

# SARS RFP 20/2019

## The Procurement, Maintenance and Support of SAP Auxiliary Tools

### Compulsory Briefing Session

24 June 2019

SARS Procurement Office  
Linton House  
Brooklyn

**RFP 20/2019**

**The Procurement, Maintenance and  
Support of SAP Auxiliary Tools**

**Welcome and Introduction**

# Agenda

| <u>Start</u>  | <u>End</u> | <u>Topic</u>                                      |
|---------------|------------|---|
| 10:00 - 10:05 |            | Welcome   |
| 10:05 - 10:15 |            | Governance, Rules and Procedures                  |
| 10:15 - 10:30 |            | RFP Overview                                      |
| 10:30 - 11:15 |            | Business Requirements (Refer to BRS presentation) |
| 11:15 - 11:30 |            | RFP Process                                       |
| 11:30 - 11:40 |            | Pricing Templates                                 |
| 11:40 - 11:50 |            | B-BBEE Overview                                   |
| 12:00 - 12:05 |            | Bidder's Proposal<br>Responses to questions       |

# Governance, Rules and Procedures

## **SARS Procurement**

## Compulsory Briefing Session

- **Purpose**
  - explain selected concepts, procedures and other aspects of the RFP
  - confirm formal registration of Bidders for notices and other communications
- **It may contain**
  - additional information
  - additional rules that must be adhered to
- **It does not**
  - cover every item in the RFP
  - replace any of the issued RFP material
  - change any of the RFP rules unless explicitly communicated in writing
- **The briefing session slides will be posted on the SARS website**
- **The RFP pack remains the primary source of information for the Bidder to respond.**

# Procedures during conference

- **Questions during the session.**
  - SARS will take written questions submitted during the session
  - SARS will review and focus on most pertinent themes arising from the questions and provide answers where possible.
  - All questions and answers will be published as part of the wider Q & A process
  - The published answers will take precedence over any verbal response given in the briefing session.
- **The session is being recorded.**

# Governance requirements

- **Strict communication channels**
  - **Bidders will be disqualified for non-compliance**
- **No solicitation of information will be allowed other than by prescribed channels**
- **Deadlines to be strictly met**
- **Adhere to prescribed submission format to ensure queries are properly dealt with.**

# RFP Pack content



# RFP Pack Contents

|                  |  |
|------------------|--|
| <b>Section 1</b> | <b>The Procurement, Maintenance and Support of SAP Auxiliary Tools (Retro Tax Tool, Data Copy Tool and Reporting Tool) for the South African Revenue Service Summary Guidelines Instructions and Conditions for SARS</b> |
| <b>Section 2</b> | <b>Standard Bid Documents<br/>Oath of Secrecy<br/>Supplier Cost and Risk</b>   |
| <b>Section 3</b> | <b>Business Requirements Specification (BRS) documents for the Procurement, Maintenance and Support of SAP Auxiliary Tools (Retro Tax Tool, Data Copy Tool And Reporting Tool) (3 documents)</b>                         |
| <b>Section 4</b> | <b>Mandatory Response Templates for the Retro Tax Tool, Data Copy Tool And Reporting Tool (3 documents)</b>  |
| <b>Section 5</b> | <b>Pricing Templates for the Retro Tax Tool, Data Copy Tool And Reporting Tool (3 documents)</b>   |
| <b>Section 6</b> | <b>Software Licence Maintenance and Support Services Agreements for the Retro Tax Tool, Data Copy Tool And Reporting Tool (3 documents)</b>  |

# RFP Pack – Points to note

- **The SARS website may indicate the use of Standard Bid documents not included in the RFP pack.**
  - DO NOT SUBMIT THESE.
  - SUBMIT THE DOCUMENTS AS PER THE INSTRUCTIONS AND THE TEMPLATES INCLUDED IN THE RFP PACK.

# RFP Overview

# Background

- **SARS's Mandate**

- South African Revenue Service Act, 1997 (Act No 34 of 1997)
- collection of all revenues that are due, ensuring maximum compliance with revenue legislation
- providing a customs service that will maximise revenue collection, facilitate trade and protect the borders of South Africa.

- **SARS's vision**

- innovative revenue and customs agency that enhances economic growth and social development
- 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.

# Background

- **Currently**
  - SARS has in the past outsourced its Procurement, Maintenance and Support of SAP Auxiliary Tools (Retro Tax Tool, Data Copy Tool and Reporting Tool) requirements appointing a single service provider for each of the Tool.
- **Proposed**
  - Tender for the Procurement, Maintenance and Support of SAP Auxiliary Tools (Retro Tax Tool, Data Copy Tool and Reporting Tool) is for a period of 3 years.
  - The Data Copy and Reporting Tool will be expected to go live on 01 March/April 2020, while the Retro Tax tool will be expected to go live on 1 March/April 2021.

# Business Requirements Specification

# Retro Tax Tool

**SARS is looking for a service provider to provide a Retro Tax Tool and related services, Maintenance and Support for a period of 3 years.**

- SARS requires a Solution where certain retro transactions can be captured and maintained without updating the previous tax year's totals.
- A Solution is required to enable the payroll schema to calculate and process any retroactive transactions over a tax or reconciliation period.
- The Solution should not be at risk with any future dated Support Packs/Enhancement packs released by SAP.
- The Solution must use the SAP Standard enhancement framework

# Data Copy Tool

**SARS is looking for a service provider to provide a Data Copy Tool and related services, Maintenance and Support for a period of 3 years.**

## **Client Copy:**

The Client Copy tool is required to allow the user to select a subset of client data to produce a fully functional client with a reduced Master data footprint. This must ensure:

## **Object Copy**

**The Object Copy allows business users to select data at SAP business object level and copy it on demand to a non-production SAP system. This must enable Business users to:**

- Mandatory Requirement is that you should be able to scramble HR master data



# Reporting Tool

**SARS is looking for a service provider to provide a Reporting Tool and related services, Maintenance and Support for a period of 3 years.**

**The reporting tool is required to:**

- Provide the ability for Business users to create their own custom reports;
- The reports must work on all supported SAP releases and patches;
- The reports must be easily exported to Excel or Adobe PDF, and sent via email;
- Create Standard Queries that can be used by multiple users;
- Security Aspects (Access to reports): The security must align to SAP standard authorizations
- Ability to schedule queries to run at certain times
- Provide Download facility for users and managers;
- When a query is created by a user, the ability to lock the query for editing by other users must be available in order to prevent one's query from being overwritten by other user's query.

As part of the data take on, the Bidder is expected to convert all current reports/queries that are on the current system into the new system and/or tool.

# RFP Process

# RFP model

- **Open tender**
- **The RFP has mandatory pre-qualification requirements**
  - Bidder must meet these before Bidder's Proposal will be considered for evaluation.

**Bidder is strongly advised to make sure it complies fully before making the decision to submit a Proposal.**

# Bid preparation phase – Q&A

- Any questions / queries regarding the RFP process or content must be submitted in writing (email) to the email address below.
- All questions / queries must be submitted by Bidders no later than 11 July 2019.
- Any oral communication will be considered unofficial and non-binding to SARS.
- The queries must be :
  - from registered representatives
  - to [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za) Email format:

**Subject** : “RFP 20-2019 – Question”  
**Body** : “Bidder: <Bidder name>”  
: “Question : <Question text>”

# Bid preparation phase – Q&A

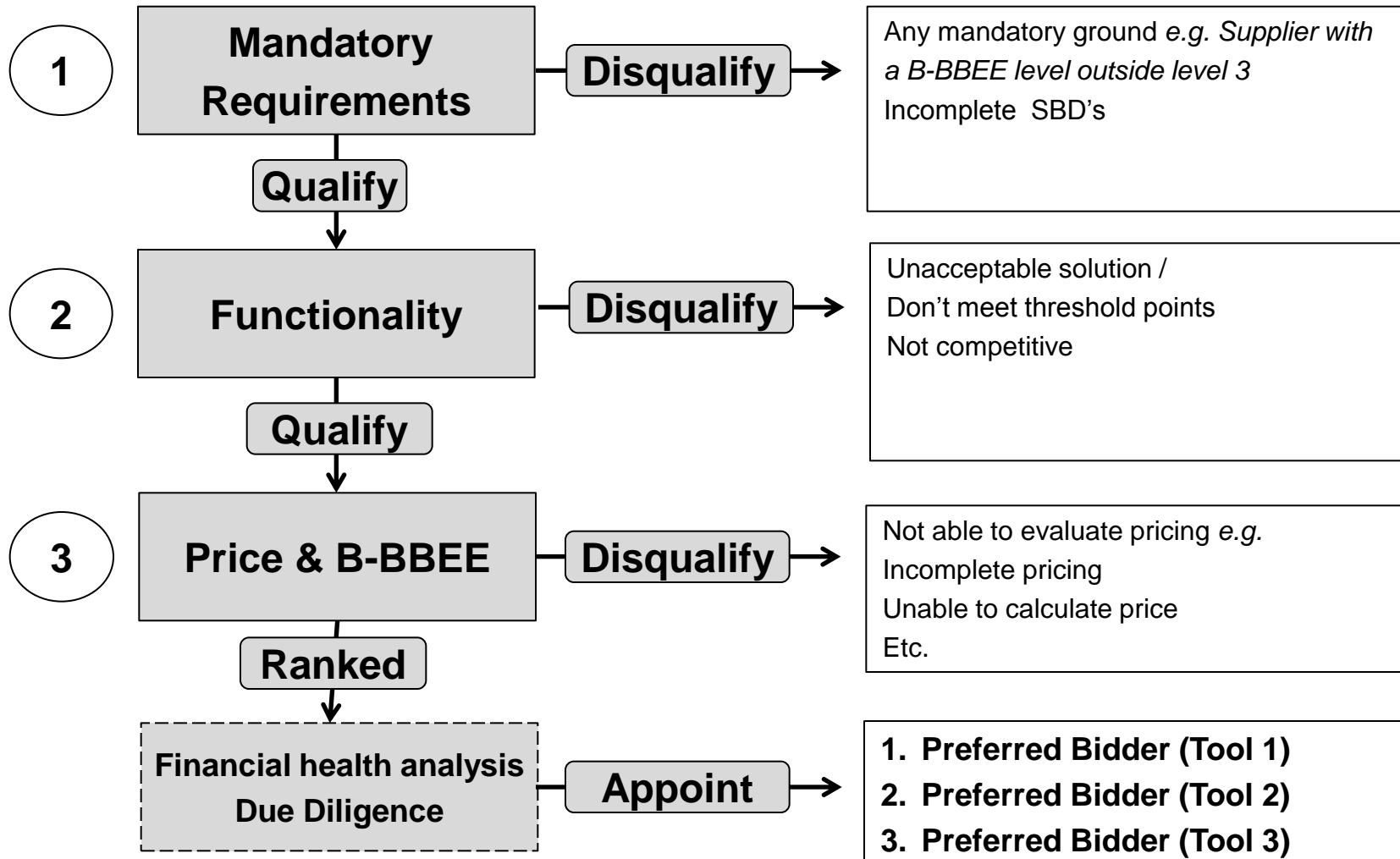
- **The answers will be published on the SARS website without the details of who posed the question**
- **SARS will endeavour:**
  - to provide a response to questions as soon as possible after receipt
  - to finalise all responses on or before **12 July 2019**

# Bid preparation phase

- **SARS may:**
  - call one or more compulsory briefing sessions
    - issue communications
    - answering questions from Bidders
    - clarifying issues arising from questions
    - amending the RFP, including changing dates and times in the RFP process.

# EVALUATIONS

# Evaluation process





# Gate 0- Prequalification

- **History**
  - No member of management / shareholding with history of collusive dealings or corruption.
- **3 year's audited financial statements**
- **All Standard Bid Documents completed and signed**
- **Signed Oaths of Secrecy**
  - By all members of the Bidder's bid team

# Gate 0- Prequalification -Discretionary

- **SARS, at its sole discretion, may disqualify a Bidder from the evaluation process for:**
  - Shareholder, indirect shareholder (>15%), director or senior management not fully tax compliant
  - Incomplete tender documentation
    - Oath of Secrecy / 3 year financial statements / required format / number of copies / omitted or incomplete responses

# Gate 0- Prequalification -Discretionary

- **SARS, at its sole discretion, may disqualify a Bidder from evaluation for:**
  - Non-adherence to RFP rules
  - Non-adherence to rules of engagement
  - Non-compliance to ethics

# Gate 1 (Mandatory Requirements)- Retro Tax Tool

| <b>No:</b> | <b>Mandatory Requirements</b> | <b>Detailed Mandatory Requirement</b>   |
|------------|-------------------------------|---|
| 1.         | SAP HCM ERP SYSTEM            | The Bidder must confirm (on the Mandatory Response Template) that the Retro Tax tool runs on the SAP HCM ERP system and S/4 HANA compatible                                       |
| 2.         | ACCREDITATION OF THE BIDDER   | The Bidder must provide a SAP accreditation letter which states that the Bidder is a SAP accredited partner   |
| 3.         | B- BBEE LEVEL                 | The Bidder must submit a valid B- BBEE Certificate with Level 3 or 2 or 1 contributor or a Sworn Affidavit which is Level 3 or 2 or 1 (whichever applicable according to SBD 6.1) |
| 4.         | COMPULSARY BRIEFING SESSIONS  | The Bidder(s) must have attended the compulsory Briefing Session  |

# Gate 1 (Mandatory Requirements)-DATA COPY TOOL

| <b>No:</b> | <b>Mandatory Requirements</b> | <b>Detailed Mandatory Requirement</b>   |
|------------|-------------------------------|---|
| 1.         | SAP HCM ERP SYSTEM            | The Bidder must confirm (on the Mandatory Response Template) that the Data Copy Tool runs on the SAP HCM ERP system and S/4 HANA compatible                                       |
| 2.         | ACCREDITATION OF THE BIDDER   | The Bidder must provide a SAP accreditation letter which states that the Bidder is a SAP accredited partner   |
| 3.         | B- BBEE LEVEL                 | The Bidder must submit a valid B- BBEE Certificate with Level 3 or 2 or 1 contributor or a Sworn Affidavit which is Level 3 or 2 or 1 (whichever applicable according to SBD 6.1) |
| 4.         | COMPULSARY BRIEFING SESSIONS  | The Bidder must confirm (on the Mandatory Response Template) the data Copy Tool is able to scramble HR Master data.   |
| 5.         | SCRAMBLE HR MASTER DATA       | The Bidder must confirm (on the Mandatory Response Template) the data Copy Tool is able to scramble HR Master data.   |

# Gate 1 (Mandatory Requirements)–REPORTING TOOL

| <b>No:</b> | <b>Mandatory Requirements</b> | <b>Detailed Mandatory Requirement</b>   |
|------------|-------------------------------|---|
| 1.         | SAP HCM ERP SYSTEM            | The Bidder must confirm (on the Mandatory Response Template) that the Reporting Tool runs on the SAP HCM ERP system and S/4 HANA compatible                                       |
| 2.         | ACCREDITATION OF THE BIDDER   | The Bidder must provide a SAP accreditation letter which states that the Bidder is a SAP accredited partner   |
| 3.         | B- BBEE LEVEL                 | The Bidder must submit a valid B- BBEE Certificate with Level 3 or 2 or 1 contributor or a Sworn Affidavit which is Level 3 or 2 or 1 (whichever applicable according to SBD 6.1) |
| 4.         | COMPULSARY BRIEFING SESSIONS  | The Bidder(s) must have attended the compulsory briefing session  |

# Gate 2 (Technical Evaluation) : Functionality (All 3 Tools)

| <b>Criteria</b>                           | <b>Weighting</b> |
|---|------------------|
| <b>Company Profile and Reference</b>      | <b>6</b>         |
| <b>Functionality</b>                      | <b>45</b>        |
| <b>Implementation Plan / Project Plan</b> | <b>4</b>         |
| <b>Support</b>                            | <b>5</b>         |
| <b>Presentation / Demonstration</b>       | <b>40</b>        |
| <b>Total</b>                              | <b>100</b>       |

## Gate 2 (Technical Evaluation) : Functionality

- **A Bidder's Proposal may be disqualified at any stage during the evaluation of functionality if:**
  - for whatever reason SARS is unable to evaluate the Bidder's proposal.
  - the solution proposed by the Bidder will not meet SARS's minimum requirements or will not achieve SARS's objectives.
- **A Bidder's Proposal may be selected to progress to the Stage 2 (Price and BEE) evaluation if:**
  - the Bidder has not been disqualified for any reason during the technical evaluation;
  - the Bidder's Proposal's aggregated weighted score for functionality equal or exceeds 70 (seventy) points



# Gate 3 (Price and B-BBEE Evaluation)

| Criteria | Weighting<br>(ex 100) |
|----------|-----------------------|
| B-BBEE   | 20                    |
| Price    | 80                    |

- 80/20 evaluation in terms of PPPFA<sup>1</sup> on contract value.
- B-BBEE evaluation performed on the basis of the submitted B-BBEE certificate.<sup>2</sup>
- Statutory formula<sup>2</sup> applied to the Bidder's submitted pricing.

<sup>1</sup> Preferential Procurement Policy Framework Act 5 of 2000

<sup>2</sup> National Treasury Regulations 2017 to the PPPFA

Selected topics  
Pricing templates

# National Treasury Preferential Procurement

## Preference Point Systems

In the second stage of the evaluation, Tenders that have submitted all the required mandatory documents will be evaluated in terms of the 80/20 preference points system under section 2 of the Preferential Procurement Policy Framework Act, 2000, read with the Preferential Procurement Regulations, 2017

- **The 80/20 preference point system is applicable to bids\* with a Rand value equal**
- **to, or above R30 000 and up to a Rand value of R50 million (all applicable taxes included).**

# Price Evaluation

- Only Bidders that have achieved the minimum technical threshold of 70 will be considered for price evaluation
- Evaluation criteria:

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

## Where

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

# Pricing template completion

- Bidders should input their company name on the coversheet and it will be populated to the pricing template.
- Bidders are required to complete all cells highlighted in "Yellow" only.
- Bidders must ensure that their price is inclusive of VAT.
- The pricing is to remain firm for 180 days from the closing date of this tender; SARS reserves the right to negotiate with the recommended bidder prior to signing of the contract and on annual basis.
- Bidders must note that all pricing must be in "ZAR". It is the bidders responsibility to consider the USD/Rand exchange rate in completing the price template.
- Bidders **MUST NOT** change the Pricing Template. SARS may at its sole discretion disqualify your bid in the event that the pricing template has been changed.
- Implementation Costs are to be quoted for in line with the Implementation plan submitted by the Bidder.
- Furthermore, Bidders are to note that SARS anticipates standard Training to be provided as part of the overall services required at no additional cost. Bidders must note that SARS requires training to be offered under the normal maintenance and support services for the respective tools.
- Bidders must complete the Pricing Template, print the spreadsheet, initial each page, sign and submit in Hardcopy also submit in electronic (EXCEL) format.
- The quoted prices **MUST** be inclusive of all SARS' requirements as per the Business Requirements Specification. No additional costs will be considered post award.
- All cells must be populated and if no value is inserted it will be regarded as Zero.
- Bidders are to include all software and/or equipment costs that are associated with the acquisition of their proposed solution.
- Attention must be drawn to the fact that SARS will enter into a 3 (Three) year term with the successful bidder and will pay for the maintenance & Support renewal on an annual basis (i.e. SARS cannot pay for all 3 years upfront).
- Bidders are required to clearly indicate and provide basis of annual escalation.

# Price Evaluation

- **Pricing**
  - Solution price will be calculated over a 3 year period

# B-BBEE REQUIREMENTS

# B-BBEE MANDATORY

The Preferential Procurement Regulations 2017 (PPR) allows SARS to exercise its discretion to issue Tenders with mandatory B-BBEE requirements:

- **The Mandatory B-BBEE Level for this Tender is Level 1, 2 or 3**



# BEE = 20 POINTS

**B-BBEE points may be allocated to Bidders on submission of documentation or evidence as follows:**

| ADJUDICATION CRITERIA   | POINTS |
|---|--------|
| A duly completed Preference Point Claim Form: SBD 6.1 and a B-BBEE Certificate. | 20     |

Bidders **MUST** complete and sign the SBD 6.1 form to claim the Bidder's B-BBEE preference points, failing which, the Bidder will be scored zero.

# BEE CERTIFICATE

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 being disqualified from the tender process.

| Classification                     | Turnover  | Submission Requirement   |
|------------------------------------|---|--|
| <b>Exempted Enterprise ( EME)</b>  | <b>Micro</b> Below R10 million p.a.                   | A DTI Affidavit or Certificate from CIPC   |
| <b>Qualifying Enterprise (QSE)</b> | <b>Small</b> Between R10 million and R50 million p.a. | Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating.<br><br>A DTI Affidavit – Only 51% BO and above |
| <b>Large Enterprise (LE)</b>       | Above R50 million p.a.                                | Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.   |

# USE AND ACCEPTANCE OF AFFIDAVITS

Section 1.6 SBD 6.1 states.. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

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

# B-BBEE KEY SECTIONS TO COMPLETE IN SBD

## BID DECLARATION

6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: ..... = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

## 8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

# B-BBEE Key Sections to complete in SBD

## BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 6. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contribution: ..... = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7 SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

*(Tick applicable box)*

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

7.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....%
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME or QSE?

*(Tick applicable box)*

|     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

# BEE

## **JOINT VENTURES**

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

## **SUB-CONTRACTING**

- Bidders who want to claim preference points will have to comply fully with regulations 11(8) and 11(9) of the Preferential Procurement Regulations, 2011 with regard to sub-contracting:
- 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 Exempted Micro Enterprise that has the capability and ability to execute the sub-contract.

# BEE

## **Proof of Existence: Joint Ventures and/or Sub-Contracting**

- Bidders must submit concrete proof of the existence of joint ventures and/or sub-contracting arrangements. SARS will accept signed agreements as acceptable proof of the existence of a joint venture and/or sub-contracting arrangement.
- The joint venture and/or sub-contracting agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or sub-contracting party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or sub-contracting arrangement.

# Financial Analysis Requirements



# Required Documents

- **Complete Sets of Audited/Reviewed Annual Financial Statements**
  - Signed Auditors / Accounting Officers Opinions
  - Statement Of Comprehensive Income (Income Statement)
  - Statement of Financial Position (Balance Sheet)
  - Statement of Cash Flows (Cash Flow Statement)
  - Accompanying Unabridged Notes for ALL of the above documents
- **Less than 3 Financial Periods**
  - Explanatory Letter
- **Joint Ventures**
  - Unincorporated JVs must submit separate F/S for each party to the JV
  - Signed JV legal agreement
- **Financial statements in Bidding Companies Name**
  - Subsidiary submitting holding company's F/S must also furnish a Performance Guarantee

# Background

- **Public Finance Management Act (PFMA)**
  - Fair
  - Equitable
  - Transparent
  - Competitive
  - Cost-effective

# Purpose

- **Financially Stable**
- **Financially Viable**
- **Identify Financial Risks**
- **Apply Appropriate Mitigating Strategies**

# Agreement Requirements

# Bidder's Proposal Format

# Bidder's Proposal

- **Each Proposal section must be separately wrapped and must contain:**
  - One hardcopy
    - A4, ring binders
  - One electronic copy
    - CD or DVD
- **The hardcopy must be signed and must contain the original signatures.**

# Bidder's Proposal contents

## Common File A - Sections

Invitation to Bid (SBD1)

Declaration of Interest (SBD 4)

Declaration of Past SCM Practices (SBD 8)

Certificate of Independent Bid Determination (SBD 9)

Supplier Cost and Risk Assessment Questionnaire

Signed Oaths of Secrecy

Central Supplier Database (CSD)

A completed template for each Tool (as well as the References) for which the Bidder is submitting a Proposal:

Tool x Mandatory Response Template (where x is the Tool reference for which the Bidder is submitting a response)

Annual Financial Statements

The sections are separated by file dividers labelled with the section names in the hardcopy version. On the CD/DVD the files must be placed in directories named after the sections.

# Bidder's Proposal contents

## Non-Pricing – Sections

Technical Responses as well as References

Agreement

Subcontractor CSD registration

## Pricing - Section

Pricing template

Preference Points Claim Form (SBD 6.1)

Bidder's B-BBEE Certificate

Subcontractor B-BBEE Certificates

The sections are separated by file dividers labelled with the section names in the hardcopy version.

On the CD/DVD the files must be placed in directories named after the sections.



# WRAP UP

- **Tender Closing date 18 July 2019 at 11:00**
- **Reminder to submit all follow-up questions electronically to SARS Procurement before close of business 11 July 2019 to [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za)**