

# **REQUEST FOR PROPOSAL**

**RFP 01/2019**

## **PROVISION OF A PRODUCTION MANAGEMENT AND TRACK AND TRACE SOLUTION FOR CIGARETTE PRODUCTS**

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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 Fiscal Marking and Track and Trace Solution for Cigarette Products 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 issued	12 April 2019
2.	RFP uploaded on	26 April 2019
3.	Bidders Non-Compulsory briefing session	10 May 2019 @ 11:00
4.	Bidders to submit written questions	29 April 2019 - 12 June 2019
5.	Tenders due (the “ <b>Closing Date</b> ”)	20 June 2019 @ 11:00

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 and excise service that will maximise revenue collection, facilitate trade and protect the borders of South Africa. SARS's vision is to be an innovative revenue customs and excise 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

SARS intends to implement a fiscal marking and track and trace solution for marking of cigarettes, such implementation is planned to occur on a full scale. The successfully appointed Bidder will contract to provide a fiscal marking and track and trace solution for cigarette products which will be implemented as determined by SARS.

**Details of the required services are contained in the Business Requirements Specification (BRS) document.**

In the context of the above, SARS sees the relationships between itself, the service provider and the impacted cigarette manufacturers as follows:

**SARS will:**

- Appoint the service provider as the authorised entity to supply, install and maintain the solution components and fiscal marks in the context of the cigarette manufacturer(s).
- Regulate the supply of the solution, its components and the fiscal marks to cigarette manufacturers through the current licencing / accreditation process (similar to the process in use through which use of and access to the existing Diamond Stamp is granted).
- Periodically authorise the service provider to issue the cigarette manufacturer(s) with the designated quantity of fiscal marks to allow production process to continue without interruption.
- Monitor the operational status of the implemented solutions.

**The service provider must:**

- Enter into a commercial agreement and establish service level agreements with the cigarette manufacturer(s).
- Supply, install and maintain the solution components to cigarette manufacturers.
- Upon receiving approval from SARS, periodically supply a designated quantity of fiscal marks to the cigarette manufacturer(s).
- Provide the necessary resources required for SARS internal systems to effectively integrate into the track and trace system.
- 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.
- The capital and ongoing costs will be recouped as part of the fiscal marks sale

**The cigarette manufacturer must:**

- Implement the solution on the production lines in its production facilities, locally and abroad, for those cigarette products that it produces, imports, markets and sells in the South African economy.
- fund the implementation, maintenance and operation of the solution components.
- Declare expected production volumes to and request approval from SARS to procure a designated quantity of fiscal marks from the service provider for application on the cigarette products being produced / imported / sold.
- Incur the cost to acquire the approved quantity of fiscal marks from the service provider upon receiving approval from SARS.

Overview of requirements is for bidders to provide SARS with:

- 3.2.1 A secure marking solution which includes the design and delivery of high quality fiscal marker that will enable secure fiscal marking and traceability of excisable goods i.e. cigarettes I;
- 3.2.2 Monitoring and oversight of production lines and facilities;
- 3.2.3 Enforcement devices that can be used to authenticate genuine, compliant products and provide a mechanism for the tracking and tracing of cigarettes within the supply chain;

- 3.2.4 A data management system that will synchronise near real-time information from manufactures and vendors throughout the supply chain to SARS central repository;
- 3.2.5 Programme management assistance to implement a cost effective and minimally intrusive solution;
- 3.2.6 The resources, hardware and software required to enable the integration and changes required by SARS including command centre that will enable forecasting of fiscal marks required by the manufacturer, order management and approval, oversight and monitoring of all production lines and marking centres;
- 3.2.7 A reporting capability to support management and enforcement of the excise environment;
- 3.2.8 Anti-tampering devices and controls to monitor production lines in the event of possible tampering and/or manipulation of the system to by-pass the fiscal marking and production controls. These must provide immediate alerts to SARS in the event of such events;
- 3.2.9 Service, maintenance and support to ensure efficient operation of the solution for SARS and with minimal impact on industry;
- 3.2.10 All necessary and required training to implement and manage the solution from SARS perspective;
- 3.2.11 A solution that complies with National and Foreign regulators such as department of Health and the World Health Organisation's FCTC Protocol on Illicit Trade in Tobacco Products.
- 3.2.12 The solution should be implemented in manner agreed with the manufacturer in a non-intrusive manner and should not disrupt established production processes in place.
- 3.2.13 The equipment should work at greater speeds than the fastest production line and cater for future enhancements and efficiencies as technology advances.

Details of the required services are contained in the Business Requirements Specification (BRS) document.

## **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's 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, 2017; 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 Instruction No. 4A of 2016/2017 National – 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](http://www.CSD.gov.za).
- 5.2.4 As part of the bid submission, bidders are required to submit their CSD number with their submission
- 5.2.5 Transactions concluded with foreign suppliers with no local registered entity may be entered into even if the supplier is not registered on the CSD. Bidders must ensure that the Standard Bidding Document (SBD) 1 is completed in full.

### 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 5.3.2.8 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 5.3.2.8 then that Bidder's Tender will be rejected without any further consideration, at SARS's 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 consider Tenders submitted by a consortium or a special purpose vehicle responding to this RFP.

- 5.3.1.2 The Bidder must be fully tax compliant. 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.
  - 5.3.1.5 The Bidder must submit a Sub-Contracting Programme that is compliant with the South African BBBEE objectives for prior approval by SARS.
  - 5.3.1.6 The Service Provider will comply with DTI's minimum local content thresholds for local production of designated industries, sectors and sub-sectors.
- 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 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; or
- 5.3.6.7 who fails to respond as required to written notices given by SARS in connection with its Tender under this RFP.
- 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**

- 6.1.1 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 briefing session is non-compulsory. The non-compulsory briefing session will be held at Linton House, 570 Fehrsen Street, Brooklyn Bridge, Brooklyn, Pretoria. Registration period: from 10:30 am until 11:00 am. Briefing Session starting time at 11:00 am.
- 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.
- 6.1.6 In this RFP document the terms “shall” and “must” indicate a mandatory requirement. Bidder compliance with mandatory requirements is 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 8 years from contract commencement.
- 6.1.11 The successfully appointed Bidder will contract to provide a fiscal marking and track and trace solution for cigarettes products which will be implemented on a full scale as determined by SARS.

## **6.2 TENDER COMPLIANCE**

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

**TABLE 1**

	<b>Name of the document that must be submitted</b>	<b>Non-submission may result in disqualification?</b>
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 – Annexure B	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	The National Industrial Participation Programme- SBD 5	YES- Please complete and sign the supplied pro forma document
6	SBD 6.1 – Preference Point Claim Form	No–Non-submission will lead to a zero score on BEE.
7	Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES - Please complete and sign the supplied pro forma document.
8	Certificate of Independent Bid Determination – SBD 9	YES - Please complete and sign the supplied pro forma document
9	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.
10	BEE certificate	No–Non-submission will lead to a zero score on BEE.
11	Supplier Cost and Risk Assessment Questionnaire	YES – Please complete and sign the supplied pro forma document
12	Bidders are required to submit a complete set of audited/independently review annual financial statements for three (3) most recent financial periods in the name of the bidding entity.	

	<p>The annual financial statements must contain:</p> <ul style="list-style-type: none"> <li>• Statement of Comprehensive Income</li> <li>• Statement of Financial Position</li> <li>• Statement of Cash Flows</li> <li>• Accompanying Notes</li> </ul> <p>Entities which are trading for less than three (3) financial periods should provide:</p> <ul style="list-style-type: none"> <li>• A letter detailing the fact , signed by a duly authorised representative of the entity; and</li> <li>• Any other information or documentation which would provide more clarity on the financial history of the bidder.</li> </ul> <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](mailto: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

- 7.2.1.1 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 and 6.2:
- 7.2.1.2 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:
- 7.2.1.2.1 reject the Tender in question and not to evaluate it at all;
  - 7.2.1.2.2 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;
  - 7.2.1.2.3 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 Mandatory Requirement – Gate 1

The table below contains the pre-technical (mandatory pre-qualification) criteria that are specific to this RFP. If the bidder does not meet any of the mandatory pre-qualification criteria, the bidder will be disqualified and the bidder's proposal will not be evaluated further.

Only Bidder(s) that have met the mandatory requirements pre-qualification criteria in Gate 1 will be evaluated in Gate 2 for technical evaluation compliance with the Mandatory Requirements. **Refer to response template: Annexure A1**

### TABLE 2 MANDATORY REQUIREMENTS

Non-adherence to the following pre-technical mandatory criteria will result in disqualification

	Pre-Technical Mandatory criteria	Response
1	The bidder must not have any direct and indirect commercial and/or vested interests in the tobacco industry. Including but not limited to any company or director involved in the supply chain as defined in	YES - the bidder has a direct or indirect commercial and/or vested interest in the tobacco industry – If the bidder confirms that it has

	the BRS of tobacco products	commercial and vested interests in the tobacco industry- the bidder will be disqualified.  No - If the bidder confirms that it has no commercial and/or no vested interests in the tobacco industry - the bidder will be subjected to a vetting process.(The bidder must maintain the status for the duration of the contract)
2	The bidder must secure a bid bond amounting to 5% of their Capital Investment. This has to be submitted along with the bid. This condition applies to all bidders regardless of the country of origin. The Bid Security shall be, at the option of the bidder, in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank and must be valid for a period of 90 (Ninety) days from the tender closing date.	Should the bidder fail to provide a bid bond amounting to 5% of their Capital Investment, the bidder will be disqualified
3	The bidder's proposed solution must include a serialisation engine that can generate unique identifiers (UID) at the individual unit level i.e. 10,20,30's to Brick/Carton and Master Case and Pallet.	YES - The bidder will not be disqualified.  NO - If the bidder responds as "NO" the bidder will be disqualified
4	Secure Marking: Ability to incorporate security features into fiscal marks and UIDs. <ul style="list-style-type: none"> <li>The bidder's proposed solution must have a visible mark that can be seen by the naked eye</li> <li>The bidder's proposed solution must be authenticated by using dedicated and specialised devices (this can incorporate taggants, inks or other features that cannot be seen by the naked eye).</li> <li>The bidder's proposed solution must have the ability to add a unique identifier and related information to each label/stamp/mark, with quality control to</li> </ul>	YES - The bidder will not be disqualified.  NO - If the bidder responds as "NO" the bidder will be disqualified

	<p>verify the readability via machine-readable mechanism (e.g. data matrix, bar code etc.)</p> <ul style="list-style-type: none"> <li>The bidder's proposed solution must include forensic markers that can be identified only through laboratory analysis providing irrefutable evidence that could be submitted as evidence in a court of law.</li> </ul>	
5	Aggregation - The bidder's proposed solution must have the ability to link units to higher level packaging.	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
6	The bidder's proposed solution must provide for marking of low volume goods (manual application, etc.).	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
7	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>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
8	Marks inventory management - The bidder's proposed solution must account for the usage of fiscal marks, their application on each manufactured product and their wastage during the production process.	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
9	The bidder's proposed solution must cater for, and describe interoperability measures with existing fiscal marking solutions.	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
10	Device Security - The bidder's proposed solution must be protected by passwords and only allow usage by authorised personnel.	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>

11	<p>Maintenance Plan -</p> <ul style="list-style-type: none"> <li>The Bidder to confirm device maintenance and replacement plan for their proposed solution is in place.</li> <li>The bidder to confirm the capability to maintain all components and elements of the solution.</li> </ul>	<p>YES - The bidder will not be disqualified.</p> <p>NO - If the bidder responds as "NO" the bidder will be disqualified</p>
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#### 7.4 SARS's Technical Evaluation Criteria – Gate 2

- 7.4.1 Only bidders that have met the Mandatory pre-qualification criteria in (gate 1) will be evaluated in gate 2 for technical evaluation criteria. Technical evaluation will be done in two phases, mainly Desktop (the weighted score will equate to 60) and Demo (the weighted score will equate to 40) evaluation.
- 7.4.2 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 overall total weighting criteria of **250**, will be converted to a total of 100 points.

#### NB:

- if the bidder includes CV's of individuals that are not currently employed by the said bidder, then the bidder must include in their submission a letter or agreement from the respective individual whose CV is included, that the individual is aware and is in agreement that their CV may be included for tendering purposes, and that the said individual confirms to commit and will make him/herself available for the contract period should the contract be awarded.
- If the bidder includes experience of an entity other than the bidder itself, then the bidder must include in their submission a letter or agreement from the respective entity that the entity is aware and is in agreement that their experience may be included for tendering purposes.

TABLE 3- TECHNICAL EVALUATION

Technical Criteria					
No.	Criterion	Description	Evaluation values	Weighting	RATING SCALE
1	<b>CREDENTIALS AND QUALIFICATIONS</b>			22	
1.1	<b>Company Size as measured by: # of employees engaged in solution, -- Expertise in the tracking and tracing domain</b>	The bidder must provide a number of employees directly engaged in Tracking and Tracing solution of Cigarettes as an indicator of ability of company to provide relevant resources to implement solution	The bidder to supply a list of employees and their CVs engaged in Track and Trace Solution (measured against details supplied in CVs)	2	a) 1 - 5 employees = 2 b) 6 - 10 employees = 4 c) 11-20 employees = 6 d) >20 employees = 8 Total number of employees with expertise in track and trace of cigarettes
		The bidder must provide/confirm the number of years experience the company has in track and trace solution implementation.	How many number of years experience the company has in track and trace solution implementation.	2	a) <1 year = 0 b) 1 - 5 years experience = 2 c) 6-10 years experience = 4 d) 11-20 years experience = 6 e) > 20 years experience = 8
		The bidder must provide a number of track and trace projects successfully completed	How many number of track and trace projects implemented successfully. (List of those projects , client testimonials and periods to be provided).	2	a) < 1 project = 0 b) 1 - 5 projects = 2 c) 6 - 10 projects = 4 d) 11-20 projects = 6 e) > 20 projects = 8
1.2	<b>Number of Marked Items</b>	The bidder must indicate the total number of items marked and controlled by the solution (per annum). Provides an indication of the size of current solution(s) in operation. (This is a volumetric indicator)	How many items marked per annum	3	a) < 500 Million Units = 2 b) 500 to 800 Million units = 4 c) 801 million to 1 Billion units = 6 d) 1.1 to 2 Billion = 8 Per annum
1.3	<b>Number of Reference Sites (preference for Revenue Authority)</b>	The bidder must provide a total number and list of manufacturing and distribution sites that the solution has been implemented in globally.	How many manufacturing and distribution sites that the solution has been implemented in globally	3	a) < 1 site = 0 b) 1 - 8 sites = 2 c) 9 - 16 sites = 4 d) 17 - 24 sites = 6 e) >24 Sites = 8
1.4	<b>Company Turnover</b>	The bidder must indicate Company revenue as an indicator of company size and stability.	The bidder to supply three(3) years audited financial statements	2	a) < 5 = 1 b) 5 = 2 c) >5< 25 = 4 d) >25< 250 = 6 e) > 250 = 8 (USD Million)
1.5	<b>Domain Experience - Company</b>	The bidder to confirm experience of the company in cigarette Tracking and Tracing industry	How many number of years experience the company has in cigarette Tracking and Tracing industry	2	a) 1 - 5 years = 4 b) 6 - 10 years = 6 c) > 10 years = 8
1.6	<b>Domain Experience - Experts</b>	The bidder must confirm availability and experience of resources that have knowledge in the cigarette track and trace domain	Does the bidder have resources with knowledge in the cigarette track and trace domain available. (Provide CV with name, email, contact number, years in the industry and detailed experience )	2	a) 1 - 2 expert(s) = 4 b) 3 - 5 experts = 6 c) 6 or more experts = 8
1.7	<b>Letters of Reference</b>	The Bidder must supply minimum of three (3) names and contact numbers of the previous or current client. The Bidder's referral letter must verify in full their ability to	How many number of reference letters provided in Track and Tracing of Cigarettes	2	a) 1 reference letter = 2 b) 2 reference letters = 4 c) > 2 reference letters = 8

		implement, manage and maintain a solution as required by SARS			
1.8	Local Presence	The bidder must confirm if the Company has a presence in South Africa, duly registered with CIPC	Does the Company have a registered office in South Africa	2	a) No presence in SA = 2 b) Presence in SA = 8
<b>TECHNICAL SPECIFICATIONS</b>					
2	<b>REGISTRATION</b>			4	
2.1	T&T Registration	The bidder must provide stakeholders (manufacturers, distributors, importers and exporters) with a platform via which they can register for Track & Trace.	Proven ability to allow for the registration of stakeholders for T&T in terms of: 1. A platform to register in accordance with applicable tools and technologies for development. 2. Compliance to the data and functional requirements for registration; 3. Integration with systems to communicate all stakeholder registration activity at SP in accordance with protocols for integration; 4. Upload of registration information to the central database on a regular basis 5. Compliance reports of registration activity (inclusive of de-registered entities, active registrations, dates of registration changes, registration type e.g. manufacture vs distributor	4	a) Does not meet criteria=0 b) Meet 1 Criteria=2 c) Meet 2-3 Criteria=4 d) Meet 4 Criteria = 6 Full Criteria Met=8
3	<b>FISCAL MARKS MANAGEMENT</b>			10	
	Produce own fiscal marks	The Bidder must confirm that the company has the ability to produce their own fiscal marks	Bidder to provide: 1. Proven capability with samples provided of fiscal mark. 2. The solution provider must provide samples of previous marks,	2	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Meet 2 Criteria=6 d) Full Criteria Met=8

			or mock-ups as part of their proposal. 3. Proposed fiscal mark design should consider all types of packaging (10's, 20's 30's, carton/brick, master case, and pallet).		
	Online ordering and payment system	The bidder must confirm that Authorised entities are able to place online orders for fiscal marks via a secure web portal.	1. Proven online ordering and payment capability. 2. The online platform must enable Authorised entities to provide production forecasts . 3.The solution provider will provide an online capability for ordering of marks. This capability should be made available to all authorised entities. 4 Each order of fiscal marks should be able to be routed to SARS to be approved or rejected. 5.Solution provider must cater for a payment function for ordered and authorised Fiscal mark . These payments must be managed on an entity account basis which can be audited by SARS or an appointed third party.	2	a) Does not meet criteria=0 b) Meet 3 Criteria=4 c) Meet 5 Criteria=8
	Delivery of Marks	The bidder must provide delivery of fiscal marks that shall be traceable to their order, shipment and Authorised Entity.	1. Once printed, the solution provider should be able to arrange for secure delivery of the fiscal marks to the authorised entity. 2.The delivered fiscal marks must be able to be traceable to the orders, shipment and Authorised entity.	2	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Full Criteria Met=8
	Secure storage and distribution	The bidder must confirm the Company's ability to securely store and distribute fiscal marks to authorised entities	Proven control system with the: 1. Capability to securely distribute/allocate the fiscal marks to authorised entities 2. Capability to securely store the fiscal marks	4	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Full Criteria Met=8
4	<b>FISCAL MARKING AND SECURITY FEATURES</b>			17	
4.1	Serialisation	The bidder must provide a solution with serialisation which ensures that each item is marked with a unique identifier so that it can be monitored	Solution must include a serialisation engine that can generate unique identifiers (UID) at the individual unit level i.e. 10,20,30's to Brick/Carton and Master Case and Pallet.	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8

4.2	<b>Secure Marking: Ability to incorporate security features into fiscal marks and UIDs. Secure refers to features that prevent unlawful duplication (counterfeiting)</b>	The bidder must be able to provide a secure marking solution with Overt features	Must have a visible mark that can be seen by the naked eye	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
		The bidder must be able to provide a secure marking solution with Covert features	Must be authenticated by only using a dedicated and specialised devices (this can incorporate taggants, inks or other features that cannot be seen by the naked eye.	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
		The bidder must be able to provide a secure marking solution with Machine Readable features	Must have the ability to add a unique identifier and related information to each label/stamp/mark, with quality control to verify the readability via machine-readable mechanism (e.g. data matrix, bar code etc.)	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
		The bidder must be able to provide a secure marking solution with Forensic features	Must include forensic markers that can be identified only through laboratory analysis providing irrefutable evidence that could be submitted as evidence in a court of law.	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
4.3	<b>Encoding</b>	The bidder must provide the symbology (or carrier) used to encode the unique identifier and associated data; and physical method the mark is printed or applied to unit.	1. The bidder must have the flexibility to adapt the solution to include the encoding on various surfaces and carriers. 2. Should also provide a quality control mechanism to inspect that readable marks have been applied	2	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
4.4	<b>Aggregation</b>	The bidder's solution must have the ability to create many-to-one (parent-child) relationship between unit levels and secondary packaging (e.g. cartons, cases, master cases, pallets, containers).	Proven ability to link units to higher level packaging	2	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
4.5	<b>Low volume marking</b>	Solution should be able to cater for marking of low volume goods produced locally or arrive unmarked	Detailed description and examples of solution for marking of low volume goods. (manual application, etc.)	3	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
5	<b>PRODUCTION CONTROL AND INVENTORY MANAGEMENT</b>			<b>18</b>	
5.1	<b>Real time reporting</b>	The bidder's solution must report the production information to the central database on a regular basis i.e. real time or every 15 minutes, such as brand, manufacturing location, date and time, production line, etc.	1. Can the solution detect, flag for rejection and report non-compliances such as products without fiscal marks, products applied with the wrong fiscal marks and wrong product SKU.	2	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8

			2. Can the solution report production information to the central database, such as brand, manufacturing location, date and time, etc.		
5.2	<b>Local versus export production monitoring</b>	Automatically distinguish and account for production intended for domestic consumption and for the export market	Can the solution automatically distinguish and account for production intended for domestic consumption and for the export market.	4	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
5.3	<b>Real time monitoring</b>	Automatically distinguish and account for production intended for domestic consumption and for the export market.	1. Does the solution monitor the status of the deployed equipment and report it to the central database on real-time basis. 2. Can the solution monitor remotely and send alarms to the central database in case of tamper attempts	2	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
5.4	<b>Marks inventory management</b>	Ability to detect and report any incidents of tampering with production and movement monitoring equipment	The bidder 's proposed solution account for the usage of fiscal marks, their application on each manufactured product and their wastage during the production process.	4	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
5.5	<b>Marking capabilities</b>	Marking efficiency levels to be commensurate with industry production levels	Marking efficiency levels to be commensurate with industry production levels (provide proof). Current SA Industry maximum packing machine rate 500 packets/min.	4	a) <500=0 b) 500 to 600= 2 c) 601 to 700=4 d) 701 to 800=6 e) >801=8
5.6	<b>Interoperability</b>	Account for existing fiscal marking equipment to ensure interoperability	Solution to cater for, and describe interoperability measures with existing fiscal marking solutions.	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
<b>6</b>	<b>INFORMATION TECHNOLOGY EVENT MANAGEMENT</b>			<b>10</b>	
6.1	<b>Standards Based</b>	The bidder's technology must provide the solution based on generally accepted industry standards related to the domain (i.e. GS1, EPCIS, ISO27001/2 etc)	1. The bidder 's proposed solution utilises recognised box marking industry standards (e.g. ISO/IEC 29133) for the machine-readable symbology / data carrier which allow reading and decoding by downstream economic operators. 2. Solution provider to provide a standardised interface (e.g. GS1, EPCIS) to upload or capture unique identifier and aggregation data	3	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8

			across the supply chain.		
6.2	Real time tracking of import and export	The bidder's technology must have the ability to electronically track movements of Cigarette/goods	1. Does the technology provide for real time tracking of supply chain events and movement of import and export processes. 2. Does the Data transmission to central database adhere to the agreed, standardised form (e.g. GS1, EPCIS standard).	3	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
6.3	Supply chain tracking device management	The bidder's technology must include provision of handheld scanners / reading devices for small manufacturers and distribution operators to record receipt, disaggregation, aggregation and dispatch events	1. Does the bidder 's proposed solution include handheld scanners / reading devices for small manufacturers and distribution operators to record receipt, disaggregation, aggregation and dispatch events. 2. Where there is existing logistic aggregation equipment in place, the solution provider is required to conduct a review of existing equipment installed by supply chain entities who already have such agreements and obligations to operate elements of a traceability solution (including aggregation recording equipment, scanner and 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.	4	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
<b>7</b>	<b>FIELD ENFORCEMENT</b>			<b>23</b>	
7.1	Device Security	a) Record log-in details and be secured for authorised use only. b) Be password protected and only used by authorised personnel.	1. The bidder 's proposed solution must be protected by passwords and only allow usage by authorised personnel	4	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
7.2	Device Usability	Refers to the usability - navigation, user-friendliness and intuitivity of the device	The bidder 's proposed solution includes: 1. With a usable battery life to enable - at least - a single day's use without recharging; 2. Be reasonably impact and damage resistant. 3. Be simple to use and navigate	4	a) Does not meet criteria = 0 b) Meets one of the criteria = 2 c) Meets two of the criteria = 4 d) Meets three of the criteria = 6 e) Full Criteria Met = 8

			4. Equipped with GPS capabilities in order to automatically register and track locations		
7.3	<b>Device Connectivity</b>	Ability of the device to connect to the SARS network	The bidder's proposed solution includes: 1. Able to connect to the central system to register and report inspection data 2. Able to upload usage information for audit purposes which authenticate digital security of the fiscal marks. 3. That can store audit data locally while disconnected from the 4G network (work asynchronously). 4. Can be remotely deactivated by the system if lost.	4	a) Does not meet criteria = 0 b) Meets one of the criteria = 2 c) Meets two of the criteria = 4 d) Meets three of the criteria = 6 e) Full Criteria Met = 8
7.4	<b>Device Training</b>	The solution provider will be responsible for training all users on the device, as well as enabling SARS Officers to become qualified trainers of the device. (Train the trainers)	Bidders to provide a sample of the training plan.	4	a) Does not meet criteria = 0 b) User manuals only = 4 c) Training plan provided = 8
7.5	<b>Device Maintenance</b>	SP will provide maintenance on devices for duration of contract	Bidder to provide device maintenance and replacement plan	3	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
7.6	<b>Smartphone Verification</b>	Service provider to provide a smartphone verification capability for solution: a) Easily authenticate the legitimacy of a product; b) Ensure tax paid status; c) Verify the goods are intended for local consumption; d) Be published to assist the public, distribution chain operators and retailers to verify the authenticity of fiscal marks and retrieve product related information from the central database; e) Be available for Android- and iOS-enabled smartphones and shall be distributed free of charge; f) Allow the public to report non-compliance (e.g. fiscal marks applied on wrong products, fake or suspicious stamps, etc.).	The bidder's proposed solution includes : 1. Availability of Smartphone Verification technology for consumers to or a authenticate products as sanctioned by SARS: 2. Web-based authentication service where a consumer can key in the alpha-numeric code found on the product and retrieve related authentication information, and a service where the alpha-numeric code can be sent via sms to the database and authentication information returned; 3) An SMS service will be provided to assist the public to verify the authenticity of fiscal marks and retrieve product related information from the central database.	4	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Meet 2 Criteria=6 d) Full Criteria Met=8

8	<b>CENTRAL ENFORCEMENT AND REPORTING</b>			6	
8.1	<b>SARS Central Enforcement</b>	The solution provider shall provide a central point for SARS to collate, analyse and action all information created by the production management and track and trace solution. The objective of this function would be to perform risk management to direct operations, enforcement and audit activities	SP to integrate with SARS, and must provide the capability for SARS central enforcement to: 1. Monitor and have oversight of fiscal mark forecasts, orders, production and distribution; 2. Authorise all requests for fiscal marks orders from entities; 3. Monitor fiscal mark applications and activations; 4. Reconcile taxes due against stamp ordered and activated; 5. Perform analysis of multidimensional data (stamps, codes, products, taxes) for fraud detection; 6. Request and receive prescribed and scheduled solution reports as well as adhoc reports.	3	a) Does not meet criteria = 0 b) Meets one to two of the criteria = 2 c) Meets three to four criteria = 4 d) Meets five of the criteria = 6 e) Full Criteria Met = 8
8.2	<b>Reporting</b>	The solution shall produce standard and ad-hoc reports that assist SARS in decision making, particularly in the areas of risk profiling, production monitoring, inspection and enforcement.	This criterion is measured on: 1. Production of on-demand and periodic production of standard adhoc reports for SARS 2. Reports that are configurable 3. Reports that are fully adaptable to allow for specific search requests to be made; 4. Reports that will assist SARS in the areas of risk profiling, production monitoring and enforcement; 5. Providing near real-time data covering all events associated with the fiscal marks and controlled products life cycle; 6. Ability to generate reports that conform to King 1/2/3/4 reports on governance; 7. Ensuring that a full audit trail is maintained for all reporting requests; 8. Providing projections and trends of orders and usage of various	3	a) Does not meet criteria = 0 b) Meets one to three of the criteria = 2 c) Meets four to six of the criteria = 4 d) Meets seven to eight of the criteria = 6 e) Full Criteria Met = 8

			manufacturers, importers and exporters. 9. Developing and maintaining a traceability query web application that will be operated by SARS and potentially other government agencies as authorised by SARS.		
9	<b>SOLUTION MONITORING AND QUERY MANAGEMENT</b>			3	
9.1	<b>Solution Monitoring Centre</b>	The solution provider shall provide a command centre that will be responsible for overseeing the smooth running of all components of the solution, handling queries from entities (related to solution components), triggering mitigating action with support or other relevant teams and providing solution usage and operability reports to SARS as requested.	SP must provide hardware, software and training required to set-up, the command centre at a location designated by SARS, and having the ability to integrate with the SARS enforcement centre. The command centre must : 1. Be managed and resourced by SP, with full access provided to SARS for monitoring and oversight; 2. Be operational 24 hours a day, and provide immediate response on component failures, maintenance of equipment on production lines, perform scheduled and unscheduled services, schedule emergency and routine fixes, monitoring of system performance, checking for outages, etc. 3. Must record on system operation including items marked, quality of markings, and associated commercial information (e.g. order, packing lists and invoices);	3	a) Does not meet criteria = 0 b) Meets one to two criteria = 2 c) Meets three to four criteria = 4 d) Meets five to six of the criteria = 6 e) Full Criteria Met = 8

			<p>4. Account for wastage and discrepancies.</p> <p>5. Be the central point of call for all query management from industry or from SARS Operations related to solution operation;</p> <p>6. Provide real-time production monitoring of local production connectivity to production monitoring equipment, products being manufactured, number of products manufactured per hour, status of equipment, level of ink, alerts against unauthorised opening of production monitoring equipment;</p> <p>7. Track service technicians responsible for equipment maintenance;</p> <p>Ensure active monitoring of IT infrastructure against security threats.</p>		
10	<b>DATA MANAGEMENT</b>			6	
10.1	<b>Data Management</b>	<p>The solution provider will be responsible for creating a data management capability to manage the traceability data that will be created along all traceability events throughout the supply chain. This will include the ability to receive, store, process, report and make available all traceability data.</p>	<p>1. Solution provider must provide a secured central database accessible by authorised personnel;</p> <p>2. Solution provider must allow access to external auditors as necessary for the purpose to monitor activities related to data management;</p> <p>3. Solution must provide a high level of redundancy and data availability and must include disaster and recovery site;</p> <p>4. Central database must be able to integrate with SARS and other departmental systems, as well as other government systems as</p>	3	<p>a) Does not meet criteria = 0</p> <p>b) Meets one criteria = 2</p> <p>c) Meets two to three criteria = 4</p> <p>d) Meets four to five of the criteria= 6</p> <p>e) Full Criteria Met = 8</p>

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			<p>required based on recognised integration standards and techniques;</p> <p>5. Solution must provide an Internet downtime backup solution.</p> <p>6. The solution provider must implement support for industry based on standards for information exchange</p>		
10.2	<b>Data Security</b>	<p>Solution providers must provide a robust security model governing which parties may access and update records, specifically with restrictions to prevent amendments and changes to existing records by manufacturers and distribution chain operators.</p>	<p>1. All communication with the central database must be encrypted and store 5 years of data history online. The solution provider must implement secure data transmission and encryption techniques to be used for all received and transmitted data;</p> <p>2. The solution provider must ensure that encrypted data is secure but structured for easy access and management</p> <p>3. The central database shall be protected against intrusion attempts by monitoring inbound and outbound communications between the central database and untrusted networks;</p> <p>4. The solution must cater for electronic archiving of data older than 5 years</p> <p>5. The data must be hosted in a secure location with controlled access. The specific location will be defined by SARS.</p> <p>6. The solution provider is required to strictly adhere to confidentiality requirements to protect information on manufacturers' production and production capacity (planned or actual) to parties other than authorised. e.g. POPI (Protection of Personal Information) certification or equivalent.</p> <p>7. The solution provider is required to administer a user rights and</p>	<b>3</b>	<p>a) Does not meet criteria = 0</p> <p>b) Meets one to two of the criteria = 2</p> <p>c) Meets three to four of the criteria = 4</p> <p>d) Meets five to six of the criteria = 6</p> <p>e) Full Criteria Met = 8</p>

			security access model to ensure access to confidential information is available to authorised parties only. The solution must cater for maintenance of Audit logs for access and activity related to all accounts are tracked and can be queried whenever necessary.		
11	<b>SERVICE SUPPORT AND MAINTENANCE</b>			8	
11.1	<b>Support to manufacturers and distribution chain operators</b>	SP must provide support to all affected parties with regards to implementation, training and post implementation maintenance and support	Provide proof of previous: 1.Support to manufacturers during implementation, by assessing each production line and developing a requirements document outlining impact assessment and preparations to be made by the manufacturer; 2. Availability of support to manufacturers in complying with packaging design; 3. Assistance to distribution chain operators to electronically submit traceability events aligned with defined aggregation specifications; 4. Provision to entities that do not have systems capable of submitting the required information, with devices	3	a) Does not meet criteria = 0 b) Meets one of the criteria = 2 c) Meets two of the criteria = 4 d) Meets three of the criteria = 6 e) Full Criteria Met = 8

			and equipment capable of recording the products received, purchased, sold, stored and transported.		
11.2	<b>Solution Maintenance</b>	SP must maintain all elements of the solution provided to external parties and SARS	The solution provider must provide capability to maintain all components and elements of the solution i.e.: a) Any and all equipment installed by the solution provider and b) Any hardware and software installed by the solution provider,	3	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
11.3	<b>Provision of SLA's</b>	The solution provider must implement, maintain and ensure solution uptime that is aligned with industry specifications and aligned to SLAs with SARS and the manufacturers.	Bidders are to provide experiential samples of such SLA's or system reports displaying uptime and outages in bid response.	2	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
12	<b>TRAINING AND CAPACITY BUILDING</b>			2	
12.1	<b>Training and capacity building</b>	The solution provider will be responsible for providing the necessary training to operate the solution.	Solution provider must provide a sample of the following: 1. implementation of capacity building plan for SARS and Industry applicable role players to operate the solution; 2. of user manuals, presentations and guides; 3. A detailed training plan; 4. Qualified/Experienced trainers and illustrative training material; 5. Train the trainer sessions.	2	a) Does not meet criteria = 0 b) Meets one to two of the criteria = 4 c) Meets three to four of the criteria = 6 d) Full Criteria Met = 8
13	<b>PROJECT MANAGEMENT, TESTING AND IMPLEMENTATION</b>			7	
13.1	<b>Project Management</b>	The solution provider will be responsible for project managing the implementation together with the SARS project management team.	1. The SP must utilise PM methodologies, knowledge, skills, tools, and techniques consistent with leading internationally recognised PM practices such as those contained in the Project Management Body of Knowledge (PMBOK) as updated from time to time by the Project Management Institute	2	a) Does not meet criteria = 0 b) Meets one Criteria = 4 c) Full Criteria Met = 8

			(PMI); 2. PM processes and artefacts must withstand audit requirements as described in Control Objectives for Information and Related Technologies (COBIT 5) maintained by the international professional association ISACA for IT management and governance.		
13.2	<b>Solution Implementation Strategy</b>	The solution provider must provide a strategy and methodology for implementing the cigarette production control and track and trace solution that will cause minimal impact on the industry and SARS	1. SP must provide a proposed project delivery plan based on South African context. 2. The implementation strategy must provide an outline of the proposed implementation phase and must contain a list of the proposed activities with timelines considered to be necessary to achieve the contract objectives	<b>2</b>	a) Does not meet criteria = 0 b) Meets one criteria = 4 Full Criteria Met = 8
13.3	<b>Solution testing</b>	The solution provider must cater for adequate testing of the solution	The bidder's proposed solution must provide for: 1. Provision for adequate testing of the solution in relation to functional and integration testing through all development and project stages, QA, security, and user acceptance testing on all deliverables.	<b>3</b>	a) Does not meet criteria = 0 b) Has capability to meet criteria = 4 c) Proven previous experience = 8
<b>14</b>	<b>EXTERNAL AND INTERNAL INTERFACING</b>			<b>3</b>	
14.1	<b>Interfacing</b>	The solution provider will be responsible for providing the necessary interfaces to operate the solution.	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.	<b>3</b>	a) Does not meet criteria = 0 b) Meets one Criteria = 4 c) Full Criteria Met = 8

15	<b>SOFTWARE DEVELOPMENT TOOLS AND TECHNOLOGIES</b>		4	
15.1	Developmental Alignment	<p>The solution provider will ensure alignment and interfacing to SARS tools and technologies</p> <p>2. The solution must ensure hosting standards with DB management systems as input using Edifact or MQ messaging protocols</p> <p>3. The solution provider must provide the following related to security:</p> <p>a) Information Security Governance</p> <p>The solution provider must provide an overview of information security policy, standards and process (SOP) implementation.</p> <ul style="list-style-type: none"> <li>• The solution provider must confirm if information security awareness is performed.</li> <li>• The solution provider must confirm audit, risk assessment and vulnerability assessment processes. This includes confirmation that SARS can perform audits/assessment at any time.</li> </ul> <p>b) Information Security</p> <ul style="list-style-type: none"> <li>• The solution provider must provide an overview of logical access control measures.</li> <li>• The solution provider must provide an overview of data protection measures.</li> <li>• The solution provider must provide an overview of technical support, problem-, change management processes, including patch management.</li> <li>• The solution provider must provide an overview of malicious code (viruses, malware, ransomware etc.) measures.</li> <li>• The solution provider must provide an overview of network security measures.</li> <li>• The solution provider must provide an overview of application security measures.</li> <li>• The solution provider must provide an overview of back up, disaster recovery and business continuity measures.</li> <li>• The solution provider must provide an overview of IT asset management, including compliance to license agreements.</li> </ul> <p>The solution provider must confirm if they conform to King</p>	<p>Where bespoke development takes place, the solution provider will ensure alignment and interfacing to SARS tools and technologies:</p> <ol style="list-style-type: none"> <li>1. OEM web-based tools</li> <li>2. The solution must make use of IBM DB2 or MS SQL DB technologies</li> <li>3. Web services/WebSphere MQ</li> <li>4. Connect:Direct</li> <li>5. Sterling File Gateway (SFG)</li> <li>6. All generated reports must conform to King 1/2/3/4 reports on governance.</li> </ol>	<p>a) Does not meet criteria = 0</p> <p>b) Meets one Criteria = 2</p> <p>c) Meet two to three Criteria = 4</p> <p>d) Meets four to five = 6</p> <p>d) Full Criteria Met = 8</p>

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		1/2/3/4 reports on governance.			
<b>16</b>	<b>GENERAL</b>			<b>7</b>	
16.1	<b>Legislative alignment</b>	Determines whether the solution can cater for existing regulations (The Act)	The solution needs to be flexible enough to be able to cater for current and future legislative requirements i.e. can certain elements of the solution be changed to cater for flexibility and alignment.	<b>2</b>	a) Does not meet criteria = 0 b) System is flexible to cater for legislative requirements = 4 c) Proven application of the system to changes in legislation = 8
16.2	<b>Local Development</b>	Evaluates the solution providers commitment to local development	The solution provider should elaborate on how they intend developing local capacity and capability. Scoring will be based on: - Setting up a local presence and office - level of local employment	<b>2</b>	a) Does not meet criteria = 0 b) Meets one Criteria = 4 c) Full Criteria Met = 8
16.3	<b>Safety and Security</b>	Evaluation of personnel and physical security measures	The solution provider must provide the following related to security: a) Personnel security: The solution provider must indicate what background checks are completed for employees, sub-contracted employees, contractors, consultants etc. b) Physical, Environmental and Safety, Health & Occupation The solution provider must indicate what physical security measures will be in place to protect infrastructure and data/information. • The solution provider must confirm that all standard environmental measures for IT related equipment is in place e.g. air-conditioning, fire prevention, fire detection etc. • The solution provider must confirm that the hosting environment conforms to safety health and occupation regulation.	<b>3</b>	a) Does not meet criteria = 0 b) Meets one Criteria = 4 c) Full Criteria Met = 8
<b>17</b>	<b>DEMONSTRATED CAPACITY</b>			<b>100</b>	
<b>Note:</b>	<b>The bidder must conduct a mock up demonstration to prove the solution's capability by either physical presentation of the prototype and technology or live video conferencing showing a</b>				

facility where the solution has been implemented successfully.					
17.1	Produce own fiscal marks	The Bidder must confirm that the company has the ability to produce their own fiscal marks	Bidder to demonstrate: 1. Proven capability with samples provided of fiscal mark. 2. The solution provider must provide samples of previous marks, or mock-ups as part of their proposal. 3. Proposed fiscal mark design should consider all types of packaging (10's, 20's 30's, carton/brick, master case, and pallet).	8	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Meet 2 Criteria=6 d) Full Criteria Met=8
17.2	Serialisation	The bidder must provide a solution with serialisation which ensures that each item is marked with a unique identifier so that it can be monitored	Bidder to demonstrate serialisation capabilities which generate unique identifiers (UID) at the individual unit level i.e. 10,20,30's to Brick/Carton and Master Case and Pallet.	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.3	Secure Marking: Ability to incorporate security features into fiscal marks and UIDs.	The bidder must be able to provide a secure marking solution with Overt features	Must have a visible mark that can be seen by the naked eye	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.4		The bidder must be able to provide a secure marking solution with Covert features	Demonstrate the identification of hidden features which can only be authenticated by using a dedicated and specialised devices (this can incorporate taggants, inks or other features)	10	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.5		The bidder must be able to provide a secure marking solution with Machine Readable features	Demonstrate the ability to add a unique identifier and related information to each label/stamp/mark, with quality control to verify the readability via machine-readable mechanism (e.g. data matrix, bar code etc.)	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.6	Secure refers to features that prevent unlawful duplication (counterfeiting)	The bidder must be able to provide a secure marking solution with Forensic features	Illustrate the forensic of the markers that can be identified only through laboratory analysis providing irrefutable evidence that could be submitted as evidence in a court of law.	10	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.7	Encoding	The bidder must provide the symbology (or carrier) used to encode the unique identifier and associated data; and physical method the mark is printed or applied to unit.	1. Indicate the flexibility to encode on various surfaces and carriers. 2. Demonstrate quality control mechanism to inspect that readable marks have been applied	8	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4 c) Full Criteria Met = 8
17.8	Aggregation	The bidder's solution must have the ability to create many-to-one (parent-child) relationship between unit levels and secondary packaging (e.g. cartons, cases, master cases, pallets, containers).	Illustrate the ability to link units to higher level packaging	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.9	Real time reporting	The bidder's solution must report the production	1. Illustrate that the solution can detect, flag for rejection	8	a) Does not meet criteria = 0 b) Meet 1 Criteria = 4

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		information to the central database on a regular basis i.e. real time or every 15 minutes, such as brand, manufacturing location, date and time, production line, etc.	and report non-compliances such as products without fiscal marks, products applied with the wrong fiscal marks and wrong product SKU. 2. Demonstrate that the solution can report production information to a central database, such as brand, manufacturing location, date and time, etc.		c) Full Criteria Met = 8
17.10	<b>Real time monitoring</b>	Automatically distinguish and account for production intended for domestic consumption and for the export market.	Illustrate that the equipment can be monitored remotely and send alarms to the central database in case of tamper attempts	8	a) Does not meet criteria = 0 b) Full Criteria Met = 8
17.11	<b>Smartphone Verification</b>	Service provider to provide a smartphone verification capability for solutiona) a) Easily authenticate the legitimacy of a product; b) Ensure tax paid status; c) Verify the goods are intended for local consumption; d) Be published to assist the public, distribution chain operators and retailers to verify the authenticity of fiscal marks and retrieve product related information from the central database; e) Be available for Android- and iOS-enabled smartphones and shall be distributed free of charge; f) Allow the public to report non-compliance (e.g. fiscal marks applied on wrong products, fake or suspicious stamps, etc.).	Demonstrate: 1. Smartphone Verification technology for consumers to or a authenticate products; 2. Web-based authentication service where a consumer can key in the alpha-numeric code found on the product and retrieve related authentication information, and a service where the alpha-numeric code can be sent via sms to the database and authentication information returned; 3) that an SMS service will be provided to assist the public to verify the authenticity of fiscal marks and retrieve product related information from the central database.	8	a) Does not meet criteria=0 b) Meet 1 Criteria=4 c) Meet 2 Criteria=6 d) Full Criteria Met=8
12.12	<b>Device Usability</b>	Refers to the usability - navigation, user-friendliness and intuitivity of the device	Demonstrate that the device: 1. Are reasonably impact and damage resistant. 2. Are simple to use and navigate 3. Equipped with GPS capabilities in order to automatically register and track locations	8	a) Does not meet criteria = 0 b) Meets one of the criteria = 2 c) Meets two of the criteria = 4 d) Meets three of the criteria = 6 e) Full Criteria Met = 8
<b>TOTAL</b>				<b>250</b>	

## 7.5 SARS's Pricing and BEE Evaluation – Gate 3

- 7.5.1 In the second stage of the evaluation, Tenders that passed the prescribed technical threshold will be evaluated in terms of the 90/10 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	10
Price	90

### Stage 1 – Price Evaluation (90 points).

Adjudication Criteria	Points
Price Evaluation $P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	90

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 (10 points)

Adjudication Criteria	Points
BEE Evaluation (BEE Certificate and/or submission of SBD 6.1)	10

**B-BBEE BID REQUIREMENTS****B-BBEE**

In line with the requirements of 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 5 - 80/20 : A maximum of 20 points may be allocated to a bidder
- (ii) Regulation 6 - 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 (10 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: Standard Bidding Document (SBD 6.1) and a B-BBEE Certificate	10

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

Classification	Turnover	Submission Requirement
<b>Exempted Micro Enterprise ( EME)</b>	Below R10 million p.a	<b>A sworn Affidavit or Certificate from CIPC</b>
<b>Qualifying Small Enterprise (QSE)</b>	Between R10 million and R50 million p.a.	Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency. <b>A sworn Affidavit above 50% Black Ownership</b>
<b>Large Enterprise (LE)</b>	Above R50 million p.a.	Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.

Bidders who do not claim Preference Points will be scored zero for B-BBEE and cannot be excluded from the tender process.

## JOINT VENTURES AND CONSORTIUMS

Incorporated JVs must submit the B-BBEE status of the entity. Unincorporated JVs must submit a consolidated B-BBEE scorecard as if they were a group structure for every separate tender.

## SUB-CONTRACTING

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub – contracting.

The following is an extract from the PPPFA Act:

- 11(8) “A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.”
- 11(9) “A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.”

### 7.6 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.

### 7.7 Reservation of rights

SARS reserves the right in its discretion to:

- 7.7.1 make no award
- 7.7.2 withdraw, suspend or cancel this RFP or the RFP process at any time and without providing reasons;
- 7.7.3 not provide reasons for its rejection or the failure of any Bidder or Tender, save on application and in terms of applicable legislation;
- 7.7.4 change any of its requirements as set out in this RFP by giving Bidders reasonable notice;
- 7.7.5 change any condition, procedure or rule of the RFP by giving Bidders reasonable notice;

- 7.7.6 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;
- 7.7.7 re-advertise for Tenders;
- 7.7.8 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;
- 7.7.9 conduct site visits and/or perform audits whenever SARS deems it prudent to do so;
- 7.7.10 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;
- 7.7.11 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;
- 7.7.12 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
- 7.7.13 to make the award subject to the successful Bidder entering into a duly signed contract with SARS.

#### **7.8 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.

#### **7.9 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.

#### **7.10 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.

#### **7.11 Bid Bond**

By submitting a Proposal, the Bidder agrees that:

- 7.11.1 if SARS encashes the Bid Bond in terms of the foregoing, SARS will be entitled to retain the full amount of the Bid Bond as a genuine pre-estimate of the damages suffered by SARS; and
- 7.11.2 if for any reason the provisions of this paragraph 7.11 are held to operate as a penalty, then the Bidder waives, to the fullest extent permitted by law, any right it may have to claim a reduction of such penalty and SARS will be entitled at any time to claim damages in lieu of such penalty.
- 7.11.3 Unless SARS is entitled to encash the Bid Bond under the provisions of this paragraph 7.11 or any of the paragraphs in this main RFP document, the Bid Bond will be released and returned to the Bidder upon the earliest of:
  - 7.11.3.1 SARS withdrawing this RFP;
  - 7.11.3.2 SARS advising the Bidder that its Proposal was eliminated or unsuccessful;
  - 7.11.3.3 SARS advising the Bidder that no award will be made; or
  - 7.11.3.4 the execution by both SARS and the Bidder of provision of a Fiscal marking and Track and Trace Solution for Cigarette Products Master Services Agreement for the provision by the Bidder of the Services it has been awarded and the Bidder having delivered to SARS the performance bond provided for in that agreement

#### **7.12 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.

#### **7.13 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.

#### **7.14 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.

#### **7.15 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 7.1610 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,

#### **7.16 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.

#### **7.17 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.

#### **7.18 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.

#### **7.19 Tax Compliance**

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.

#### **7.20 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.

#### **7.21 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 10 details the instructions to Bidders for preparing a Tender response to RFP 01/2019. 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><b>Section 1</b> Pre-qualification documents (SBD documents)</p> <p><b>Section 2</b></p> <ul style="list-style-type: none"> <li>• Technical Responses</li> <li>• Supporting documents for technical responses</li> <li>• References/testimonials</li> <li>• 3 years audited /reviewed Financial statements</li> </ul> <p><b>Section 3</b></p> <ul style="list-style-type: none"> <li>• Company profile</li> <li>• Supplementary information</li> </ul> <p><b>Section 4</b></p> <ul style="list-style-type: none"> <li>• Signed Contract Draft</li> </ul>
FILE 2	<p><b>Section 1</b></p> <ul style="list-style-type: none"> <li>• BEE Certificate</li> </ul> <p><b>Section 2</b></p> <ul style="list-style-type: none"> <li>• Pricing Schedule</li> </ul>