitting a Tender the Bidder represents to SARS that it does not stand to be disqualified in terms of paragraph 5.3.1 foregoing, unless it has otherwise applied for exemption or been exempted in terms of paragraph 5.3.3 foregoing.
- 5.3.5 SARS will reject a Bidder's Tender without any further consideration where that Bidder makes culpable misrepresentation to SARS in its Tender or at any stage during this RFP process.
- 5.3.6 SARS may disqualify a Bidder:
 - 5.3.6.1 whose Tender contains a negligent misrepresentation which is materially incorrect or misleading;
 - 5.3.6.2 in respect of whom any of the 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 through shares listed on a recognised stock exchange), directors or members of senior management are not in full compliance with all applicable laws relating to taxation in South Africa, in which regard SARS further reserves the right to require the Bidder to submit a valid tax clearance certificate in respect of any one or more such persons;
 - 5.3.6.3 whom SARS considers to be directly or indirectly owned, controlled or managed by persons who are not acceptable to SARS from an ethical, business or governance perspective;
 - 5.3.6.4 who had access to any of SARS's proprietary information or any other matter that may have unfairly placed that Bidder in a preferential position in relation to any of the other Bidders;

- 5.3.6.5 who materially fails to comply with any conditions or requirements of this RFP;
- 5.3.6.6 who in SARS's opinion has either materially failed to comply with any of the conditions of any existing or past agreement between such Bidder and SARS or who has performed unsatisfactorily under any such agreement;
- 5.3.6.7 who fails to respond as required to written notices given by SARS in connection with its Tender under this RFP; or
- 5.3.6.8 where there is conflict between the Specification and/or any documentation published along with this document. The Provision of this document take precedence overall.

6 BID SUBMISSION

6.1

- 6.1.1 Bids must be properly received and deposited in the below mentioned tender box on or before the closing date and before the closing time at the Tender Submission Office situated at:

Sars Procurement Centre

Brooklyn Bridge

Linton House - Ground Floor

570 Fehrsen Street

Brooklyn, Pretoria

- 6.1.2 Bid documents may either be posted to The Tender Office - SARS Procurement Department, Linton House, 570 Fehrsen Street, Brooklyn Bridge, Brooklyn, Pretoria, 0181 OR placed in the tender box at the main entrance at the aforesaid address.

- 6.1.3 Attendance of the briefing session is non-compulsory. The non-compulsory briefing session will be held via webex with the details provided below:

Non-Compulsory Briefing Session for RPF 0031/2019 - Provision of the Transfer Pricing Benchmarking Tool.

Hosted by sars.webex3@sars.gov.za sars.webex3@sars.gov.za

Thursday, Aug 6, 2020 12:00 pm | 2 hours 30 minutes | (UTC+02:00) Harare, Pretoria

Meeting number: 163 549 0692

Password: e3YikfmFR27

<https://sarsmeetings.webex.com/sarsmeetings/j.php?MTID=m516d9896d75455454f26950c10746dd3>

Join by video system

Dial [1635490692@sarsmeetings.webex.com](tel:1635490692)

You can also dial 62.109.219.4 and enter your meeting number.

Join by phone
+27-21672-2339 South Africa Toll
+27-11-019-7059 South Africa Toll 2

Access code: 163 549 0692

- 6.1.4 Tender documents will only be considered if received by the Tender Office before the Closing Date and time, regardless of the method used to send or deliver such documents to SARS.
- 6.1.5 Late tenders will not be accepted and shall be returned to bidders, after being recorded by the Tender Office as such.
- 6.1.6 In this RFP document the terms “shall” and “must” indicate a mandatory requirement. Bidder compliance with mandatory requirements are essential. Failure to comply with such requirements can lead to the disqualification of a Bidder. The terms “should” or “may” indicate desirable or advisory requirements. Bidder compliance with such terms may lead to an increase in a Bidder’s technical score.
- 6.1.7 All tenders and supporting documentation must be submitted in English.
- 6.1.8 All costs incurred during the preparation and compilation of a Bidder’s proposal, as well as the delivery of a Bidder’s tender documents to SARS will be borne exclusively by the Bidder.
- 6.1.9 Tender must be valid for a minimum period of 180 days from the closing date of the tender.
- 6.1.10 The contract duration will be 5 years from contract commencement.

6.2 TENDER COMPLIANCE

- 6.2.1 The Bidder’s attention is drawn to the following documents in TABLE 1 which are required as part of a Bidder’s Tender and which, if omitted, shall at SARS’s sole discretion result in that Tender being disqualified:

TABLE 1- PRE-QUALIFICATION REQUIREMENTS

	Name of the document that must be submitted	Non-submission may result in disqualification?
1	Proof of Registration with Central Supplier Database (CSD)	YES – Please complete and sign the supplied pro forma document.
2	Invitation to bid – SBD 1	YES – Please complete and sign the supplied pro forma document.
3	Pricing Schedule – SBD 3.3	YES – Please submit full details of pricing proposal to SARS on Annexure B.
4	Declaration of Interest – SBD 4	YES - Please complete and sign the supplied pro forma document.
5	SBD 6.1 – Preference Point Claim Form	No– Non-submission will lead to a zero score on BEE.
6	Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES - Please complete and sign the supplied pro forma document.
7	Certificate of Independent Bid Determination – SBD 9	YES - Please complete and sign the supplied pro forma document
8	SARS's Oath of Secrecy	YES – Please complete and sign the supplied pro forma document in the presence of Commissioner of Oaths and initial every page.
9	BEE certificate	No – Non-submission will lead to a zero score on BEE.
10	Supplier Cost and Risk Assessment Questionnaire	YES – Please complete and sign the supplied pro forma document
11	Bidders are required to submit a complete set of audited/independently reviewed annual financial	

	<p>statements for three (3) most recent financial periods in the name of the bidding entity.</p> <p>The annual financial statements must contain:</p> <ul style="list-style-type: none"> • Statement of Comprehensive Income • Statement of Financial Position • Statement of Cash Flows • Accompanying Notes <p>Entities which are trading for less than three (3) financial periods should provide:</p> <ul style="list-style-type: none"> • a letter detailing the fact, signed by a duly authorised representative of the entity; and • any other information or documentation which would provide more clarity on the financial history of the bidder. <p>In the event that the subsidiary is the bidding entity and submits the financial statements of the holding company for financial evaluation purposes, the holding company must furnish a Performance Guarantee that is signed by a duly authorised representative of the entity.</p> <p>In the event of the bid being in the form of a Joint Venture (JV) or special purpose vehicle (SPV), the following is required:</p> <p>Annual financial statements of the JV; and JV legal agreement detailing the percentage ownership of each entity.</p> <p>SARS retains the right to request further information with regards to the annual financial statements at a later stage.</p>	
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6.3 Question and Answer Process

- 6.3.1 Between the dates given in the table in paragraph 2, SARS will accept questions sent by Bidders by email to address: tenderoffice@sars.gov.za . SARS will respond to these questions, provided that SARS will not be obliged to respond to a question

should it choose not to do so. Where SARS responds to a question, it will do so by publishing the question and response on the SARS procurement website. The identity of a Bidder who has directed a question to SARS will not be disclosed by SARS in such responses.

- 6.3.2 SARS may issue updated versions of documents issued in the RFP pack and/or may issue additional documentation to form part of the RFP pack. Such re-issued or additional documentation will be published on the SARS procurement website. It is the Bidder's responsibility to visit the SARS procurement website at regular intervals to ensure that the Bidder uses the latest versions of documents in the RFP pack.
- 6.3.3 Depending on SARS' assessment of the nature and extent of Bidders' questions during the Question and Answer process, SARS may schedule additional compulsory or optional briefing sessions.
- 6.3.4 The SARS procurement website must be treated as primary means of communication by SARS to registered Bidders. Communications to registered Bidders made by email are made as a courtesy. In the event of any communication received by the Bidders that is in conflict with communications posted on the SARS procurement website, the SARS procurement website communication will prevail.

7 EVALUATION AND SELECTION

7.1 Process after Closing Date

After the Closing Date in paragraph 2:

- 7.1.1 SARS may request additional information, clarification or verification in respect of any information contained in or omitted from a Bidder's Tender, which SARS may do either in writing or at a meeting convened with the Bidder for that purpose;
- 7.1.2 SARS may conduct a due diligence on any Bidder, which may include interviewing customer references or performing other activities to verify a Bidder's submitted or other information and capabilities (including visiting the Bidder's various premises and/or production sites to verify certain stated facts or assumptions) and in which regard the Bidder will be obliged to provide SARS with all such access, assistance and/or information as SARS may reasonably request. The Bidder shall respond within the timeframes set by SARS, failing which SARS reserves the right not to consider the Bidder's Tender any further;
- 7.1.3 No material amendment/s may be made to a Tender, unless specifically permitted or requested by SARS;
- 7.1.4 SARS may shortlist Bidders and may request presentations from such short-listed Bidders. All costs relating to the preparation of such presentations will be borne by the Bidders;
- 7.1.5 SARS may enforce whatever measures it considers necessary to ensure the confidentiality and integrity of the contents of the respective Tenders;
- 7.1.6 SARS will evaluate the Tenders with reference to SARS's Evaluation Criteria. SARS

reserves the right to employ subject matter experts to assist in performing such evaluations.

7.2 SARS's Pre-qualification Criteria – Gate 0

- 7.2.1 SARS has defined minimum pre-qualification criteria that must be met by the Bidder in order for SARS to accept a Tender for evaluation. In this regard a pre-evaluation verification will be carried out by SARS in order to determine whether a Tender complies with the provisions of paragraphs 5.2, 6.2 and 1.1, in the technical evaluation criteria table:
- 7.2.2 Where there is a failure to comply fully with any of the pre-qualification criteria, or SARS is for any reason unable to verify whether the pre-qualification criteria are fully complied with, SARS will have the right to either:
- 7.2.3 reject the Tender in question and not to evaluate it at all;
- 7.2.4 give the Bidder an opportunity to supplement the information and/or documentation provided by it under its Tender so as to achieve full compliance with the pre-qualification criteria, provided that such information and/or documentation can be provided within a period of 7 (seven) days and is purely administrative in nature;
- 7.2.5 in any event permit the Tender to be evaluated, subject to the outstanding information and/or documentation being submitted prior to the award of the tender.

7.3 SARS's Technical Evaluation Criteria – Gate 1

- 7.3.1 Only bidders that have met the pre-qualification criteria in (gate 0) will be evaluated in gate 1 for technical adjudication criteria. In the technical analysis criteria, bidders will need to attain a minimum of **74** out of 100 points to proceed to the next Gate (**Gate 2**), i.e. Price and BEE.

TABLE 2 - TECHNICAL EVALUATION CRITERIA

Technical Evaluation Criteria					
No.	Criterion	Description	Evaluation values	100% Weighting	RATING SCALE
TECHNICAL SPECIFICATIONS					
1 1.1	End to end solution	Means that the provider of an application program, software and system will supply all the software as well as hardware requirements of the customer such that no other vendor is involved to meet the needs.	These represent the minimum set of requirements: 1. The solution should be managed and handled by only one vendor, working from beginning to completion, without the direct involvement of any other third party. 2. The whole package should be provided by a single solution provider and should contain data from 2000 3. The solution should include pricing and margin based information on manufacturing of goods, distribution of goods, financial assistance, services, royalty agreements and other cross border transactions, which: 4. Should enable benchmark studies to be conducted on affected transactions	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8

1.2	Data Comparability Factors and Database filter options	Refers to factors that render companies comparable in how they conduct their business, provide services or use intangible assets.	<p>A. Comparability factors for the right to use or sell an intangible should take into account:</p> <ul style="list-style-type: none"> • Name of the licensee; • Name of the licensor; • Type of intangible; • Licensor's responsibilities regarding the licence; • Licensee's activities responsibilities in relation to the licence; • Description of the intangible; • Geographical scope coverage; • Royalty rates (percentage, unit cost or amount); • Base to calculate the rate; • Formula used to calculate the compensation; • Agreement date; • Effective date; • Date of cessation; • Duration of the licence; • Exclusivity; • Usage restrictions; • Legal protection; • Useful life; • Research & Development functions; and • Protection of intangibles. 	6	<p>a) Does not meet criteria=0 b) Meet 1 to 14 of Criteria=2 c) Meet 15 to 19 of Criteria=4 d) Full Criteria Met (20)=6</p>
			<p>B. Comparability factors for financial assistance (including loans, guarantees etc.) should take into account:</p> <ul style="list-style-type: none"> • Lender's name; • Borrower's name; • Transaction type (loans, bonds, etc); • Transaction description; • Industry in which the borrower operates; • Location where the borrower is based; • Borrower's credit rating; • Amount of the financial assistance; • Base currency applicable; • Term of the agreement; • Maturity date; • Interest rate types; • Base rate margin; • Other margins; • Facility fee rate; • Collateral or security; • Repayment option; • Repayment terms; • Late payment interest. 	6	<p>a) Does not meet criteria=0 b) Meet 1 to 14 of Criteria=2 c) Meet 15 to 18 of Criteria=4 d) Full Criteria Met (19)=6</p>

			<p>C. Comparability factors for transactions, relating to the distribution and manufacturing of goods and the rendering of services, excluding intangibles and financial assistance:</p> <p>a. The solution should allow for the following to be used as keywords in filtering the information when performing a benchmark search or when conducting a once off search:</p> <ul style="list-style-type: none"> • Data source; • Financial year cut-off; • Activity; • Keywords; • Search using company name; • Company status; • Industrial classification – NACE; • Industrial classification – SIC; • Entity type; • Key financial ratios; • Employees; • Intellectual property type; • Term of the license; • Exclusivity; • Industry; • Ultimate ownership; • Location; • Year of incorporation; • Full-text search; and • Boolean search. 	6	<p>a) Does not meet criteria=0 b) Meet 1 to 14 of Criteria=2 c) Meet 15 to 19 of Criteria=4 d) Full Criteria Met (20)=6</p>
			D. Listed and market pricing information on all the major commodities produced and sold across the word.	4	<p>a) Does not meet criteria=0 b) Full Criteria Met=4</p>
2	Size of the database	Refers to the total number of companies on the database and total number of agreements on the database.	1) The solution/database should have as a minimum at least 5 000 000 companies and a minimum of at least 10 000 royalty agreements, 5000 loan agreements and all major commodity indexes and market prices.	6	<p>a) Does not meet criteria=0 b) Full Criteria Met=6</p>
3	Quantitative and Qualitative screening	Qualitative screening refers to observation to gather non-numerical data. Quantitative screening refers to information about quantities; that is, information that can be measured and written down with numbers.	<p>The bidder must provide:</p> <p>1. Qualitative screening:</p> <ul style="list-style-type: none"> • Background of the business activities of the companies • Company history • Company structures • Industry specific information about the companies • Products and services offered by the companies • Current directors and managers information <p>2. Quantitative screening:</p> <ul style="list-style-type: none"> • Financial statements prepared in accordance with IFRS or local GAAP • Consolidated and Unconsolidated accounts • Key financial ratios, which should include Gross profit margins, profit margins, operating profit margins, Return of assets, Return on equity, Solvency ratios, EBIT margin, EBITDA margin, operational ratios, net asset turnover, Liquidity ratios etc. 	6	<p>a) Does not meet criteria=0 b) Meet 1 to 6 of Criteria=2 c) Meet 7 or 8 of Criteria=4 d) Full Criteria Met (9)=6</p>

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4	SIC and NACE codes	Refers to industry classification codes, SIC refers to Standard Industrial Classification Code designed by the US government to classify industries. NACE refers to Nomenclature of Economic Activities, the European statistical classification of economic activities.	1. The solution should cover a broad spectrum of industries classified using US SIC codes, NACE codes (including NAIC 2017 codes).	6	a) Does not meet criteria=0 b) Full Criteria Met=6
5	Final Report on all search criteria or search steps followed	Refers to a report which details the entire search criterion that we applied when performing the benchmark study.	1. The solution/database should provide a comprehensive report detailing all the search steps followed when conducting the search strategy. The report can be either in excel or word format or in a format that is compatible with SARS systems. SARS should be able to rely on the report when raising assessments on taxpayers.	6	a) Does not meet criteria=0 b) Full Criteria Met=6
6	Final Report on all rejected companies together with supporting documentation	Refers to a report which details all the rejected companies including supporting information when performing a benchmark study.	1. The report should include all companies which have been rejected during the search and the reasons for rejection should accompany this report.	6	a) Does not meet criteria=0 b) Full Criteria Met=6
7	OECD Transfer Pricing methods	Transfer pricing methods that can be used to determine arm's length prices and margins between connected parties.	1. The final report should have the ability to perform and document a method selection analysis, through consideration of all the relevant OECD Transfer Pricing methods, which should be incorporated throughout the database. These methods include: • CUP; • RSPM; • CPM; • TNMM; and • TPSM	6	a) Does not meet criteria=0 b) Full Criteria Met=6
8	Data Management and Interfacing	Refers to the receipt, storing, processing, analysis and reporting of the data that is generated by the transfer pricing tool.	1 This should be an administrative process that includes acquiring, validating, storing, protecting, and processing required data to ensure the accessibility, reliability, and timeliness of the data for its users. 2 The capability should include detailed documentation of all the search steps and processes followed in deriving at the final set of comparable data. Historical data capability.	4	a) Does not meet criteria=0 b) Full Criteria Met=4
9	Training and Service Support and Maintenance	Refers to the training and service and support that the solution provider will provide SARS.	1. The solution provider should be available to provide training on how to operate the solution. 2. The solution provider should be able to assist at any given moment should the users require any assistance. 3. Where there are any changes to the solution, the solution provider should provide training to equip the users on those changes.	4	a) Does not meet criteria=0 b) Full Criteria Met=4

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10 10.1	Information Security Governance	Refers to Information Security Governance	<ol style="list-style-type: none"> 1. The solution provider must confirm if they conform to King 1/2/3/4 reports on governance. 2. The solution provider must provide an overview of information security policy, standards and process (SOP) implementation. 3. The solution provider must confirm if information security awareness is performed. 4 The solution provider must confirm audit, risk assessment and vulnerability assessment processes. This includes confirmation that SARS can perform audits/assessment at any time. 	8	<ol style="list-style-type: none"> a) Does not meet criteria=0 b) Meet 1 Criteria=2 c) Meet 2 Criteria=4 d) Meet 3 Criteria=6 e) Full Criteria Met=8
10.2	Information Security	Refers to Information Security	<ol style="list-style-type: none"> 1. The solution provider must provide an overview of logical access control measures. 2. The solution provider must provide an overview of data protection measures. 3. The solution provider must provide an overview of technical support, problem-, change management processes, including patch management. 4. The solution provider must provide an overview of malicious code (viruses, malware, ransomware etc.) measures. 5. The solution provider must provide an overview of network security measures. 6. The solution provider must provide an overview of application security measures. 7. The solution provider must provide an overview of back up, disaster recovery and business continuity measures. 8. The solution provider must provide an overview of IT asset management, including compliance to license agreements. 	8	<ol style="list-style-type: none"> a) Does not meet criteria=0 b) Meet 1 Criteria=2 c) Meet 2-3 Criteria=4 d) Meet 4-6 Criteria = 6 e) Full Criteria Met=8
11	Legislative alignment	The solution needs to be flexible enough to be able to cater for legislative requirements i.e. certain elements of the solution can be changed to cater for flexibility and alignment to legislation	<ol style="list-style-type: none"> 1. The solution needs to be flexible enough to be able to cater for legislative requirements i.e. certain elements of the solution can be changed to cater for flexibility and alignment to legislation 	4	<ol style="list-style-type: none"> a) Does not meet criteria=0 b) Full Criteria Met=4
12	Local Development	<p>The solution provider should elaborate on how they intend developing local capacity and capability. Scoring will be based on:</p> <ul style="list-style-type: none"> • Setting up a local presence and office • level of local employment 	<ol style="list-style-type: none"> 1. The solution provider should elaborate on how they intend developing local capacity and capability. Scoring will be based on: <ul style="list-style-type: none"> • Setting up a local presence and office • level of local employment 	2	<ol style="list-style-type: none"> a) Does not meet criteria=0 b) Meet 1 Criteria=1 c) Full Criteria Met=2
13	Demonstrated Capacity	The solution provider must prove to SARS the solution's capability by means of a mock-up demonstration.	<ol style="list-style-type: none"> 1. The solution provider must demonstrate to SARS their ability to deliver on the required technical criteria (as stipulated in this document) by either: <ul style="list-style-type: none"> • Physical presentation of the prototype and technology to a panel of evaluators; and/or • Live video conferencing showing a facility where the solution has been implemented successfully. 	4	<ol style="list-style-type: none"> a) Does not meet criteria=0 b) Full Criteria Met=4
TOTAL				100	100

7.4 SARS's Pricing and BEE Evaluation – Gate 2

- 7.4.1 In the second stage of the evaluation, Tenders that passed the prescribed technical threshold will be evaluated in terms of the 80/20 preference points system under section 2 of the Preferential Procurement Policy Framework Act, 2000, read with the Preferential Procurement Regulations, 2017.

Criterion	Points
BBBEE status	20
Price	80

Stage 1 – Price Evaluation (80 points).

Adjudication Criteria	Points
Price Evaluation $P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	80

Where

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

Stage 2 – BEE Evaluation (20 points)

Adjudication Criteria	Points
BEE Evaluation (BEE Certificate and/or submission of SBD 6.1)	20

B-BBEE BID REQUIREMENTS

In line with the requirements of the Preferential Procurement Regulations, 2017 to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) [the “PPPFA”] tenders that have achieved the minimum qualifying score for functionality will be evaluated further in terms of the prescribed preference point systems:

- (i) Regulation 6 - 80/20: A maximum of 20 points may be allocated to a bidder; or
- (ii) Regulation 7 - 90/10: A maximum of 10 points may be allocated to a bidder.

BID EVALUATION PROCESS GATE 2: B-BBEE EVALUATION

Stage 2 – B-BBEE Evaluation (20 points)

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

Adjudication Criteria	Points
A duly completed Preference Point Claim Form: SBD 6.1 and a B-BBEE Certificate.	20

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

Classification	Turnover	Submission Requirement
Exempted Micro Enterprise (EME)	Below R10 million p.a.	Sworn affidavit or a certificate from Companies and Intellectual Property Commission (“CIPC”) or a certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Sworn affidavit – Only 51% Black Owned (BO) and above, or certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.
Large Entity (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.

Failure on the part of a Bidder to submit a B-BBEE Status Level Verification Certificate from a verification agency accredited by the South African Accreditation System (SANAS), or a sworn

affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

Bidders who do not claim preference points will be scored zero for BEE but cannot be excluded from the tender process, for that reason.

Use and acceptance of Affidavits

Please note that sworn affidavits must be signed by the Bidder's representative and attested to by a Commissioner of Oaths.

SARS reserves the right to request that Bidders submit their Black ownership and turnover information in support of their sworn affidavits.

Joint Ventures and Consortiums

A trust, consortium or joint venture (including unincorporated consortia and joint ventures) will qualify for points for their B-BBEE status level, provided that the entity submits their consolidated B-BBEE Status Level Verification Certificate / scorecard and that such consolidated B-BBEE Certificate / scorecard is prepared for every separate bid.

Subcontracting

BIDDERS WHO WANT TO CLAIM PREFERENCE POINTS WILL HAVE TO COMPLY FULLY WITH REGULATIONS 12(3) OF THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017 WITH REGARD TO SUBCONTRACTING:

Regulation 12(3)

A person awarded a contract may not subcontract 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 of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

Proof of Existence: Joint Arrangements and/or Subcontracting

Bidders must submit concrete proof of the existence of joint arrangements and/or subcontracting arrangements. SARS may accept signed agreements as acceptable proof of the existence of a joint arrangement and/or subcontracting arrangement.

The joint arrangement and/or subcontracting agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint arrangement and/or subcontracting 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 arrangement and/or subcontracting arrangement.

7.5 Acceptance of RFP conditions

The Bidder's participation in the RFP process is deemed to constitute acknowledgement and acceptance by the Bidder of the terms and conditions contained in this RFP.

7.6 Reservation of rights

SARS reserves the right in its discretion to:

- 7.6.1 make no award
- 7.6.2 withdraw, suspend or cancel this RFP or the RFP process at any time and without providing reasons;
- 7.6.3 not provide reasons for its rejection or the failure of any Bidder or Tender, save on application and in terms of applicable legislation;
- 7.6.4 change any of its requirements as set out in this RFP by giving Bidders reasonable notice;
- 7.6.5 change any condition, procedure or rule of the RFP by giving Bidders reasonable notice;
- 7.6.6 amend, vary, or supplement any of the information, terms or requirements contained in this RFP, any information or requirements delivered pursuant to this RFP, or the structure of the RFP process;
- 7.6.7 re-advertise for Tenders;
- 7.6.8 provide further information in respect of, and modify the provisions of, this RFP at any time prior to the Closing Date by notice to all prospective Bidders;
- 7.6.9 conduct site visits and/or perform audits whenever SARS deems it prudent to do so;
- 7.6.10 undertake further checks on Bidders, which may include information on public record or in the public domain, information contained in internal SARS records or information received from other government institutions;
- 7.6.11 no longer consider a Bidder's Tender where adverse information about the Bidder or its Tender submission has come to the attention of SARS, provided that such Bidder is informed accordingly and invited to comment;
- 7.6.12 to award a Tender based on which Bidder is offering the best value for money, even if such Tender is not the lowest priced tender; and
- 7.6.13 to make the award subject to the successful Bidder entering into a duly signed contract with SARS.

7.7 Validity of information

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

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

7.8 RFP not an offer

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

Nothing in this RFP or any other communication made between SARS (including its officers, directors, employees, advisers and representatives) is a representation that SARS will offer, award or enter into a contract with the Bidder.

7.9 Preparation Costs

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

7.10 Conflict of Interest

If at any time the Bidder identifies an actual or potential conflict of interest, the bidder must immediately notify SARS in writing. SARS reserves the right to exclude the Tender submitted by such Bidder from further consideration, unless the Bidder is able to resolve the conflict.

7.11 Indemnity

If a Bidder breaches the conditions of this RFP and, as a result of that breach, SARS incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the RFP process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidder indemnifies and holds SARS harmless from any and all such costs which SARS may incur and for any damages or losses SARS may suffer.

7.12 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.

7.13 Responsibility for sub-contractors and Bidder's personnel

A Bidder is responsible for ensuring that its sub-contractors (if any), personnel (including officers, directors, employees, advisors and other representatives of a Bidder) and personnel of its sub-contractors comply with all terms and conditions of this RFP and in particular the provisions of paragraph 7.14 below. 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 such sub-contractors.

7.14 Confidentiality

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this RFP 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 RFP 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 RFP 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 therefrom.

Throughout this RFP 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 RFP relates; or (ii) the process which follows this RFP. Failure to adhere to this requirement may result in disqualification from the RFP process and civil action.

After the Closing Date, 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.

7.15 Intellectual Property

SARS retains ownership of all Intellectual Property Rights in the tender information documents that form part of this RFP. Bidders will retain the Intellectual Property Rights in their tender responses, but grant SARS the right to make copies of, alter, modify or adapt their responses, or to do anything which in its sole discretion is necessary to do for reasons relating to the RFP process.

7.16 Limitation of Liability

A Bidder participates in this RFP 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 RFP process.

7.17 Tax Compliance

- 7.18 No tender shall be awarded to a Bidder who is not tax compliant. 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 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.

No tender shall be awarded to a Bidder (or any of its members, directors, partners or trustees) whose names 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.

7.19 Screening and Vetting of Service Provider

Acceptance of this tender/quotation is subject to the condition that both the contracting firm and its personnel providing the service must be screened and cleared by the 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 provisions and measures will apply to the subcontractor.

7.20 Governing Law

South African law governs this RFP and the RFP 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 RFP, the RFP itself and all processes associated with the RFP.

8 INSTRUCTIONS FOR SUBMITTING A RESPONSE TO THIS RFP

This paragraph 8 details the instructions to Bidders for preparing a Tender response to RFP 0031/2019. These instructions must be followed in detail to ensure that the information contained in the Bidder's Tender is correct, complete and well structured. All Tenders must comply with the requirements and instructions as set out in the RFP. Bidders must ensure that information and documentation supplied can be easily understood and thus, evaluated in a fair and consistent manner. Should a Tender be received that is not in the correct format, SARS reserves the right to reject the entire Tender or portions of the Tender depending on the extent of the deviation from the format described in this document. Information that has not been requested must not be submitted in the Bidder's Tender.

8.1 Organisation of a Tender response

- 8.1.1 Irrespective of whether the Bidder is responding to portions of the Tender, or the Tender as a whole, the Bidder will be required to submit the following:

FILE 1	<p>Section 1</p> <p>Pre-qualification documents (SBD documents)</p> <p>Section 2</p> <ul style="list-style-type: none"> • Technical Responses • Supporting documents for technical responses • References/testimonials • 3 years audited /reviewed Financial statements <p>Section 3</p> <ul style="list-style-type: none"> • Company profile • Supplementary information <p>Section 4</p> <ul style="list-style-type: none"> • Signed GCC
FILE 2	<p>Section 1</p> <ul style="list-style-type: none"> • B-BBEE Certificate / Sworn Affidavit • SBD 6.1 <p>Section 2</p> <ul style="list-style-type: none"> • Pricing Schedule