



South African Revenue Service

RFP 01-2019 QUESTIONS & ANSWERS

DATE 07 JUNE 2019

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	QUESTIONS	ANSWERS
1.	Can the fiscal marker be fully digital without paper substrate base material added onto the pack?	Please refer to page 5 of the business requirement specification under the sub item "Glossary table" (Fiscal marker)
2.	Clause 3.2 SARS's Requirements. Pg. 5 of 44. "service provider must enter into a commercial agreement and establish service level agreements with the cigarette manufacturer(s)". <ul style="list-style-type: none">• What directives will SARS's put in place to ensure cigarette manufacturers comply with the tender requirements and will agree to acceptable SLAs?• Does SARS's intend to set out the terms and SLAs?	Corporate legal needs to provide feedback in terms of the contracting relationship between the manufacturer and service provider. The provisions of the Customs and Excise Act relating to the licensing and regulation of the manufacturer have to be complied with in order for manufacturers to license.
3.	Business Requirements Specification. Pg. 16 of 32. Clause 4.2.2 Fiscal Marks Management Sub clause 5: <ul style="list-style-type: none">• Please provide additional details regarding the management of the payment function. In particular, is it possible that the solution provider will be asked to collect the payments?	Please refer to page 5 of the main RFP, for details which indicate that; <ul style="list-style-type: none">• The Service provider will enter into a commercial agreement and establish service level agreements with the cigarette manufacturer(s).

	<ul style="list-style-type: none"> Also, please provide a definition for an “entity account basis”. 	<ul style="list-style-type: none"> The capital and ongoing costs will be recouped as part of the fiscal marks sale <p>It is intended that SARS must clearly identify orders placed and payments made by manufactures to the service provider for the fiscal marks.</p>
4.	<p>Please advise about the label accuracy and placement size on the actual pack of 20/30/10 cigarette box>?</p>	<p>a) Please refer to business requirement specification page 16 under the category cigarettes point “e”. <i>“Ideally, the mark should be placed across the front opening of the pack, so that it becomes unusable when the pack is opened. However, current health legislation requires health warnings to be placed on the front and back of cigarette packs in the same place where a fiscal mark would usually be placed. The solution provider will work directly with SARS and stakeholders to determine the type format and placement of the mark that best fit the objectives of all parties...”</i></p>
5.	<p>In the tender document SARS refers to 2D stamps. Is SARS open to alternate markings?</p>	<p>Please refer to page 17 of the BRS under traceability requirements.</p>
6.	<p>How far down the distribution does tracking need to be managed? SARS response impacts hugely on the cost factors. Tracking right down to retail level requires thousands of scanners. If the answer is down to retail then kindly advise on how SARS intends to manage the informal sectors namely “spaza” shops and street vendors etc as well as those areas that have no electricity and internet connectivity</p>	<p>SARS expects that tracking and tracing should apply along all traceability events throughout the supply chain.</p> <p>Please refer to the main RFP page 23, under the paragraph 6, “Information technology event management”.</p>
7.	<p>With regards to the low volume manufacturers that might require physical stamps. Will the stamps require coding or embedded information?</p>	<p>As per requirements specified in the BRS.</p>
8.	<p>In lieu of the tender will SARS on behalf of the potential respondents allow or arrange a site visit to the Manufacturing plants in SA?</p>	<p>SARS will not arrange site visits to manufacturing plants at this stage.</p>

9.	Will it be possible for SARS to advice on the envisaged payment structure that will be applicable by the manufacturers?	<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>
10.	Do we have any legislation framework for enforcement of the Track and Trace system?	Yes, Section 35A of the Customs and Excise Act, 1964 was substituted by section 17 of the Taxation Administration Laws Amendment Act, 2016. "Preparation of Legislation – Bills" was published on the SARS website for comment in 2016. The drafts were also published for public comment on the National Treasury website. 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
11.	Are companies/bidders allowed to have discussion with or visit the various tobacco factories in South Africa to establish the capex requirements of the various sites? If yes, can SARS organise the visits or provide introduction letters for this purpose?	Yes they can visit. Bidders are required to make their own arrangements with manufacturers if they would like site visits.
12.	Please can SARS confirm what the estimated period for the tender evaluation is?	Two to three months
13.	What is the allowed deployment period between tender award and go-live of the scheme?	<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>
14.	Please can SARS confirm the required number of copies for the tender submission?	<p>File 1 Original +Copy + Soft Copy (CD or USB) must contain the following:</p> <ul style="list-style-type: none"> ➤ Section 1 <ul style="list-style-type: none"> • Pre-qualification documents (SBD

		<p>documents)</p> <ul style="list-style-type: none"> ➤ Section 2 <ul style="list-style-type: none"> • Technical Responses • Supporting documents for technical responses • References/testimonials • 3 years audited /reviewed Financial statements ➤ Section 3 <ul style="list-style-type: none"> • Company profile • Supplementary information ➤ Section 4 <ul style="list-style-type: none"> • Signed Contract Draft <p>File 2 Original + Copy + Soft Copy (CD or USB) must contain the following:</p> <ul style="list-style-type: none"> ➤ Section 1 <ul style="list-style-type: none"> • BEE Certificate <p>Section 2</p> <ul style="list-style-type: none"> • Pricing Schedule
15.	Section 6.2 Tender Compliance Table 1 – Item 1 (proof of CSD registration) States requirement to complete and sign the supplied pro forma. Please can SARS confirm if a pro forma should have been included in the RFP documents as we are unable to locate this document?	Bidders must provide a proof of CSD registration. There is no pro-forma to be provided by SARS.
16.	Please can SARS confirm whether points allocated at Gate Two shall carry over to Gate Three evaluation, or if these shall be evaluated entirely separately i.e. Bidder must pass Gate Two and then evaluation for Gate Three completed and highest scorer for Gate Three shall be the successful Bidder?	The points allocated for Gate 2 will not be carried over to Gate 3. Bidders must acquire minimum 60 out of 100 points to pass Gate and then evaluation for Gate 3 completed the highest scorer for Gate 3 shall be the successful bidder.
17.	SBD 4 ‘Declaration of Interest’ requires Bidders to provide the ‘Identity number’, ‘Personal Income Tax Reference Number’ and ‘State Employee Number/Persal Number’. Given that International Bidders do not have any of these details, can SARS please confirm that they do not need to complete this table or is there alternative information that we should submit?	International bidders whose directors / trustees / members / shareholders do not have a South African identity number, South African Personal Income Tax Reference Number and are not employed by the South African State (State Employee Number/Persal Number) are not obligated to complete these fields. They are however requested to provide their international identification number.

<p>18.</p>	<p>Can you give us give us the locations of the Cigarette Manufactures</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>19.</p>	<p>Can you confirm the different roles of the SARS official who will be involved in the Track & Trace</p>	<p>SARS will provide further details once the successful bidder is appointed. For purposes of this submission we will have field offices that will be deployed around the country including ports of entry and exit to test for compliance, hence it is a requirement that these officers have specific technology to aid them in verifying the authenticity and traceability of products verified.</p>
<p>20.</p>	<p>In current scenario of RFP 01/2019 there are 3 parties identified; SARS, Service provide, Cigarette manufacturer, is there any indication that this RFP might be expanded onto "Distributors" or any other authority that is legally mandated to distribute tobacco products specified in the RFP, thus being obliged to use fiscal markings?</p>	<p>Please refer to the Business specification document pg. 10 under the sub heading "Scope of Solution Design" which outlines the scope of this tender.</p>
<p>21.</p>	<p>Reports:</p> <ul style="list-style-type: none"> • Can you please share with us list of requested reports provided by the solution? • Do you expect to customize reports internally by your own IT staff or the customization will be provided by the solution's vendor? 	<p>We expect the bidder based on its systems to advise the type of reports that they are able to generate.</p>