



South African Revenue Service

RFP 01-2019 QUESTIONS & ANSWERS

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RFP 01-2019: QUESTIONS & ANSWERS

	QUESTIONS	ANSWERS
1.	<p>Tobacco Products in Scope</p> <p>Could SARS please clarify the scope of the tobacco products to be included? Our understanding of scope is: i) Cigarette tobacco; ii) Pipe tobacco; iii) Cigarettes; iv) Cigars; and v) Any product used as a substitute for any of the above products? In addition, could SARS please confirm if duty free products are included?</p>	<p>Please refer to the BRS page 10 for the scope of the project, which indicates that the scope is limited to cigarette products.</p> <p>In terms of the second part of the question relating to whether the scope includes duty free products. SARS understands this question to relate to goods that are moved in-bond for specific purposes; in this regard SARS will also require the products to be marked. Please refer to BRS page 11 the 3rd paragraph on the overview section.</p>
2.	<p>Implementation/Go-live-</p> <p>Could SARS provide some expectations in terms of system go-live dates, please? This may affect the cost given that more or less resources will have to be allocated.</p>	<p>SARS expects the implementation 'go-live' date not to exceed 18 months after the signing-off of the contract.</p> <p>However, this will be concluded during the contracting and detailed planning phase.</p>

<p>3.</p>	<p>Request for Proposal document, Section 3.2, page 6- The Service Provider shall offer a solution on the basis of absorbing all capital and ongoing costs. This means that the South African Revenue Service will not make any investment towards the project.</p> <p>Can the following be confirmed:</p> <ul style="list-style-type: none"> • All enforcement personnel and other related costs for field enforcement will be covered by SARS; and • Any costs which may be incurred by SARS to ensure interoperability and integration by SARS with the Command Centre and the Data Management System, subject to the caveat that the successful bidder confirms its compliance with the protocols and tandards as defined in the RFP, are for the account of SARS? 	<p>SARS personnel required for field enforcement will be covered by SARS.</p> <p>Please refer to Answer sheet 1, Question 1 for response.</p>
<p>4.</p>	<p>Request for Proposal document, Section 5.3.1.5, page 8-Sub-contracting Programme compliant with</p> <p>BBBEE objectives</p> <p>In respect of the submission of the Sub-Contracting</p> <p>Program for BBBEE compliance:</p> <ul style="list-style-type: none"> • Does this need to be submitted with the bid? • Will a Sub-Contracting Program with a government entity constitute compliance? 	<p>No, the bidder must indicate compliance to sub-contracting in the SBD6.1.</p> <p>During contracting the successful bidder will provide the sub-contracting programme for prior approval.</p> <p>No, sub-contracting will have to be to an EME/QSE as per SBD6.1</p>
<p>5.</p>	<p>Request for Proposal document, Section 6.2.1, Table 1, point 1, page 12Proof of registration in Central Supplier Database (CSD)-</p> <p>Could SARS clarify if there is a pro forma document that should be completed with this information? This is stated in Table 1, but the form is not included in the RFP pack.</p>	<p>The CSD registration report is required as proof of registration with the CSD.</p> <p>Please refer to paragraph 5.2 of the Main Request For Proposal (RFP) document for more information on the CSD.</p>
<p>6.</p>	<p>Request for Proposal document, Section 6.2.1, Table 1, point 12, page 13 - Financial Statements</p> <p>In the case of a consortium, could SARS please specify whose financial statements should be provided?</p>	<p>In the event that the proposal is in the form of a trust, incorporated joint venture and/or consortium arrangement, the trust, incorporated joint venture or consortium, is required to submit annual financial statements of the trust, joint venture or consortium.</p>

		In the event that the proposal is in the form of an unincorporated joint venture and/or consortium arrangement, the unincorporated joint venture or consortium is required to submit annual financial statements of each of the parties to the arrangement.
7.	<p>Request for Proposal document, Section 6.2.1, Table 1, point 12, page 13 -Performance Guarantee</p> <p>We understand that a performance bond is needed in case the bidding entity is a subsidiary, could SARS please confirm that such a bond is not required in the case of a consortium or single bidder? If required, could you confirm that the value will be based on the annual value of the MSA?</p>	<p>The performance guarantee is only required in the event that the subsidiary is the bidding entity and submits the financial statements of the holding company for financial evaluation purposes. Then the holding company must furnish a Performance Guarantee that is signed by a duly authorised representative of the entity.</p> <p>This requirement is a separate requirement to the Mandatory bid bond requirement in paragraph 7.3 of the Main Request For Proposal (RFP) document, Table 2 Criteria 2, which requires the Bidder to provide a bid bond.</p>
8.	<p>Request for Proposal document, Section 7.1.6, page 14- Confidentiality</p> <ul style="list-style-type: none"> • Can SARS confirm that non-disclosure agreement with obligations at least as restrictive as the ones in paragraph 7.16 of the RFP will be entered into between SARS and its external counsels? • Can SARS ensure the confidentiality of information contained in bidder responses such as Financial Statements? 	<ul style="list-style-type: none"> • Any entity that deals with SARS or vice versa is bound by the provisions of the Oath of Secrecy. Put simply, the non-disclosure provisions – whether restrictive or non-restrictive are applicable to all parties concerned. • SARS will not be using the information received for any other purposes except for purposes of evaluation in this tender.
9.	<p>Request for Proposal document, Pre-Technical Mandatory criteria, item 3,page 16 – The bidder's proposed solution must include a serialisation engine that can generate unique identifiers (UID) at the individual unit level .e.10,20,30's to Brick/Carton and Master Case and Pallet.</p> <p>Are there any requirements for the content and format of the unique identifiers (UIDs)?</p>	<p>These will be determined after contracting during the detailed design phase of the project.</p>

<p>10.</p>	<p>Request for Proposal document, Pre-Technical Mandatory criteria, item 6, page 17 The bidder's proposed solution must provide for marking of low volume goods (manual application, etc.).</p> <p>Could SARS please provide an estimate of the expected amount of low volume goods and the number and location of manufacturers producing low volumes?</p>	<p>The customs and excise rules once developed will provide clarity in terms of what is considered to be low volume goods. Low volume goods will normally be dealt with for purposes of testing and promotions.</p>
<p>11.</p>	<p>Request for Proposal document, Table 2 Mandatory Requirements, item 7, Page 17-</p> <p>Local versus export production monitoring. The bidder's proposed solution must automatically distinguish and account for production intended for domestic consumption and for the export market</p> <p>In relation to exports, could SARS please clarify:</p> <ul style="list-style-type: none"> • How many local production lines are also producing for export? • Should export production also have a SARS fiscal mark or direct mark applied? 	<p>Please refer the BRS document page 12, section 3.2.1 with regards to number of production lines.</p> <p>Please refer to response to question 1 above.</p>
<p>12.</p>	<p>Request for Proposal document, Pre-Technical Mandatory criteria Item 9, page 17 - The bidder's proposed solution must cater for, and describe interoperability measures with existing fiscal marking solutions</p> <p>Are there other existing fiscal mark solutions in addition to the Diamond Stamp? Could SARS please specify the expected interoperability with existing fiscal marking solutions?</p>	<p>SARS currently utilises the diamond stamp only.</p> <p>Please refer to Annexure D: SARS External Technical Interface Specification.</p>
<p>13.</p>	<p>Request for Proposal document, Section 7.3, item 10, page 17- Device Security - The bidder's proposed solution must be protected by passwords and only allow usage by authorised personnel.</p> <p>The title refers to Device Security, but the content refers to solution protection. This needs to be clarified, as the device is only part of the solution as defined in the Business Requirements Specification.</p>	<p>Please refer to the BRS page 21 under point 2 which provides specific details on minimum requirements of the device.</p> <p>The overall solution is also required to be safeguarded against tampering and manipulation, please also refer to page 9 of the BRS.</p>
<p>14.</p>	<p>Request for Proposal document, Section 7.5, page 37 - Evaluation Criteria</p> <p>Could SARS clarify how the final evaluation will be made, please? According to the RFP, SARS shall seek for the best value for money; however, is</p>	<p>Tenders that have qualified on technical evaluation (Gate 2) will be evaluated for pricing and B-BBEE. (Bidders will need to attain a minimum of 60 out of 100 points to proceed to the next stage, i.e. Price and BEE;) The technical score would have been considered at gate 2 by attaining minimum of 60 out of 100 points in order for the bidders to</p>

	<p>the technical score from Gate 2 not considered in the price and final evaluation?</p>	<p>be evaluated on the final gate(3) of the process. Failure to the bidder attaining a minimum of 60 out of 100 points, that bidder will not proceed to the next final gate of the process which is pricing and B-BBEE.</p> <p>Please refer to the Non-Compulsory briefing session presentation uploaded on to the SARS website for more information</p>
15.	<p>Request for Proposal document, Section 7.11, Bid Bond, page 41 - Bid Bond</p> <p>Could SARS please clarify 1) in which events SARS is entitled to encash the Bid Bond 2) in which events the provisions of paragraph 7.11 operate as a penalty? Is it in case of a breach of the RFP as mentioned in paragraph 7.13, or does it include other situations? In such a case, could SARS please list which events are considered as breach of RFP, as this is not clear from the RFP.</p> <p>1</p>	<ul style="list-style-type: none"> • (1) and (2) Refer to clause 12 of the draft Master Services Agreement. Refer to the updated agreement uploaded on the SARS Website under RFP 01/2019 as document 15 of the tender pack. • Note to Bidders: You are advised to read all documents, and not read a document in isolation of other documents published in this tender.
16	<p>Request for Proposal document, Section 7.12, Conflict of Interest, page 41 Definition of conflict of interest</p> <p>To be aligned with the WHO FCTC and associated protocol requirements, can SARS please confirm that the definition of conflict of interest would include a direct or indirect relationship with a manufacturer, importer, distributor or reseller of tobacco products in South Africa, or any country?</p>	<p>Article 8 of the FCTC protocol, dealing with tracking and tracing under point 13 places an obligation on the authorities to limit interaction with the tobacco industry and those representing the interests of the tobacco industry.</p>
17	<p>Request for Proposal document, Section 8.1.1, page 44 Placement of 3 years audited Financial Statements in Bidder response</p> <p>Could SARS please confirm if the Financial Statements should appear in Section 1, Pre-qualification, as shown in Table 1 on page 12 or in Section 2 as shown in the table on page 44? We understood from the RFP that documents listed in Table 1 were checked as part of the Gate 0 Prequalification criteria as described in Section 7.2.</p>	<p>Bidders are advised to reflect the Financial Statements under Section 2 as stipulated in the table on page 44. (Make reference in the response file)</p>
18	<p>Annexure A2 – Technical Evaluation Criteria Credentials and Qualifications reference document</p> <p>The table includes a reference to an Annexure A3 response template for Credentials and qualifications, which is not provided in the RFP pack. If this template is to be used, could SARS please provide it?</p>	<p>The template has been excluded from the RFP pack and the bidders are advised to respond by providing the documents/information required as indicated on Annexure A2.</p>

19	<p>Annexure A2, Credentials and Qualifications, 1.1 Company size Employees engaged in Track and Trace and CVs</p> <p>For a company with a large number of employees engaged in track and trace (>50), does SARS expect to have a CV for each employee? Should T&T organisation functions such as HR and Business Finance be included? CVs of resources are also to be provided in 1.6, but we assume these are for employees who would be available/ proposed to work on the SARS project?</p>	The bidder must provide CV's of personnel that are directly involved in the core work of the project.
20	<p>Annexure A2, Credentials and Qualifications, 1.1 Track and trace Projects Track and trace projects testimonials</p> <p>What would SARS consider to be an acceptable client testimonial or proof of the project? We assume this is different from the Reference Letters requested in 1.7?</p>	SARS requires Client Testimonial on projects relating to Track and Trace.
21	<p>Annexure A2, Credentials and Qualifications, 1.5, Domain Experience The bidder to confirm experience of the company in cigarette Tracking and Tracing industry</p> <p>In accordance with Pre-Technical Mandatory requirement 1), we understand that only experience of T&T supplied to Governments shall be accepted as relevant experience. Can SARS please confirm?</p>	No, SARS will consider Cigarette Track and Trace experience not limited to Governments.
22	<p>Annexure A2, Fiscal Marks Management, item 3, second point, Online Ordering and payment system Fiscal marks invoicing</p> <p>Should the supplier invoice the taxpayers directly for payment for the supply of fiscal marks?</p>	<p>The service provider will incur the initial capital outlay of the solution which includes all the equipment, machinery, maintenance, and software and hardware implementation. This includes the installation at the manufacturers' plants and associated maintenance over the agreed contract period (8 years).</p> <p>All these capital and ongoing operational costs will be recouped by service provider from the manufacturers through the sale of the 'fiscal mark' to the manufacturers, throughout the agreed contract period.</p> <p>The manufacturer will only incur the cost of the 'fiscal mark' and will not pay for any initial capital outlay. The purchasing of the 'fiscal mark' is how they will be 'funding' for the capital outlay of the solution.</p>
23	<p>Annexure A2, Fiscal Marks Management, item 3, final point, Secure Storage and Distribution Fiscal Mark Distribution Centre</p> <p>Will SARS provide a Fiscal Mark Distribution Centre, or should it be</p>	This should be provided for by the service provider.

	provided by the supplier?	
24	<p>Annexure A2, Information Technology Event Management, 6.3, Supply chain tracking device management Label applicators at production sites</p> <p>Can SARS please confirm that all local producers are equipped with tobacco pack and carton label applicators?</p>	SARS cannot confirm. However it is expected that the cigarette manufacturing companies should have label applicators as a standard.
25	<p>Annexure A2, External and Internal Interfacing, 14.1, Interfacing 1. The solution must be able to interface with other external systems using enterprise bus (ESB) technologies. 2. The solution provider must ensure that the solution is able to interface with SARS systems as necessary i.e. SAP, ATP, SM, etc.</p> <p>Could SARS please provide more information about the expected integration and the systems to integrate with?</p>	Please refer to Annexure D: SARS External Technical Interface Specification.
26	<p>Annexure A2, General, 16.1,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.</p> <p>Clarification is required from SARS in respect to legislation relating to production monitoring and control and traceability of tobacco products to which the solution should be aligned namely:</p> <ul style="list-style-type: none"> • The current applicable legislation and regulations; and • Any proposed legislation and regulations <p>How flexible should the solution be in terms of any future legislative requirements that are, by definition, not known yet?</p> <p>With regard to legislation, clarification is also requested on the right of SARS personnel to inspect and enforce controls on tobacco products on wholesale, retail and other sites such as spazas?</p> <p>Is legislation in place in South Africa which will enable SARS to compel the Tobacco Industry in respect of locally produced cigarettes to fund implementation of the Production Management and Track and Trace Solution, inter alia through:</p> <ul style="list-style-type: none"> • The direct or indirect acquisition of production monitoring and control equipment for production control, management and reporting; and 	<p>South Africa signed the World Health Organisation (WHO) Framework Convention on Tobacco Control (FCTC) on 16 June 2003 and ratified on 19 April 2005.</p> <p>South Africa therefore has a commitment to implement amongst other measures tracking and tracing technology in terms of Article 15 of the WHO FCTC to enhance compliance.</p> <p>Section 35A and 54 of the Customs and Excise Act, 1964, was substituted by section 17 of the Taxation Administration Laws Amendment Act, 2016, which was published Budget 2017, 2018 and 2019 announced the strengthening of the fiscal marking, tracking and tracing provision in respect of tobacco products to comply with South Africa's obligations under the Illicit Trade Protocol of the WHO Framework Convention on Tobacco Control.</p> <p>Further rules will be published based on the nature of the solution.</p> <p>This current tender process undertaken by SARS is to appoint a Service Provider with a Track and Trace Solution which will support all legislations and rules above.</p>

	<ul style="list-style-type: none"> • The purchase of the actual Fiscal Marks, specifically, from a third-party supplier (the bidder). <p>If so, could SARS please advise what legislation and / or regulations are currently in place to facilitate the implementation of this requirement?</p>	
27	<p>Pricing Template Data Management System and Command Centre facilities</p> <p>Will SARS provide facilities and an appropriate location to host the Data Management System (database) and Command Centre facilities or should/can the facilities be provided at the cost of the supplier?</p>	SARS will provide the appropriate location to host the Data Management System (database) and Command Centre facilities.
28	<p>Pricing Template Applicable Incoterms</p> <p>Could SARS please advise which incoterms will be applicable (especially for export volumes)? Our intention is to offer a price based on Incoterms EX Works Johannesburg. Could SARS please confirm that these incoterms are acceptable?</p>	Bidders are required to provide pricing based on the 16 sites and 54 production lines for local. Post the tender process where further international sites emerge and the service provider is required to export the equipment, a normal tax procedure will be applicable.
29	<p>Pricing Template Number of lines</p> <p>In note 10, do the 54 production lines include local production and export production?</p>	Includes both local and export
30	<p>Pricing Template Number of shifts at the manufacturing sites</p> <p>Could you please provide the number of shifts per site?</p>	This information is dependent on the cigarette manufacturers operations. The tender process interest is on number of marks produced.
31	<p>Pricing Template Bid Bond calculation</p> <p>As Table 6 is related to “support and maintenance” and not to capital investment, could SARS please confirm if it must be included in the total amount to be used as a basis for the Bid Bond calculation?</p>	The bid bond value must be all inclusive.
32	<p>Pricing Template Taxes on invoices</p> <p>In case the bidder invoices from abroad, could you please confirm if the taxes that may be applicable (other than VAT) should be added on the prices quoted?</p>	The price of the Fiscal Marker to be quoted during the tender process where a bidder is from abroad should include all relevant taxes.
33	<p>Pricing Template Differentiated price</p> <p>If the fiscal mark costs are different for local, exports or aggregation products, should the Bidder provide a unique or differentiated price in Table 3?</p>	Bidders are required to quote one price for Fiscal Marks irrespective of level to be marked.
34	<p>Pricing Template Table 3 Stamp fee per unit cost</p> <p>Could SARS please confirm that the Bidder will only invoice the fee mentioned in Table 3 of the Pricing template?</p>	Yes the bidder will invoice the cigarette manufacturer the quoted stamp fee as per table 3.

<p>35</p>	<p>Business Requirements Specification, Scenario 1: Local production of excisable goods for local consumption or export, page 11 Marking of exported goods</p> <ul style="list-style-type: none"> • Could a digital mark (i.e. 2D invisible data matrix code) be used for exports instead of a fiscal mark? • How does SARS recommend that export production be sufficiently differentiated by the manufacturer? 	<p>Please refer to the business requirement specification, page 15-16, paragraph 4.2.2. for marking of goods.</p> <p>Please refer to page 16 of the BRS, under paragraph “e”</p> <p>The definition of a fiscal marker includes a stamp, mark, sticker, banderol or other similar device that contain security features. There shouldn’t be a difference in the cost of a local and export fiscal mark.</p>
<p>36</p>	<p>Business Requirements Specification, Scenario 2: Unmarked goods for import into South Africa, page 13 LCL (less than container load) shipments</p> <p>Could SARS estimate the volume of packs imported as LCL (less than container load) shipments per year? How is the Diamond Stamp currently applied in such cases?</p> <ul style="list-style-type: none"> • For low volume imports, the fiscal mark must be manually affixed or printed onto each pack. Does this mean that it has to be affixed or printed on top of the cellophane covering each pack, unlike locally produced packs? • How will aggregation be undertaken by the licensed operator at the licensed distribution centre? • Will there be licenced distribution centres for each licensed operator or will these be communal facilities? 	<p>SARS cannot forecast currently the volume of the imported LCL cargo. Diamond stamps are currently applied at manufacturing plants, locally and internationally.</p> <p>Please refer to page 16 of the BRS, under paragraph “e”</p> <p>Please refer to the BRS page 11-12. It is also required that the bidder will provide information to SARS on how this will be undertaken throughout the value chain.</p> <p>Distribution centres will have to be provided by the service provider, The bidder must have the ability to securely store and distribute fiscal marks to authorised entities.</p>
<p>37</p>	<p>Business Requirements Specification, Section 3.3.2, Tobacco Statistics, page 13 Total production volumes</p> <p>The table provided shows local production of 805 million, import of 105 million (amounting to a total of 910 marks), and a total number of marks of 985 million. Could SARS please clarify which volume should be taken into consideration?</p>	<p>These figures are indicative of the scope of the project. Please refer to the BRS page 11, which indicates that Local production of excisable goods intended for local consumption or export, and Importation of excisable goods for local consumption and re-export should have fiscal marker.</p>

<p>38</p>	<p>Business Requirements Specification, Section 4.2.3, Physical Requirements, point 5, page 17 5. The fiscal mark shall be: a) Tamper evident and capable of being applied to different substrates such as cardboard, metal, glass and polycarbonate;</p> <p>What is the reason for the fiscal mark being suitable for application to metal, glass and polycarbonate? If anything, it should also be suitable for application to cellophane?</p>	<p>It should cater for various types of packaging containers which could be used to store cigarette products.</p>
<p>39</p>	<p>Business Requirements Specification, Section 4.2.3, Physical Requirements, point 6, page 17 The fiscal mark shall have a shelf life of at least 5 years upon which they should not have any deformation or deterioration in normal atmospheric conditions; NOTE: proof to be provided that the stamp can have such a shelf life – e.g. Lab certificate</p> <p>Our fiscal marks are guaranteed for six years in their original packaging under normal storage conditions. Is such a Guarantee sufficient? Are there specific international standards that SARS would like the fiscal mark to comply with?</p>	<p>Necessary proof is to be submitted to confirm the shelf life; this will be considered by SARS.</p>
<p>40</p>	<p>Business Requirements Specification, Section 4.2.3, Low volume requirements, point 13, page 18 Where there is existing fiscal marking equipment in place, the solution provider is required to conduct a review of existing equipment on production lines installed by manufacturers who already have such agreements and obligations to operate elements of a traceability solution (including direct coding printers, camera systems, aggregation recording equipment, label printers and applicators), and advise SARS on existing installed equipment that could be reused. Bidders should include their options for interoperability in their proposal.</p> <p>Where possible we will reuse existing equipment but without visiting the sites prior to the bid submission is it not possible to advise explicitly on which equipment could be reused, or to ascertain exactly which equipment each manufacturer has. May we propose that this review takes place after the award of the contract, when the winning bidder will need to visit the sites to prepare for implementation?</p>	<p>All points allocation (whether for review of equipment or others) must be done during the evaluation process <u>before the award</u>.</p>

<p>41</p>	<p>Business Requirements Specification, Section 4.2.4, Production Control and Inventory Management, point 1, page 18 Solution providers may be responsible for sourcing and implementing equipment on each relevant manufacturing production line for coding (serialisation), marking, activation, aggregation, data collection and submission.</p> <p>The terminology is confusing when read in conjunction with clause 1.3 pertaining to Mandatory and Directory requirements. Based on the use of the word “may”, this implies that where such equipment is not sourced from the solution provider, the solution provider will still be responsible for its maintenance and performance. It is possible that this reference could apply in respect of tax stamp applicators, but this should be clarified by SARS or alternatively, qualified in the bid documents. Responsibility for and maintenance of non-solution provider supplied equipment should rest with the manufacturer.</p>	<p>Responsibility for and maintenance of non-solution provider supplied equipment should rest with the manufacturer.</p>
<p>42</p>	<p>Business Requirements Specification, Section 4.2.4, Production Control and Inventory Management, point 5, page 19 Aggregation recording equipment on production lines should record necessary production operations and ensure the integrity of the parent-child relationships that are recorded:</p> <p>a) For all cigarette manufacturers, this would require pack-to-carton, carton-to-master case, master case-to-pallet and consignment level aggregation. The technical solution should support both automated and manual processes;</p> <p>b) For other products, this may include aggregation of the unit-to-case, case-to pallet and consignment level aggregation;</p> <p>This contradicts earlier requirements, namely consignment level aggregation is required for cigarette manufacturers. Clarification is required in respect of what SARS considers to be “other products”?</p>	<p>True, the statement contradicts. For the purpose of this tender only cigarette products should be considered, kindly ignore point b)</p>
<p>43</p>	<p>Business Requirements Specification, Section 3.2., Production and Export Statistics, page 13 Tobacco producer location and number of lines</p> <p>Could SARS please provide the geographic location of the local production sites and also the number of production lines at each site, including lines for local production and for export?</p>	<p>Please refer to the BRS page 11, which indicates that Local production of excisable goods intended for local consumption or export, and Importation of excisable goods for local consumption and re-export should have fiscal marker. These figures are indicative of the scope of the project</p> <p>They are based in the following regions;</p> <ul style="list-style-type: none"> • Gauteng • Eastern Cape, East London • Kwazulu Natal

<p>44</p>	<p>Supplier Cost and Risk Assessment Questionnaire, Section B1 Conform to King II recommendations for good Corporate Governance</p> <ul style="list-style-type: none"> • As a non-South Africa bidder, we abide by an alternative Corporate Governance Model – the King II model seems only to be applicable to South African companies. Can SARS please advise how international bidders should respond to the questions in section B1? • The Business Requirements Specification document also asks if the bidder conforms to King 1/2/3/4 reports on governance on 	<p>The latest applicable King Report is the latest (i.e. King IV Report. Bidders are expected to comply with the principles of the King IV Report</p>
<p>45</p>	<p>Master Turnkey Solution and Services Agreement Document Signed Draft Contract (MSA)</p> <p>Will signing the draft contract prevent any future negotiation on the contract? The note in the draft MSA states that the MSA will form the basis upon which SARS shall conclude a comprehensive agreement for the provision of the Solution and/or Services with the successful bidder and that SARS reserves the right to amend this MSA at its sole discretion before the final signature. Will this mean that no negotiation whatsoever will be possible when the contract is awarded?</p>	<p>Yes. Signing the terms will be construed as acceptance of the terms and conditions as is.</p> <p>All suggested amendments/mark-ups by a bidder to the MSA must be made and submitted with the bid (before and/or at date of close of tender).</p> <p>No additional suggested amendments will be accepted after award (that could have been made before award).</p> <p>The subject of negotiation with the appointed bidder will only be in relation to those mark-ups already made by a bidder</p>
<p>46</p>	<p>Master Turnkey Solution and Services Agreement Document, Sections 3 (page 11) and 5.10 (page 15) exclusivity</p> <p>It appears that the MSA would be non-exclusive. It also appears that Third Parties could be engaged by SARS to perform all or any of the Services. Which Services would be left to the successful bidder in this case?</p>	<p>Question: It appears that the MSA would be non-exclusive.</p> <p>Response: Correct.</p> <p>Question: It also appears that Third Parties could be engaged by SARS to perform all or any of the Services. Which Services would be left to the successful bidder in this case?</p> <p>Response: Any engagement with any other third party/procurement of any further similar services will be subject to SARS' procurement policies and procedures. The Services as contained in the MSA are the services that will be performed by the Service Provider (except in the event of any other circumstances – e.g. recurring non-performance/partial performance/any other circumstance that entitles SARS to either cancel the entire agreement/or cancelation in relation to those specific services).</p>
<p>47</p>	<p>Master Turnkey Solution and Services Agreement Document, Section 10, Intellectual Property, page 27 Intellectual Property</p> <p>Can SARS please clarify/define what is meant by “Intellectual Property Rights to the Fiscal Mark” as the terms are not further defined in the MSA. What about IP rights related to the technologies used on</p>	<p>Intellectual Property is defined at clause 1.43 Annexure A of the Master Services Agreement defines Intellectual Property. Annexure A to the MSA contains all definitions.</p> <p>Intellectual Property in the Fiscal Mark shall vest in SARS, (whether developed by the Service Provider as commissioned by SARS and/or in conjunction with SARS.</p>

	<p>the stamps and such? We would need to make sure that we keep the ownership/IP of our technologies and provide a free license for SARS for the duration of the MSA?</p>	<p>Note to BEC members: Please supplement the answer.</p>
48	<p>Annexure C – Service Level Agreement Should Annexure C be included in the bid response?</p> <p>Can SARS please confirm if Annexure C should be included in the bid response or is it for information and only intended to be completed by the supplier who is awarded the contract? At the time of submission, it would not be possible to provide the helpdesk details required.</p>	<p>All bidders must complete Annexure C and submit with the bid.</p>
49	<p>Annexure C – Service Level Agreement Service Level Agreements</p> <p>We understood that the Service Level Agreements should be entered into by the bidder and every manufacturer as it is attached in Annexure C. In case a party wishes to amend such a template will SARS be part of the negotiation and the parties will need prior approval? To simplify the process, would you consider the Service Level Agreements to be entered into directly by SARS and the manufacturers?</p>	<p>The successful bidder must conclude an Agreement/SLA with the manufactures.</p> <p>Annexure C refers to Service Levels applicable between SARS and the appointed bidder/service provider.</p>