

**REFERENCE: RFP 19/2020**

# **REQUEST FOR PROPOSAL**

## **DESCRIPTION:**

**PROVISION OF MEDIA BULK BUYING, MEDIA PLANNING AND RELATED  
SERVICES FOR SARS**

**DATE ISSUED: 26 FEBRUARY 2021**

**CLOSING DATE: 19 MARCH 2021 AT 11H00**

## **TENDER BOX:**

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

## TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	OVERVIEW OF SARS	3
3.	PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)	5
4.	LEGISLATIVE METHODOLOGY OF THE BID	5
5.	BRIEFING SESSION	5
6.	DURATION OF CONTRACT	6
7.	TIMELINE OF THE BID PROCESS	6
8.	CONTACT	7
9.	SCOPE OF WORK/SPECIFICATION/BUSINESS REQUIREMENTS	7
10.	PRICING METHODOLOGY	11
11.	INSTRUCTIONS TO SERVICE PROVIDER(S)	12
12.	EVALUATION AND SELECTION CRITERIA	13
13.	FINANCIAL STATEMENTS	19
14.	AGREEMENTS	20
15.	SPECIAL CONDITIONS OF THIS BID	21
16.	TECHNICAL EVALUATION CRITERIA	26
17.	ANNEXURE D – PRICING SCHEDULE	26

## 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 SARS Act, 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;
- Customs and Excise Act, 1964;
- Value-Added Tax Act, 1991;
- Tax Administration Act, 2011; and
- Employment Tax Incentive Act, 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 & 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 Mission**

To optimise revenue yield, to facilitate trade and to enlist new tax contributors by promoting awareness of the obligation to comply with tax and customs laws, and to provide a quality, responsive service to the public.

## **Our Strategic Objectives**

In support of our Strategic Intent and to give 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.

## **Our Values**

Endeared by a sense that we serve a Higher Purpose in the service of South Africans, and committed to the fulfilment of our Mission & 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 & Evidence.

### **3. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)**

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential Service Provider(s) with **minimum B-BBEE status level 3** for the provision of media bulk buying, media planning and related services.

This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential Service Provider required by SARS.

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.

### **4. LEGISLATIVE METHODOLOGY OF THE BID**

#### **4.1. TAX LEGISLATION**

When submitting a bid to SARS, Service Provider(s) must be compliant and remain compliant with all applicable tax legislation for the entire contract term, including but not limited to the Tax Administration Act, 2011 (Act No. 28 of 2011), Income Tax Act, 1962 (Act No. 58 of 1962) and Value-Added Tax Act, 1991 (Act No. 89 of 1991).

#### **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 its regulations, as well as the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

#### **4.3. TECHNICAL LEGISLATION AND/OR STANDARDS**

Service Provider(s) should be cognisant of all legislation and/or standards specifically applicable to the services.

### **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 in Table 7A below.

## 6. DURATION OF CONTRACT

The successful bidder will be appointed for a period of forty-eight (48) months on an “as and when required” basis subject to funds availability and confirmation on an annual basis.

## 7. TIMELINE OF THE BID PROCESS

The **validity period** of the tender and the withdrawal of offers, after the closing date and time, is one hundred and eighty (180) days.

**Table 7A: The project timeframes of this Bid are set out below**

Activity	Date Due
Advertisement of Bid in the: - Government Tender Bulletin; and - National Treasury Tender Portal.	26 February 2021
Distribution of Bid documents on SARS website	26 February 2021
Non-compulsory virtual briefing session	04 March 2021 at 11H00
Questions relating to the bid from Service Provider(s)	11 March 2021
Bid Closing Date	19 March 2021 at 11H00
Notice to Service Provider(s)*	May 2021
Contract commencement date*	June 2021

\*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's 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 Service Provider accepts 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 Service Provider(s) can make enquiries in writing, to the specified person, Mr Andre Taljaard (Procurement Tender Office) via email at [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za) and cc [rft-professionalservices@sars.gov.za](mailto:rft-professionalservices@sars.gov.za). Service Providers must reduce all telephonic enquiries to writing and send them to the above email addresses.

## **9. SCOPE OF WORK/SPECIFICATION/BUSINESS REQUIREMENTS**

### **9.1. BACKGROUND**

The South African Revenue Service requires the services of a service provider for the provision of media bulk buying, media planning and related services. The successful service provider will be expected to support and enable SARS by contributing to the organisation's strategic intent. This is to be done by planning, monitoring and bulk-buying of media space in print, electronic, digital, radio, television and out-of-home (OOH) media for campaign and special projects advertising. Furthermore, the service provider will be expected to handle media planning and scheduling from the initiation phase to the evaluation phase for marketing, tender, auction, and HR recruitment/vacancy advertising; and any media related research, audit reports, and special media reports for SARS.

### **9.2. OBJECTIVES**

SARS's objective is to appoint a service provider who will:

- Provide SARS with a media buying service that creates visibility and communicates our communication objectives on an advertising platform that the selected taxpayers will relate to;
- Achieve significant cost savings for SARS through advising, timeous planning and buying that yields bulk discount benefits without degradation in the quality of services;
- Provide the best value for money by recommending platforms and programmes that have high reach with our target market,
- Provide a media team with the necessary expertise that ensures a sustainable supply of services;
- Meet SARS's current requirements (at a minimum) and provide for flexibility to meet SARS's future needs related to the scope;
- Appropriately contain SARS's risk, including with respect to (i) sustained service delivery; (ii) cost containment; (iii) changes in law; (iv) procurement of the services under a flexible and scalable

arrangement which reflects its needs from time to time;

- Establish a successful contractual relationship between the parties that is flexible and highly responsive to SARS's changing requirements over the term;
- Provide SARS with expertise that is required to identify, analyse, recommend, provide and implement, amongst other things, new technologies and processes; and
- Provide SARS with consistent and innovative services over the term of the contract.

### **9.3. SCOPE OF SERVICES**

9.3.1. The South African Revenue Service desires to appoint an established media buying agency. The service provider must have extensive experience to procure media placements in the following media platforms:

- Radio (Including Regional & Community Radio stations);
- Print media (Including Regional & Community media);
- Television (Including Regional & Community TV);
- Out-of-home (OOH);
- Online and digital media;
- The distribution of bulk messages on social media platforms like WhatsApp; and
- Production of material for out of home, radio and digital platforms.

9.3.2. The service provider must have a proven track record on:

- Media research, analysis and monitoring;
- Media strategy development and execution;
- Media platform selection;
- Media commission and bulk discount rate negotiations and placements;
- Excellent turnaround time; and
- Knowledge, information and skills transfer initiatives for clients.

9.3.3. The service provider is expected to:

- Demonstrate an understanding of the political landscape and socio-economic conditions that would influence taxpayer's perception of SARS and consequential reputational impact;
- Develop, refine and implement media strategies for SARS campaigns;
- Undertake negotiations with media owners to secure the most cost-effective bulk discount rates and added value for SARS;
- Undertake media planning and buying of all SARS advertising and brand activation requirements;
- Provide post campaign analysis indicating effectiveness and cost efficiency of all media placements;



- Ensure tracking, monitoring and management of all SARS media placements;
- Submit monthly, quarterly and annual analytical reports as well as ad hoc reports on advertising spend by SARS;
- Provide SARS access to research data and analysis which will assist SARS in its media planning and placement;
- Work in collaboration with the appointed creative agency to develop and implement through-the-line marketing communication strategies when required;
- Advising SARS of any innovations in the media industry that would be suitable for SARS advertising and brand activations;
- Respond to short lead times and booking requests; and
- Attend weekly status meetings at SARS offices and/or through any selected online channel suitable for the purpose and upon request.

#### 9.3.4. Reporting

The service provider must provide SARS with:

- A media strategy for a campaign;
- Media buying schedules, media trends and the latest developments on a quarterly basis;
- Weekly status reports in conjunction with the creative advertising agency;
- Monthly report in conjunction with the creative advertising agency for long-term campaigns;
- Campaign close-out reports; and
- Ad hoc media related reports requested from time-to-time.

#### 9.3.5. Transition/ Hand-over

The bidder will be required to partake in a formal transition and hand-over from the outgoing service provider to adopt the current model of service provision to the model described in this Request for Proposal (RFP) a month before the inception of the contract.

### 9.4. SERVICE PROVIDERS RESPONSES/BID SUBMISSIONS

Service Providers are required to submit their responses to all the requirements in this paragraph.

#### 9.4.1. Company Profile, Infrastructure and Resources

Provide:

9.4.1.1. A comprehensive company profile, organisational structure and detailed infrastructure to render the services as outlined in 9.3. The comprehensive company profile must include:

- a) A brief agency history; and
- b) Current billing client list, type of industry serviced, annual media spend, number of years each account was held over the last 5 years, list of clients lost over the past three years, the reason for account moving.

9.4.1.2. Full name and contact details (landline, cell-phone and email address) of key account person, level of expertise of the individual including (qualifications, experience relevant to the scope of services) in these areas:

- Media planning/buying;
- Account management;
- Strategy; and
- Research.

9.4.1.3. Curriculum vitae of at least four (4) members in the proposed team. The team must have experience in the field of expertise such as media strategy, media planning, media buying, research, analytics, etc. and a list of their previous clients and current clients.; and

9.4.1.4. Disaster Recovery Plan and Business Continuity Plan to ensure a seamless or uninterrupted delivery of service;

#### 9.4.2. **Understanding the SARS brand and requirements**

Submit a presentation (not word/excel) of not more than 10 slides (including introduction and conclusion) demonstrating an understanding of the political landscape and socio-economic conditions that would influence taxpayers' perception of SARS and consequential reputational impact of the South African Revenue Service. What should the overall SARS marketing communication strategy include to effectively demonstrate understanding of the taxpayer perceptions and behaviour? And what makes your agency uniquely qualified to meet the media requirements of SARS.

#### 9.4.3. **Knowledge, information and skills transfer**

Provide a skills transfer platform that can be presented to the SARS Communication team. The content should address topics that will assist the SARS Communication Division in understanding the media industry and environment.

#### 9.4.4. **Testimonials**

Provide reference letters from at least three (3) contactable clients listed in 9.4.1.1.b above, to whom similar services have been provided to in the past five (5) years. The reference letters must include: company name, contact person name and designation, phone number, email address, duration of contract, a brief description of the services rendered, accessibility and availability, the discount percentage received over the contract period as well as the level of satisfaction with the service rendered.

The identified reference should complete Annexure B and authenticate it with a company stamp or transfer the information onto their companies' letterhead.

**Please note:** SARS will contact the clients for a reference check. It is therefore important to ensure that the clients listed on the schedule are contactable.

#### 9.4.5. **Presentation**

Bidders will be required to present a media placement strategy to SARS for a major campaign. SARS will measure media placement insights (research), strategic thinking regarding placement strategy, bidders understanding of a variety of media platforms and media placement measurement proposals. Bidders must refer Annexure C: SARS case study.

### 10. **PRICING METHODOLOGY**

The service provider must present a schedule of commission discounts (including bulk volume, early settlement, annual spend per media house). The discounts and commissions which will be applicable to SARS must be clearly outlined. Bidder must clearly provide their commercial proposal of the commission, supply the most recent industry rate card from the media owners and reflect the current cost benefit to their clients across various platforms then project based on their negotiating power what they envisage to yield for SARS for each of the four (4) years as discounts from the rate card.

Bidders should note the following:

- The split on the estimated spend per media platform is subject to fluctuate in line with the taxpayer media consumption patterns and/or the most suitable media platform for the campaign.
- SARS reserves the right to renegotiation of the discount percentage should SARS increase their budget beyond the estimated annual budget in this RFP.
- Bidders should indicate how they will scale or adapt their discount percentage where the budget is higher and still pass the 100% discount back to SARS.
- SARS guarantee a 75% percentage of the annual budgeted amount.
- 100% of all discounts yielded from different media houses must be passed through to SARS.

Refer to Annexure D: Pricing Schedule.

## 11. INSTRUCTIONS TO SERVICE PROVIDER(S)

### 11.1. 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](http://www.CSD.gov.za).

### 11.2. Bids must be properly packaged and deposited in the below mentioned tender box on or before **Closing Date** and **time** at the SARS Tender Office situated at:

Linton House - Ground Floor  
Brooklyn Bridge  
570 Fehrsen Street  
Brooklyn  
Pretoria

### 11.3. Bid documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.

### 11.4. 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.

- 11.5. Late bids will not be accepted and shall be returned to Service Provider(s).
- 11.6. The Service Provider(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.
- 11.7. 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 must be labelled and submitted in the following format:

FILE 1 (ONLY TECHNICAL PROPOSAL)	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>Pre-qualification documents (SBD documents)</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>Service Provider Compliance Checklist for the Technical Evaluation</li> <li>Response to Technical Requirements as per paragraph 9.4 of the RFP document.</li> <li>Supporting documents for the technical responses as per paragraph 9.4 of the RFP document.</li> </ul>
<b>Exhibit 3</b> <ul style="list-style-type: none"> <li>General Conditions of Contract (GCC)</li> <li>Draft Services Agreement</li> </ul>	
FILE 2 (ONLY PRICE AND B-BBEE PROPOSAL)	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>SBD 6.1 Preference Point Claim Form</li> <li>B-BBEE Certificate</li> <li>Financial Statements (3 years audited annual statements)</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>Pricing Schedule</li> </ul>
<b>Note:</b> SARS request that bidders use Lever Arch files to package their proposals.	

## 12. EVALUATION AND SELECTION CRITERIA

SARS has set minimum standards (Gates) that Service Provider(s) must meet in order to be evaluated and selected as a successful Service Provider.

The minimum standards consist of the following:

- **Pre-Qualification Criteria (Gate 0)** – Service Provider(s) must submit all documents, as outlined in paragraph 11 below.
- **Mandatory Evaluation Criteria (Gate 1)** - bidder(s) must submit all documents, as outlined in paragraph 12.2 below.
- **Technical Evaluation Criteria (Gate 2)** – Service Provider(s) will be evaluated out of 100 points for functionality. The detailed process for the technical evaluation is outlined in paragraph 12.3 below. Refer to Annexure A1 – Technical Evaluation Scorecard.
- **Price and B-BBEE Evaluation (Gate 3)** – This will be evaluated out of 100 points. Price will be evaluated out of 90 and B-BBEE 10 points. The process is outlined in paragraph 12.4 below.

## 12.1. PRE-QUALIFICATION CRITERIA – GATE 0

Without limiting the generality of SARS's other critical requirements for this bid, a Service Provider(s) must submit the documents listed in **Table 12A** below. All documents must be completed and signed by the duly authorised representative of the prospective Service Provider(s). A Service Provider's proposal may be disqualified for non-submission of any of the documents.

**Table 12A: Documents that must be submitted for Pre-qualification**

Name of the document that must be submitted	Non-submission may result in disqualification
Central Registration Report (Central Database System) from National Treasury	<b>YES</b> – Service Providers must register on Central Database System and submit the Report as confirmation of registration.
Tax Compliance status pin	<b>YES</b> – Submit Tax Compliance status pin.
SARS' s Oath / Affirmation of Secrecy	<b>YES</b> – Complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page. Date of signature must be the same as the date of the Commissioner's signature
Invitation to Bid – SBD 1	<b>YES</b> – Complete and sign the supplied pro forma document.
Pricing Schedule	<b>YES</b> – Submit full details of the pricing proposal to SARS in Annexure D.

Name of the document that must be submitted	Non-submission may result in disqualification
Declaration of Interest – SBD 4	<b>YES</b> – Fully complete or answer the questions accurately and sign. Add a supplementary document in the event that the SBD form does not provide adequate space. This is where we require Shareholding, Directorship, Management and Key Personnel. If there is a Holding Company and/or Trusts etc. all persons including beneficiaries must be disclosed.
Preference Point Claim Form – SBD 6.1	<b>NO</b> – Non-submission will lead to a zero score on B-BBEE.
General Conditions of Contract (GCC)	<b>YES</b> – Sign the supplied GCC.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	<b>YES</b> – Complete and sign the supplied pro forma document.
Certificate of Independent Bid Determination – SBD 9	<b>YES</b> – Complete and sign the supplied pro forma document.
Service Provider Compliance checklist for Technical Evaluation – Annexure A2	<b>NO</b> – Complete to assist with ease of reference during evaluation.
A complete set of audited / reviewed annual financial statements for three (3) most recent financial periods in the name of the bidding entity	<b>YES</b> – Please submit.

Only Bidder(s) that have met the pre-qualification criteria mentioned in Table 12A will be evaluated in gate 1.

## 12.2. 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 the below requirements **will result in immediate disqualification of the Bidder's submission** from the tender process.

**Table 12B: Mandatory Requirements**

Mandatory Requirement	Non-submission WILL result in disqualification
Minimum B-BBEE status <b>level 3</b>	YES – Submit a valid B-BBEE status level verification certificate or sworn affidavit (whichever applicable according to SBD 6.1) with minimum B-BBEE status level 3.

### 12.3. TECHNICAL EVALUATION (GATE 2) = 100 POINTS

Only bidders that have met the Pre-Qualification Criteria in Gate 0 and Mandatory evaluations in Gate 1 will be evaluated in Gate 2 for functionality / technical. Functionality will be evaluated as follows:

- Desktop Technical Evaluation – All bidders will be evaluated out of **54** points during Desktop Evaluations.
- Presentation Evaluation – All bidders will be invited for presentations which will be evaluated out of **46** points.

The criterion is outlined Annexure A1: Technical Evaluation Criteria. Bidders that achieve a minimum threshold of **75** points out of **100** points for the technical evaluation will proceed to Gate 3: Price and BEE evaluations.

The bidders' information will be scored according to the following points system:

**Table 12C: Breakdown for Technical Evaluation points**

Functionality	Maximum Points Achievable	Minimum
<b>Desktop Technical Evaluation</b> Details found in Annexure A1 - Desktop Evaluation Scorecard	<b>54</b>	<b>75</b>
<b>Presentation Evaluation</b> Details found in Annexure A2 - Presentation Evaluation Scorecard	<b>46</b>	

### 12.4. PRICE AND B-BBEE EVALUATION (GATE 3) (90 + 10) = 100 POINTS

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



**Table 12D: Price evaluation formula**

Adjudication Criteria	Maximum 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

#### 12.4.2. Stage 2 – B-BBEE Evaluation (10 points)

##### a. B-BBEE Requirements

In line with the requirements of the Preferential Procurement Regulations, 2017 (Government Gazette No. 40553) to the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) [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 6 - 80/20: A maximum of 20 points may be allocated to a bidder; or
- (ii) Regulation 7 - 90/10: A maximum of 10 points may be allocated to a bidder.

##### b. Bid Evaluation Process Gate 2: B-BBEE EVALUATION

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

Adjudication Criteria	Maximum Points
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1), including paragraph 7 thereof relating to the subcontracting of the services, and a B-BBEE certificate.	10

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.

Classification	Turnover	Submission Requirement
----------------	----------	------------------------

Exempted Micro Enterprise (EME)	Below R10 million p.a.	Sworn affidavit or a certificate from the Companies and Intellectual Property Commission ("CIPC") or a certified copy of a B-BBEE Rating Certificate from a SANAS accredited rating agency.
Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Sworn affidavit – Only 51% Black Owned (BO) and above, or certified copy of a B-BBEE Rating Certificate from a SANAS accredited rating agency.
Large Enterprise (LE)	Above R50 million p.a.	Certified copy of a B-BBEE Rating Certificate from a SANAS accredited rating agency.

Bidders who do not claim Preference Points will be scored zero for B-BBEE, but will not be excluded from the tender process. Bidders who do not fill SBD6.1 in its entirety will not be awarded points for B-BBEE.

SARS will accept B-BBEE Certificates issued under the revised B-BBEE Codes.

**c. Use and acceptance of sworn affidavits**

All bidders will need to provide information which proves Black Ownership and turnover, in addition to the sworn affidavit, or request that their EME/QSE suppliers be verified and have this confirmed in the affidavit.

SARS reserves the right to request that Service Providers submit their Black Ownership and turnover information in support of their affidavits.

**d. Joint Ventures (JVs) 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.

**e. Subcontracting**

Bidders who want to claim preference points will have to comply fully with regulations 12(1) and (3) of the Preferential Procurement Regulations, 2017 with regard to subcontracting:

Regulation 12(1)

A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.

Regulation 12(3)

A person awarded a contract may not subcontract 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 of contributor than the person concerned, unless the contract is subcontracted to an Exempted Micro Enterprise that has the capability and ability to execute the subcontract.

**f. Proof of Existence: Joint Ventures and/or Subcontracting**

Bidders must submit concrete proof of the existence of joint ventures and/or subcontracting arrangements. SARS will accept signed agreements as acceptable proof of the existence of a joint venture and/or subcontracting arrangement.

The joint venture and/or subcontracting agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or subcontracting 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 subcontracting arrangement.

**12.4.3. Stage 3 – Consolidation of scores (90 + 10 = 100 points)**

The Price and B-BBEE points will be consolidated to determine the successful bidder.

**13. 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 bidding entity. The financial statement analysis will be conducted on the shortlisted bidders.

**13.1 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.

**13.2** Entities which are trading for less than three (3) financial periods should provide:

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

**13.3** 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.

**13.4** 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 with regards to the annual financial statements of a bidder at a later stage.

## **14. AGREEMENTS**

### **14.1 GENERAL CONDITIONS OF CONTRACT**

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

14.1.1 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.

14.1.2 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.

### **14.2 SERVICES AGREEMENT**

14.2.1 Upon award, SARS and the successful bidder will conclude a supplementary agreement regulating the specific terms and conditions applicable to the services being procured by SARS, more or less in the format of the draft Services Agreement included in this tender pack.

14.2.2 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 2 above).

**14.2.3 Bidders are requested to:**

14.2.3.1 Comment on the terms and conditions set out in the Services Agreement and where necessary, make proposals to the terms and conditions;

14.2.3.2 Each comment and/or amendment must be explained; and

14.2.3.3 All changes and/or amendments to the Services Agreement must be in an easily identifiable colour font and tracked for ease of reference.

**14.2.4 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.**

### **14.3 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.

## **15. SPECIAL CONDITIONS OF THIS BID**

### **15.1 SARS reserves the right:**

15.1.1 Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid.

15.1.2 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).

15.1.3 To accept part of a bid rather than the whole bid.

15.1.4 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.

15.1.5 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.

15.1.6 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.

15.1.7 To disqualify a bidder whose bid contains a misrepresentation which is materially incorrect or misleading.

### **15.2 SARS requires bidder(s) to declare:**

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

**15.2.1 Confirm that the bidder(s) shall:**

- 15.2.1.1 Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
- 15.2.1.2 Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- 15.2.1.3 Act with circumspection and treat SARS fairly in a situation of conflicting interests;
- 15.2.1.4 Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- 15.2.1.5 Make adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with SARS;
- 15.2.1.6 Avoid fraudulent and misleading advertising, canvassing and marketing;
- 15.2.1.7 Conduct their business activities with transparency and consistently uphold the interests and needs of SARS as a client before any other consideration; and
- 15.2.1.8 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.

**15.3 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"):

- 15.3.1 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;
- 15.3.2 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;
- 15.3.3 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;
- 15.3.4 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;
- 15.3.5 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;

- 15.3.6 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;
- 15.3.7 has in the past engaged in any matter referred to above; or
- 15.3.8 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.

#### **15.4 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 which seeks to modify or depart from the specified conditions.

#### **15.5 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.

#### **15.6 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.

#### **15.7 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.

#### **15.8 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.

#### **15.9 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.

#### **15.10 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.

#### **15.11 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.

#### **15.12 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.

#### **15.13 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 and in particular the provisions of paragraph 12.4.2 (e) above. 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.

#### **15.14 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.

#### **15.15 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.

**16. TECHNICAL EVALUATION CRITERIA**

**16.1 ANNEXURE A1 – Desktop Evaluation Scorecard – 54 points**

**16.2 ANNEXURE A2 – Presentation Evaluation Scorecard – 46 Points**

**16.3 ANNEXURE A3 – Compliance checklist**

Service Provider must complete the technical compliance checklist as outlined in Annexure A3.

**16.4 ANNEXURE B – Customer Satisfaction Survey**

**16.5 ANNEXURE C – SARS case study**

**17. ANNEXURE D – PRICING SCHEDULE**

See attached Pricing Schedule.