



REFERENCE: RFP 12/2020

REQUEST FOR PROPOSAL

DESCRIPTION:

**APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF MEDICAL AID
BROKERAGE SERVICES FOR SARS**

DATE ISSUED: 30 OCTOBER 2020

CLOSING DATE: 23 NOVEMBER 2020 at 11:00am

TENDER BOX:

GROUND FLOOR, LINTON HOUSE
BROOKLYN BRIDGE
570 FEHRSEN STREET
BROOKLYN
PRETORIA

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1. INTRODUCTION

The South African Revenue Service (SARS) is uniquely placed to contribute to government's plan of action to address socio-economic growth and development, poverty alleviation and job creation. Through the vital role of providing the revenue to fund the full spectrum of initiatives, plans, programmes and strategies of national and provincial government departments, SARS plays a crucial enabling role for government delivery.

2. OVERVIEW OF SARS

Our Mandate

The South African Revenue Service Act, 1997 (Act No. 34 of 1997), enables SARS to:

- Collect all revenue due;
- Ensure optimal compliance with Tax and Customs legislation; and
- Provide a Customs service that optimises revenue collection, protect our borders and facilitate legitimate trade.

The primary legislation that SARS administers includes:

- Income Tax Act, 1962 (Act No. 58 of 1962);
- Customs and Excise Act, 1964 (Act No. 91 of 1964);
- Value-Added Tax Act, 1991 (Act No. 89 of 1991);
- Tax Administration Act, 2011 (Act No. 28 of 2011); and
- Employment Tax Incentive Act, 2013 (Act No. 26 of 2013).

SARS Higher Purpose

Our work enables Government to build a capable State, to foster sustainable economic growth and social development that serves the wellbeing of all South Africans.

Our Strategic Intent

Our mandate is to collect all revenue due; ensure optimal compliance with tax and customs legislation; provide a customs service to optimise revenue, border protection and facilitate legitimate trade. To give effect to our mandate, our Strategic Intent is to develop a Tax and Customs system based on Voluntary Compliance.

Our Vision

It is our Vision to build a smart modern SARS with unquestionable integrity that is trusted and admired.

Our Strategic Objectives

In support of our Strategic Intent and giving effect to our compliance philosophy, we have identified and committed to achieving nine (9) Strategic Objectives to guide and inform our efforts and decisions, and focus our resources over the course of this planning cycle. Our nine (9) Strategic Objectives are as follows:

- Provide clarity and certainty for taxpayers and traders of their obligations;
- Make it easy for taxpayers and traders to comply with their obligations;
- Detect taxpayers and traders who do not comply, and make non-compliance hard and costly;
- Develop a high performing, diverse, agile, engaged and evolved workforce;
- Increase and expand the use of data within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes;
- Modernise our systems to provide digital and streamlined online services;
- Demonstrate effective resource stewardship to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence;
- Work with and through stakeholders to improve the tax ecosystem; and
- Build public trust and confidence in the tax administration system.

The Values we hold dear are:

Endeared by a sense that we serve a Higher Purpose in the service of South Africans, and committed to the fulfilment of our Mission and Mandate, we hold the following values dear:

- Uncompromising regard for Taxpayer Confidentiality;
- Unquestionable Integrity, Professionalism and Fairness;
- Exemplary Public Service; and
- Incontestable insights from Data and Evidence.

3. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential Bidder(s) with a minimum B-BBEE status level 3, for the provision of Medical Aid Brokerage Services to SARS for a period of 48 months.

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

4. LEGISLATIVE METHODOLOGY OF THE BID

4.1. LEGISLATION

The Bidder should be familiar with all relevant legislation, including but not limited to tax laws applicable in the Republic of South Africa and should fully comply with such laws.

4.2. PROCUREMENT LEGISLATION

SARS has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

4.3. TECHNICAL LEGISLATIONS

Bidder(s) should be cognisant of the following legislation, but not limited to, applicable to services rendered:

- Medical Schemes Act, 1998 (Act No. 131 of 1998).
- Financial Advisory and Intermediary Services Act (FAIS), 2002 (Act No. of 37 of 2002)

5. BRIEFING SESSION

A non-compulsory virtual briefing session will be facilitated. Interested parties will find the details/link of the meeting on the SARS website three (3) days prior to the briefing session date as indicated on **Table 1** below.

6. DURATION OF CONTRACT

The successful Bidder will be appointed for a maximum period of forty-eight (48) months.

7. TIMELINE OF THE BID PROCESS

The validity period is 180 days after the closing date of the bid. The project timeframes of this bid are set out below:

Table 1

Activity	Date Due
Advertisement of Bid in the Government Tender Bulletin	30 October 2020
Advertisement of Bid in the e-Tender website	30 October 2020
Distribution of Bid documents on SARS website	30 October 2020
Questions relating to the bid from bidder(s)	30 October 2020
Non-compulsory Briefing Session	05 November 2020
Bid Closing Date	23 November 2020 at 11H00
Notice to Bidders	*February 2020

* Dates subject to change.

All times and dates in this bid are South African Standard Time. Any time or date in this bid is subject to change at SARS' sole discretion. The establishment of a time or date in this bid 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. The bidders accept that, if SARS extends the deadline (the closing date) for bid submissions for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

8. CONTACT

A nominated official of the potential Bidder(s) can make enquiries in writing, to the specified person, Mr Andre Taljaard (Procurement Tender Office) via email at tenderoffice@sars.gov.za and cc rft-professionalservices@sars.gov.za. Potential Bidder(s) must reduce all telephonic enquiries to writing and send them to the above email addresses.

9. SCOPE OF WORK

9.1 BACKGROUND

An important service to SARS employees regarding their medical aid is providing advice and assistance regarding Medical Aid Schemes and benefits. This is generally required when employees are appointed in SARS, during life events, e.g. marriage, divorce, death of members, birth of children etc., and year-end revision process. In addition, employee's membership information and contributions also needs to be managed to ensure correct payments for continuous cover.

SARS HR staff are not FAIS registered or compliant and are not permitted to provide the service that a Medical Aid Broker can provide. It is thus essential that SARS secure the service of a Medical Aid Broker to provide the necessary service to its employees.

9.2 SCOPE OF SERVICES

The successful Bidder will be required to render the following services:

9.2.1 Medical Aid Service consulting to employees

- 9.2.1.1 Advise new and existing employees on the different medical aid schemes options as and when required;
- 9.2.1.2 Assist existing employees with adding or removal of dependents;
- 9.2.1.3 Assist employees with medical accounts queries;
- 9.2.1.4 Provide awareness with regard to medical aid option changes and year end revision changes;
- 9.2.1.5 Provide one on one consultation pertaining to medical aid cover;
- 9.2.1.6 Provide weekly consultation (physical and/or virtual) to employees at all offices. Other offices might require less frequent consultation;
- 9.2.1.7 Provide escalated query assistance;
- 9.2.1.8 Assist employees with hospital admission authorisation as and when required; and
- 9.2.1.9 It would be an advantage if the service provider can offer the services in the majority of the official South African languages.

9.2.2 Medical Aid Service consulting to SARS

- 9.2.2.1 Provide the employer with employee's medical aid option changes and dependent information;
- 9.2.2.2 Provide the employer with advice on medical aid scheme changes and legislation changes;
- 9.2.2.3 Assist the employer with required medical aid schemes analysis and surveys;
- 9.2.2.4 Provide report on the previous year end revision process;
- 9.2.2.5 Provide review of demographic profile of active members within SARS;

- 9.2.2.6 Provide scheme and option comparisons;
- 9.2.2.7 Provide scheme national demographics compared to SARS scheme membership;
- 9.2.2.8 Provide legislative review and update;
- 9.2.2.9 Provide project planning and implementation (i.e. but not limited to bulk recruitment, Wellness Days strategy, etc.);
- 9.2.2.10 Conduct quarterly healthcare market trend analysis and forecasting (i.e. but not limited to scheme performance, national health insurance, etc.); and
- 9.2.2.11 Conduct an annual review on all medical aid schemes with recommendations to the best possible schemes.

9.2.3 Wellness

Facilitate and coordinate Wellness Days in collaboration with SARS Wellness as per agreed project timelines or as when the need arises or in the event of unexpected required circumstances. This includes the following:

- 9.2.3.1 Health screening (through medical aid insured benefits) on Wellness Days;
- 9.2.3.2 Providing health information material (e.g. health passports, brochures, leaflets, posters and so forth);
- 9.2.3.3 Providing onsite group information sessions during the wellness days;
- 9.2.3.4 Engaging with other medical aids outside of SARS preferred medical aids to accommodate employees who are not on SARS preferred medical aid schemes during wellness days;
- 9.2.3.5 Identifying and engaging employees with chronic conditions during the wellness days and refer to SARS EAP and wellness provider for registration on the relevant medical aid chronic disease programme;
- 9.2.3.6 Participate in scheduled meetings (e.g. monthly and ad hoc) at mutually agreed location;
- 9.2.3.7 Executive Wellness days screening (through medical aid insured benefits);
- 9.2.3.8 Health calendar days (e.g. World AIDS Day); and
- 9.2.3.9 Providing advice and support pertaining to medical aid changes in relation to unpredicted health risks as they emerge.

9.2.4 Year End Revision Services

- 9.2.4.1 Project planning and implementation for all offices, which considers the following:
 - Headcount of employees;
 - Locations of SARS offices;
 - Operating hours;
 - Reaching employees at SARS premises, working from home and remotely from other locations.
 - Business operational demands (e.g. contact centre);
 - Preferential provision for executive consultation; and

- Ability to render the service in multiple sites at the same time within the project timelines taking into account implementation deadlines

9.2.4.2 Conduct year-end revision information sessions regarding product options and benefits; and

9.2.4.3 Record keeping of sessions i.e. attendance registers.

9.2.5 Reporting

9.2.5.1 Medical Aid brokerage reports:

- Monthly reporting;
- Quarterly reporting;
- Risk management;
- Executive and annual reports;
- Benchmark review; and
- Ad-hoc reports.

All reports to be submitted within 5 working days after the end of the month or quarter or year

9.2.5.2 Wellness Days reports:

- Provide regular and **ad hoc** comprehensive reports (monthly dashboard, quarterly and annual) on Wellness Days. Reports to be broken down according to regions, office, division and business unit; and
- Provide comprehensive report / data of chronic disease registrations onto the different medical aids (provide by regional distribution) quarterly.

9.2.6 GEOGRAPHIC LOCATIONS

Provide services to employees across the nine provinces of South Africa, land borders, ports of entry and call centres. Below is an estimated head count in different SARS locations/regions:

Region	Total Employees per region
Eastern Cape	653
Free State	478
Gauteng Central	1017
Gauteng North	1444
Gauteng South	1654
Head Office	2404
Kwa-Zulu Natal	1522
Limpopo	420
Mpumalanga	424
North West	288

Region	Total Employees per region
Northern Cape	176
Western Cape	1530
Grand Total	12010

**Note: SARS is currently amending working structures therefore the Business areas and locations as well as the number of employees per area will change.*

9.3 BIDDERS RESPONSES/DOCUMENTATION REQUIRED

Bidders are required to submit their detailed response to the information in this section.

9.3.1 Company Profile

The Bidders should provide in their response to SARS, detailing the following:

- The company's organogram with full information on its medical aid brokerage unit;
- A breakdown of services rendered in respect of offering the medical aid brokerage;
- Years of experience actively involved in the medical aid brokerage industry; and
- The company's full contact details of key account manager who will be assigned to SARS.

9.3.2 Capability

9.3.2.1 Bidder's Client List

Bidders must provide in their response, a client list where they are currently providing medical aid brokerage services. Bidders should provide this information by completing **Annexure A**.

The reference information for each client provided must include the following:

- Company Name;
- Contact Person;
- Size of the company;
- Phone numbers;
- Business address;
- Duration of the contract; and
- Brief description of the services provided.

Please note that SARS may contact the clients for a reference check. It is important to ensure that the clients listed by the Bidder are contactable.

9.3.2.2 Key Personnel

The Bidders must provide amongst its staff, Key Personnel to be allocated to the SARS account. SARS considers the Key Personnel crucial to the successful delivery of services. The Bidder's submission must contain/indicate the following for these allocated personnel:

- Valid proof of FAIS registration; and
- Valid proof of Council for Medical Schemes (CMS) accreditation; and
- Years of medical aid brokerage experience.

Should a Bidder require to change or substitute the Key Personnel proposed in its proposal during the term of the contract that such new member of the Key Personnel shall be of the same qualifications and experience as the outgoing member.

SARS may verify the validity of the above information with the respective accreditation bodies.

9.3.3 National Footprint

The Bidder must share and confirm that they will be able to provide the services as per SARS footprint indicated in paragraph 9.2.6.

For proof of physical presence, the Bidder should submit one of the following documentation:

- Proof of address or ;
- Lease agreement or ;
- Water bill or ;
- Electricity bill.

For proof of virtual communication tools, the Bidder must submit one the following documentation:

- Subscription or
- Licenses or ;
- Agreement.

9.3.4 Customer Relationship Support Systems

The Bidder must provide a short description supported by a screen dump for each of the following:

- Existing customer relationship management (CRM) system;
- Web functionality;
- Self-service functionality;

- Virtual communication;
- Contact centre facility; and
- Bulk SMS functionality

9.3.5 Business Continuity

Provide/submit to SARS proof of a Business Continuity Plan in case the company runs into operational constraints and/or systems failure.

9.3.6 Reporting

Bidder must submit to SARS proof/examples of the following medical aid brokerage services reports:

- Monthly reporting;
- Quarterly reporting;
- Risk management;
- Executive & annual reports; and
- Benchmark review.

9.3.7 Year-end Revision Services

The Bidder must submit a comprehensive project plan to cover all offices for year-end revision facilitation of information sessions and/or presentations regarding product options and benefits, taking into consideration the following:

- Headcount of employees;
- Locations of SARS offices;
- Operating hours;
- Reaching employees at SARS premises, working from home and remotely from other locations.
- Business operational demands (e.g. contact centre);
- Preferential provision for executive consultation; and
- Ability to render the service in multiple sites at the same time within the project timelines taking into account implementation deadlines

9.3.8 Wellness Days

The Bidder must submit a detailed proposal on how they will, facilitate and coordinate Wellness Days in collaboration with SARS Wellness as per agreed project timelines or as when the need arises or in the event of unexpected required circumstances, which includes but not limited to:

- Health screening on Wellness Days;
- Provision of health information material (e.g. health passports, brochures, leaflets, posters and so forth);
- Provision of onsite group information sessions during Wellness Days;
- Engaging with other medical aids outside of SARS preferred medical aids to accommodate employees who are not on SARS preferred medical aid schemes during Wellness Days;
- Identifying and engaging employees with chronic conditions through the Wellness Days and encouraging them to register on the relevant medical aid chronic disease management programme;
- Health calendar days (e.g. world AIDS day); and
- Executive Wellness Days screening.

9.3.9 Professional Indemnity Insurance

The bidder should submit the following information to SARS:

- Copy of proof of indemnity insurance;
- Breakdown of risks that are covered by the insurance;
- An indication of whether the insurance is shared between clients or is specific to individual clients;
- A motivation of why the Bidder believes that the insurance is adequate or sufficient for the SARS account;
- If the insurance is not adequate, Bidder should provide a motivation on how they will get adequate insurance to service the SARS account prior to the commencement of the contract; and
- Provide confirmation of whether the insurance is in line with the obligations and possible liability known in the industry based on risks that can occur.

10. INSTRUCTIONS TO BIDDER(S)

10.1. Registration on Central Supplier Database

Foreign Suppliers who have no presence in South Africa currently are not required to register on CSD however should such entities be successful in winning the award, they will be expected to register on the Central Supplier Database. All other local suppliers or foreign suppliers that have local presence at the time of tendering are expected to abide by the following provisions. CSD can be accessed via the following link: <https://secure.csd.gov.za/>

Service Provider(s) who wish to render services to SARS will no longer register at SARS directly. Service Providers will have to register on National Treasury Central Supplier Database (CSD) as per National Circular No. 4A of 2016/2017 – Central Supplier Database.

National Treasury will maintain the database for all suppliers for Government and its institutions; and all

existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at www.CSD.gov.za.

- 10.2. Bids must be properly packaged and deposited in the tender box on or before the closing date and time at the SARS Tender Office situated at:
Linton House - Ground Floor
Brooklyn Bridge
570 Fehrsen Street
Brooklyn
Pretoria
- 10.3. Alternatively, bid documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.
- 10.4. Bid documents will only be considered if received by SARS before the closing date and time, regardless of the method used to send or deliver such documents to SARS.
- 10.5. Late bids will not be accepted and shall be returned to Service Provider(s).
- 10.6. The Bidder(s) are required to submit one (1) copy of each file (original and duplicate) and one (1) CD-ROM/USB with the contents of each file by the Closing Date and time.
- 10.7. Each file and CD-ROM / USB must be marked correctly and sealed separately for ease of reference during the evaluation process. Pricing information should not be included in the Technical file. Furthermore, the file and information in the CD-ROM / USB must be labelled and submitted in the following format:

FILE 1 (ONLY TECHNICAL PROPOSAL)	
Exhibit 1 <ul style="list-style-type: none"> Pre-qualification documents (SBD documents) 	Exhibit 2 <ul style="list-style-type: none"> Service Provider Compliance Checklist for the Technical Evaluation Response to Technical Requirements as per paragraph 9.3 of the RFP document. Supporting documents for the technical responses as per paragraph 9.3 of the RFP document.
Exhibit 3 <ul style="list-style-type: none"> General Conditions of Contract (GCC) Draft Services Agreement 	

FILE 2 (ONLY B-BBEE PROPOSAL AND FINANCIALS)	
Exhibit 1 <ul style="list-style-type: none"> SBD 6.1 Preference Point Claim Form B-BBEE Certificate 	Exhibit 2 <ul style="list-style-type: none"> Financial Statements (3 years audited annual statements)
Note: SARS request that bidders use Lever Arch files to package their proposals.	

11. EVALUATION AND SELECTION CRITERIA

SARS has set minimum standards (Gates) that bidder(s) must meet in order to be evaluated and selected as a successful Bidder. The minimum standards consist of the following:

- **Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all documents, as outlined in paragraph 11.1 below.
- **Mandatory Evaluation Criteria (Gate 1)** - Bidder(s) must submit all documents, as outlined in paragraph 11.2 below.
- **Technical Evaluation Criteria (Gate 2)** – Bidder(s) will be evaluated out of 100 points. Bidders that achieved a minimum score of 70 points out of 100 will proceed to Gate 3. The process is outlined in paragraph 11.3 below.
- **B-BBEE Evaluation (Gate 3)** – bidder(s) will be evaluated out of 20 points. The process is outlined in paragraph 11.4 below.

11.1. PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS' other critical requirements for this bid, Bidder(s) must submit the documents listed in **Table 11A** below. All documents must be completed and signed by the duly authorised representative of the prospective Bidder(s). A bidder(s) proposal may be disqualified for non-submission of any of the listed documents.

Table 11A: Documents that must be submitted for Pre-qualification

Name of the document that must be submitted	Non-submission may result in disqualification
Invitation to bid – SBD 1	YES – Complete and sign the supplied pro forma document.
Tax Compliance status pin	YES – Submit Tax Compliance status pin

Name of the document that must be submitted	Non-submission may result in disqualification
Central Registration Report (Central Database System) from National Treasury	YES – Bidders must register on Central Database System and submit the report as confirmation of registration. This is applicable to all local bidders and foreign bidders with a local presence.
Declaration of Interest – SBD 4	YES – Complete and sign the supplied pro forma document.
Preference Point Claim Form - SBD 6.1	YES – Complete and sign the supplied pro forma document.
Declaration of bidder's Past Supply Chain Management Practices – SBD 8	YES – Complete and sign the supplied pro forma document.
Certificate of Independent bid Determination – SBD 9	YES – Complete and sign the supplied pro forma document.
SARS' Oath of Secrecy	YES – Bidders must complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page.
General Conditions of Contract (GCC)	YES – Sign the supplied GCC.
Supplier cost and risk assessment questionnaire	YES – Complete and sign the supplied pro forma document.
A complete set of audited / reviewed annual financial statements for three (3) most recent financial periods in the name of the Bidder	YES – Submit all required documents.
Bidder Compliance Checklist Form for Technical Evaluation (Annexure C)	No – Complete to assist with ease of reference during evaluation.

11.2. MANDATORY EVALUATION (GATE 1)

Only Bidders that have met the pre-qualification requirements (Gate 0) will be evaluated for Mandatory Requirements (Gate 1). Below is the list of mandatory requirements for this tender. **Non-compliance** with any of the below requirements **will result in immediate disqualification of the Bidder's submission** from the tender process.

Table 11B: Mandatory Company Requirements

Mandatory Requirements	Non-compliance will result in disqualification
Minimum B-BBEE status level 3	Submit a valid B-BBEE certificate or sworn affidavit with minimum B-BBEE status level 3.
Company certificate of registration with Council for Medical Schemes (CMS)	Submit a valid certificate of registration with the Council for Medical Aid Schemes
Company certificate of registration with Financial Sector Conduct Authority (FSCA)	Submit a valid certificate of registration with the Financial Sector Conduct Authority (FSCA)

**SARS will verify the validity of the above information with the respective accreditation bodies.*

11.3. TECHNICAL EVALUATION (GATE 2) = 100 POINTS

Only Bidder(s) that have met the Mandatory Evaluation Criteria in (Gate 1) will be evaluated in Gate 2 for functionality. Bidders will be evaluated out of 100 points and are required to achieve the minimum threshold of 70 out of 100 points in order to proceed to Gate 3 B-BBEE Evaluation.

Refer to ANNEXURE B for detailed Technical Evaluation Criteria.

11.4. PRICING AND B-BBEE EVALUATION (GATE 3)

a) Pricing Evaluation

There are no cost implications for SARS and its employees for this bid. The compensation of the successful Bidder shall be as per the provisions of the Medical Aid Scheme Act No. 131 of 1998.

Therefore, there will be no pricing evaluation for this tender.

b) B-BBEE Evaluation (20 points)

Table 11C: B-BBEE Evaluation (20 points)

Adjudication Criteria	Points
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1) and a B-BBEE Certificate (B-BBEE Certificate and/or submission of SBD 6.1)	20

The checklist below indicates the B-BBEE documents that must be submitted for this tender. Failure to submit the required documents will result in bidders scoring zero for B-BBEE.

Turnover	Classification	Submission Requirement
Exempted Micro Enterprise (EME)	Below R10 million p.a.	Certified Copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency or Sworn affidavit
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS accredited rating; or A DTI Affidavit – Only 51% Black Owned (BO) and above.
Large Enterprise (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited rating agency.

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

SARS will accept B-BBEE Certificate issued on the revised B-BBEE Codes.

- **Use and acceptance of Affidavits**

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

- **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 who submit bids and intend sub-contracting a portion of the services will have to comply fully with regulation 12 of the Preferential Procurement Regulations, 2017 with regard to sub-contracting.

Regulation 12 – Subcontracting after award of tender

- (1) A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- (2) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

- (3) 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 Exempted Micro Enterprise that has the capability and ability to execute the sub-contract.

- **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.

12. FINANCIAL STATEMENTS

Bidders are required to submit complete sets of audited / reviewed annual financial statements for the three (3) most recent financial periods in the name of the Bidder. The financial statement analysis will be conducted on the shortlisted Bidders.

12.1. The annual financial statements must contain:

- Statement of Profit and Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Cash Flows; and
- Accompanying Notes.

12.2. Bidders which have been trading for less than three (3) financial periods should provide:

- A letter detailing that fact, signed by a duly authorised representative of the Bidder; and
- Any other information or documentation that would provide more clarity on the financial history of the Bidder.

12.3. In the event that a subsidiary is the Bidder 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 its a duly authorised representative.

12.4. In the event of the bid being in the form of a JV, the following is required:

- Annual financial statements of the JV; and
- A JV legal agreement detailing the percentage ownership of each entity.

SARS reserves the right to request further information pertaining to the annual financial statements of a Bidder at a later stage.

13. AGREEMENTS

13.1 General Conditions of Contract

Any award made to a Service Provider under this bid is conditional, amongst others, upon –

- 13.1.1 The Service Provider accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which SARS is prepared to enter into a contract with the successful Bidder.
- 13.1.2 The Service Provider submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the Service Provider.

13.2 Services Agreement

- 13.2.1 Upon award, SARS and the successful Bidder will conclude a services agreement regulating the specific terms and conditions applicable to the services being procured by SARS and within the specified timelines, in line with the draft services agreement included in this tender pack.
- 13.2.2 SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations with the successful bidder by amending or adding thereto (including for purposes of better giving effect to the objectives in paragraph **Error! Reference source not found.** above).
- 13.2.3 Bidders are requested to:
 - 13.2.3.1 Comment on the terms and conditions set out in the Services Agreement and where necessary, make proposals to the terms and conditions;
 - 13.2.3.2 Each comment and/or amendment must be explained; and
 - 13.2.3.3 All changes and/or amendments to the Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.
- 13.2.4 SARS reserves the right to accept or reject any or all amendments or additions proposed by the successful bidder if such amendments or additions are unacceptable to SARS or pose a risk to the organisation.

13.3 Insurance

The successful bidder will be required, on or before the effective date of the Services Agreement and for the duration thereof, to have and maintain in force adequate insurance cover consistent with acceptable and prudent business practices and acceptable to SARS, which shall include, without limitation, professional indemnity insurance cover.

14. SPECIAL CONDITIONS OF THIS BID

14.1 SARS reserves the right:

- 14.1.1 Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid.
- 14.1.2 To negotiate with one or more preferred Service Provider(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Service Provider(s) who has not been awarded the status of the preferred Service Provider(s).
- 14.1.3 To accept part of a bid rather than the whole bid.
- 14.1.4 To cancel and/or terminate the bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after Bids have been evaluated and/or after the preferred Service Provider(s) have been notified of their status as such.
- 14.1.5 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the Service Provider(s), whether before or after adjudication of the bid.
- 14.1.6 To correct any mistakes at any stage of the bid that may have been in the bid documents or occurred at any stage of the bid process.
- 14.1.7 To disqualify a bidder whose bid contains a misrepresentation which is materially incorrect or misleading.

14.2 SARS requires Bidder(s) to declare:

By submitting the bid, the Bidder(s) hereby declare the following:

14.2.1 Confirm that the bidder(s) shall:

- 14.2.1.1 Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
- 14.2.1.2 Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- 14.2.1.3 Act with circumspection and treat SARS fairly in a situation of conflicting interests;

- 14.2.1.4 Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- 14.2.1.5 Make adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with SARS;
- 14.2.1.6 Avoid fraudulent and misleading advertising, canvassing and marketing;
- 14.2.1.7 Conduct their business activities with transparency and consistently uphold the interests and needs of SARS as a client before any other consideration; and
- 14.2.1.8 Ensure that any information acquired by the bidder(s) from SARS will not be used or disclosed unless the written consent of SARS has been obtained to do so.

14.3 CONFLICT OF INTEREST, CORRUPTION AND FRAUD

SARS reserves its right to disqualify any Service Provider who either itself or any of whose members (save for such members who hold a minority interest in the Service Provider through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a fifteen percent (15%) interest in the Service Provider other than in the context of shares listed on a recognised stock exchange), directors or members of senior specialist/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"):

- 14.3.1 Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Service Provider in respect of the subject matter of this bid;
- 14.3.2 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;
- 14.3.3 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;
- 14.3.4 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;
- 14.3.5 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;
- 14.3.6 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;

14.3.7 has in the past engaged in any matter referred to above; or

14.3.8 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 Service Provider, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

14.4 BIDDER'S OWN TERMS AND CONDITIONS OR BID QUALIFICATIONS

This document contains the terms and conditions of this bid and Bidders must not qualify the specifications or come up with their own terms and conditions. SARS reserves the right to disqualify a bid that seeks to modify or depart from the specified conditions.

14.5 MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

The successful Service Provider should note that the terms of its bid will be incorporated in the proposed contract by reference and that SARS relies upon the bidder's bid as a material representation in making an award to a successful Service Provider and in concluding an agreement with the Service Provider.

It follows therefore that misrepresentations in a bid may give rise to service termination and a claim by SARS against the Service Provider notwithstanding the conclusion of the Services Agreement between SARS and the Service Provider for the provision of the services in question. In the event of a conflict between the Service Provider's proposal and the Services Agreement concluded between the parties, the Services Agreement will prevail.

14.6 PREPARATION COSTS

The Service Provider will bear all its costs in preparing, submitting and presenting any response or tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid 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 Service Providers in the preparation of their response to this bid.

14.7 INDEMNITY

If a Service Provider breaches the conditions of this bid and applicable legislation, 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 bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the Service Provider indemnifies and holds SARS harmless from any and all such costs which SARS may incur and for any damages or losses SARS may suffer.

14.8 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.

14.9 LIMITATION OF LIABILITY

A Service Provider participates in this bid process entirely at its own risk and cost. SARS shall not be liable to compensate a Service Provider on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Service Provider's participation in this bid process.

14.10 TAX COMPLIANCE

No tender shall be awarded to a Service Provider who is not tax compliant. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful Service Provider in the event that it is established that such Service Provider was in fact not tax compliant at the time of the award. SARS further reserves the right to cancel a contract with a successful Service Provider in the event that such Service Provider does not remain tax compliant for the full term of the contract.

14.11 NATIONAL TREASURY

No tender shall be awarded to a Service Provider whose name (or any of its members, directors, partners or trustees) appears 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 Service Provider should it be established, at any time, that a Service Provider has been blacklisted with National Treasury by another government institution.

14.12 GOVERNING LAW

South African law governs this bid and the bid response process. The Service Provider 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 bid, the bid itself and all processes associated with the bid.

14.13 RESPONSIBILITY FOR SUBCONTRACTORS AND BIDDER'S PERSONNEL

In the event that a Service Provider is awarded a contract, the Service Provider may only enter into a subcontracting arrangement with the approval of the SARS. Where such approval has been granted, a Service Provider is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its subcontractors (if any) and personnel of its subcontractors comply with all terms and conditions of this bid. In the event that SARS allows a Service Provider to make use of subcontractors, such subcontractors will at all times remain the responsibility of the Service Provider and SARS will not under any circumstances be liable for any losses or damages incurred by or caused by such subcontractors.

14.14 CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's bid proposal(s) will be disclosed by any Service Provider or other person not officially involved with SARS's examination and evaluation of a bid.

No part of the bid 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 bid. This bid 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 there from.

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

No confidential information relating to the process of evaluating or adjudicating bids or appointing a Service Provider will be disclosed to a Service Provider or any other person not officially involved with such process.

14.15 SARS PROPRIETARY INFORMATION



Service Provider will on their bid covering letter make declaration that they did not have access to any SARS proprietary information or any other matter that may have unfairly placed that Service Provider in a preferential position in relation to any of the other Service Providers.

15. **ANNEXURE A: CLIENT LIST**
16. **ANNEXURE B: DETAILED TECHNICAL EVALUATION CRITERIA**
17. **ANNEXURE C: TECHNICAL EVALUATION CHECKLIST**