

# **REQUEST FOR PROPOSAL**

## **DESCRIPTION:**

### **APPOINTMENT OF A GROUP LIFE INSURER**

**DATE ISSUED: 26 MARCH 2020**

**CLOSING DATE: 04 MAY 2020 at 11:00**

## **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**

In terms of the South African Revenue Service Act, 1997 (Act No. 34 of 1997), SARS is mandated to:

- Collect all revenues due;
- Ensure maximum compliance with tax and customs legislation; and
- Provide a customs service that will maximise revenue collection, protect our borders and facilitate trade.

### **Our Vision**

SARS is an innovative revenue and customs agency that enhances economic growth and social development, and that supports the country's integration into the global economy in a way that benefits all South Africans.

### **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 Values**

- Fairness
- Integrity
- Trust
- Honesty
- Accountability
- Respect
- Transparency

## Our Core Outcomes

Increased Customs Compliance;  
Increased Tax Compliance;  
Increased ease and fairness of doing business with SARS; and  
Increased cost effectiveness, internal efficiency and institutional respectability.

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

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential Bidder(s) "Group Life Insurer", hereafter referred to as "Bidder", with a **minimum BBBEE level 3 status** for the provision of Group Life Insurance.

This RFP document details and incorporates, as far as possible, the scope of work for the potential successful bidder required by SARS.

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. TAX LEGISLATION

When submitting a bid to SARS, bidder(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 the Preferential Procurement Regulations, 2017, and the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

#### 4.3. TECHNICAL LEGISLATIONS AND/OR STANDARDS

The bidder(s) should be cognisant of all relevant legislation and/or standards applicable to the provision of the services required in terms of this RFP, namely, but not limited to the:

- Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002); and
- Long-Term Insurance Act, 1998 (Act No. 52 of 1998).

#### 5. BRIEFING SESSION

No briefing session.

#### 6. DURATION OF CONTRACT

The successful service provider will be appointed for a minimum period of sixty (60) months with annual negotiations of rates.

#### 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 7A: Timelines**

Activity	Date Due
Advertisement of the bid in the: - SARS website; and - National Treasury Tender Portal.	26 March 2020
Date of issue on Government Tender Bulletin	03 April 2020
Questions relating to RFP from Bidder(s)	26 March – 29 April 2020
Closing Date	04 May 2020, 11h00
Notice to bidders	July 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\*\*](mailto:tenderoffice@sars.gov.za) and cc [\*\*rft-professionalservices@sars.gov.za\*\*](mailto: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**

SARS introduced the Group Life benefit for the employees in 2003. Each year the benefits and rates are reviewed to ensure the best benefit options available at the most affordable rates. This is to ensure that:

- the benefits are continuously bench marked in the market;
- the best rates and benefit options are secured and offered to employees; and
- the appointment of the Insurer is in accordance with FAIS Act; and relevant legislations.

## 9.2. BENEFITS REQUIREMENTS FOR GROUP LIFE INSURANCE SCHEME

The detailed benefits required by SARS for the Group Life Insurance is attached as **Annexure A1: Mandatory Benefits Requirements**.

Please Note:

- Only bidders that provide insured risk to the **below** mentioned benefits and as outlined in **(Annexure A1)** will proceed to the next stage of the evaluation.
- SARS employee risk profile will be provided on request.
- SARS employees will be provided with a three (3) months open period to select or review their cover.
- The successful bidder will be required to submit the Group Life benefits policy within twenty one (21) days.
- The group life benefits are non- standard and primarily designed for SARS employees.
- Current benefit offering will continue under the existing terms (warts and all), all new cover will comply with the minimum requirements.

The successful bidder will be required to provide insured risk to the following Group Life Insurance benefits:

### 9.2.1. Core Benefit contributions payable by the employer

9.2.1.1 Unapproved Group Life Cover	
Benefit	2,2 x annual salary (GTP)
"Medical Proof Free" Cover Limit with Voluntary flexi cover	R18 000 000.00
Maximum Benefit with Voluntary flexi cover	No maximum amount
Conversion Option included	
Accelerated Benefit	If diagnosed with terminal illness - Voluntary flexi cover included
Benefit expiry age	65

<b>9.2.1.2 Accidental Death</b>	
Benefit	1 x annual salary (GTP)
Benefit Structure	Paid if death as a result of accident, within 12 months of the accident
Free Cover Limit (FCL)	Combined FCL
Maximum Cover	No maximum
Benefit expiry age	65
<b>9.2.1.3 Dismemberment Benefit/Accidental Disability Benefit</b>	
Benefit	% of 2.2 x annual salary (GTP)
Maximum Cover	Lesser of 2.2 x annual salary (GTP) and R4 500 000,00
Benefit expiry age	65
<b>9.2.1.4 Terminal Illness</b>	
Benefit	Same as death cover - core plus voluntary flex
Free Cover Limit	Combined FCL
Maximum Benefit	No maximum amount
Flex Cover	Same as death cover
Flex Cover Rates	Same as death cover
Conversion Option included	
Accelerated Benefit	Accelerated death benefit



Benefit expiry age	65	
9.2.1.5 Education Benefit		
Benefit	Payable on death	
Benefit expiry age	65	
Benefit structure	No limit on number of children	
Fees per annum	Amount	Term
Pre-school	R38 000.00	1 year for grade R
Primary School	R75 000.00	Paid for 7 years
High/Secondary School	R85 000.00	Paid for 5 years
Tertiary Education	R55 000.00	Duration of first degree or first trade diploma or first qualification granted
Education booster (costs like books, extra murals or residence fees)	Book allowance up to a maximum of 10% of the actual education fees paid	
University Residence Allowance	Actual fees up to a maximum of 30% of actual tuition fees paid	
9.2.1.6 Lifestyle Cover/Dread Disease/Critical Illness		
Benefit	Up to R100 000.00	
Benefit Structure	Comprehensive	
Free Cover Limit	R100 000.00	
Maximum Benefit	R100 000.00	

Benefit expiry age	65
a) Accidental HIV infection, Alzheimer's disease, aortic artery surgery, aplastic anaemia, blindness in two eyes, cancer, chronic liver failure, chronic renal failure, coronary artery bypass surgery, deep coma, end-stage lung disease, heart valve surgery, loss of hearing, major burns, motor neurone disease, multiple sclerosis, muscular dystrophy, myocardial infarction, organ transplant, paraplegia, Parkinson's disease, sero-positive rheumatoid arthritis or stroke	100%
b) A benign brain tumour with malignant behaviour that is inoperable or recurrent, or causes permanent neurological impairment, excluding cognitive impairment	100%
c) Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class IV shortness of breath	100%
d) Permanent loss of more than 90% of the use of each of any two limb functions due to medical causes	100%
e) A benign brain tumour with malignant behaviour that is only partially removable, or that is treated with chemotherapy or radiotherapy	50%
f) Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class III shortness of breath, and 4 or less	50%

metabolic equivalents (METS) on a maximal effort test	
g) Permanent binaural loss of hearing of 60% or more	50%
h) Permanent loss of more than 90% of the use of a limb function due to medical causes	50%
i) Pulmonary embolism	30%
j) Angioplasty, arrhythmia	25%
K) Blindness in one eye	25%

#### 9.2.1.7 Lump sum Disability/Permanent Total Disability

Benefit	2,2 x annual salary (GTP)
Benefit Structure	Total and Permanent; and partial disability
Accelerated Benefit	Accelerated core death cover
Free Cover Limit	Combined FCL
Waiting Period	No waiting period
Maximum Cover	Lesser of 2.2 x annual salary (GTP) or R10 500 000,00
Benefit expiry age	65
Extended age for benefits	65

#### 9.2.1.8 Funeral Benefit Structure

Benefit Structure	Spouse	R50 000.00
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	Member	R50 000.00
	Children aged 14 years and older	R50 000.00
	Children older than 6 and younger than 14	R20 000.00
	Children younger than 6	R10 000.00
	Stillborn	R10 000.00
Benefit expiry age	65	
Additional Benefits provided	If member retires, member, spouse and children's cover to continue, premiums waived, until principal member passes away	

#### 9.2.2. Additional Flexi Benefit contributions payable by the employee

9.2.2.1 Flex Cover	
Flex Cover	Additional 6x annual salary (GTP)
Conversion Option included	
Accelerated Benefit	If diagnosed with terminal illness
Benefit expiry age	65

### 9.2.2.2 Spouse's Life cover

Benefit	1 or 2 x annual salary (GTP)
Free Cover Limit	R2 750 000.00
Maximum Benefit	Lesser of 2 x annual salary (GTP) or R2 750 000,00
Benefit expiry age	65

### 9.2.2.3 Extended Funeral Cover Premiums

Benefit structure - extended family	Up to 12 extended family members, voluntary for new entrants					
Waiting period	<ul style="list-style-type: none"> <li>6 months for natural causes for new added dependants.</li> <li>6 months for option changes to higher cover.</li> </ul>					
Options:	Age grouping categories					
	0-5 years	6- 21 years	22 – 45 years	46- 65 years	66+ years	
R5 000						
R10 000						
R15 000						
R20 000						
R25 000						
R30 000						
Conversion Option						

An extended family member must be under 75 years when cover first commences.						
<b>9.2.2.4 Turnaround Time for Processing Claims</b>						
The bidder average period to process claims	Funeral Cover (Paid within 2 business days)					
	Death Cover (Paid within 21 calendar days)					

### 9.2.3. Value Added Benefits

#### 9.2.3.1. Family Assistance Benefit

Benefit providing assistance should a member or a member's immediate family pass away, this includes but not limited to:

- Repatriation;
- Referral to Undertakers;
- Discounted Funeral Packages;
- Legal Assistance; and
- Advice on handling of necessary documentation.

**Note:** this is **not** a mandatory benefit.

#### 9.2.4. Premium Refund (Profit Share)

Bidders to propose a Premium refund over a two (2) year cycle based on claims experience on a 50/50 basis.

**Note:** this is **a** mandatory benefit.

### 9.3. PREMIUMS AND RATES

Bidders must refer to **Annexure B: Premiums and Rates Schedule**, which details the schedule that must be completed. Bidders are required to consider the following prior to the completion of the premiums and rates schedule:

- 9.3.1. Bidders must submit **Annexure B** that reflects premiums and rates for all benefits indicated in **Annexure A1**, as part of their submission;
- 9.3.2. All rates should exclude any provision for commission; and
- 9.3.3. Bidders should include additional added benefits, if any as an annexure to their pricing submission, and indicate the rates for these additional benefits.
- 9.3.4. Bidders must note that they will be evaluated for both core and flexi cover at a weighted average as outlined below:
  - **Core Benefit contributions payable by the employer**
    - Core benefit weighted at 65/100 points
  - **Additional Flexi Benefit contributions payable by the employee**
    - Flexi cover weighted at 10/100 points
    - Spouse's life cover weighted at 10/100 points
    - Extended Funeral Cover weighted at 15/100 points

### 9.4. COMPLIANCE CHECKLIST

Bidder(s) are required to complete the compliance checklist, as outlined in **Annexure A3**, in order to guide the SARS evaluators where to find the responses.

### 9.5. CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION

Service providers and suppliers who wish to render services to SARS will no longer register at SARS directly. Suppliers will have to register on the 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).

**10. INSTRUCTIONS TO BIDDER(S)**

- 10.1.** 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

- 10.2.** Alternatively, bid documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.

- 10.3.** 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. No electronic submission of bid documents is allowed.

- 10.4.** Late bids will not be accepted.

- 10.5.** The bidder(s) are required to submit **two (2) copies of each file** (original and duplicate) and one (1) USB or CD with the contents of each file at the closing date and time.

- 10.6.** Each file and USB/CD must be **marked correctly and sealed separately** for ease of reference during the evaluation process.

- 10.7.** Pricing information should not be included in the technical file (File 1). Furthermore, the files and information in the USB/CD must be labelled and submitted in the following format:



**Table 10A: File packaging**

<b>FILE 1</b>	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>• Pre-qualification documents (SBD documents and others)</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>• <b>Annexure A1:</b> Mandatory Benefits Requirements</li> <li>• Response to <b>Annexure A2:</b> Technical Evaluation</li> <li>• <b>Annexure A3:</b> Compliance Checklist</li> </ul>
<b>Exhibit 3</b> <ul style="list-style-type: none"> <li>• General Conditions of Contract (GCC)</li> <li>• Service Level Agreement (SLA)</li> </ul>	
<b>FILE 2</b>	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>• SBD 6.1 Preference Point Claim Form</li> <li>• Valid B-BBEE Certificate/ Sworn Affidavit</li> <li>• Financial Statements (3 years audited annual statements)</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>• <b>Annexure B:</b> Premiums and Rates Schedule</li> </ul>

## 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 Standard Bidding Documents, as outlined in paragraph 11.1 below.
- **Pre-technical Evaluation (Gate 1)** – Bidder(s) must submit proof of compliance with mandatory requirements, as outlined in paragraph 11.2 below.
- **Technical Evaluation Criteria (Gate 2)** – Bidder(s) will be evaluated out of 100 points during Technical Evaluations. The minimum threshold for Technical Evaluations is 70 out of 100 points. The process is outlined in paragraph 11.3.

- **Price and B-BBEE Evaluation (Gate 3)** – Bidders that qualified in Gate 2 will be evaluated for price and B-BBEE, as outlined in paragraph 11.3 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. Failure to submit proof of compliance with any of the mandatory requirements will result in the bidder being disqualified.

**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	<b>YES</b> – Complete and sign the supplied pro forma document
Tax Compliance Status Pin	<b>YES</b> – Submit Tax Compliance status pin
Central Supplier Database System Registration Report from National Treasury	<b>YES</b> – Bidders must register on the Central Supplier Database system and submit the report as confirmation of registration. The successful bidder will be expected to be registered on CSD before contracting
Annexure B: Premiums and Rates Schedule	<b>YES</b> – Submit full details of the Premiums and Rates to SARS in <b>Annexure B</b>
Declaration of Interest – SBD 4	<b>YES</b> – Complete and sign the supplied pro forma document
Preference Point Claim Form - SBD 6.1	<b>YES</b> – Complete and sign the supplied pro forma document
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

SARS' Oath of Secrecy	<b>YES</b> – 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)	<b>YES</b> – Sign the supplied GCC
Supplier cost and risk assessment questionnaire	<b>YES</b> – Complete and sign the supplied pro forma document
Bidder Compliance Checklist ( <b>Annexure A3</b> )	<b>No</b> – Complete the checklist 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

## 11.2. PRE- TECHNICAL EVALUATION (MANDATORY REQUIREMENTS) – GATE 1

### 11.2.1 Mandatory Requirements

**Table 11B: Mandatory Requirements**

Mandatory Requirements	Non-compliance with stated requirements will result in disqualification?
Minimum B-BBEE status level 3	YES – Submit a valid B-BBEE certificate or sworn affidavits with minimum B-BBEE status level 3. Refer to Table 11E.
A valid Certificate/License of an Authorised Financial Service Provider with the Financial Sector Conduct Authority (FSCA)	YES – Submit valid proof of an Authorised Financial Service Provider (FSP) by the Financial Sector Conduct Authority (FSCA).
Annexure A1: Minimum Mandatory Benefits Requirements	YES – Complete Mandatory Benefits Requirements Form.

11.2.2 In line with the Government's objectives for the advancement of SMMEs and certain designated groups, pre-qualification criteria have been introduced for preferential procurement.

11.2.3 The pre-qualification criteria may stipulate that only one or more of the following tenderers may respond to this bid:

- a) A tenderer having a stipulated minimum B-BBEE status level of contributor;
- b) An EME or QSE;
- c) A tenderer subcontracting a minimum of 30% to-
  - i) An EME or QSE which is at least 51% owned by black people;
  - ii) An EME or QSE which is at least 51% owned by black people who are youth;
  - iii) An EME or QSE which is at least 51% owned by black people who are women;
  - iv) An EME or QSE which is at least 51% owned by black people with disabilities;
  - v) An EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
  - vi) A cooperative which is at least 51% owned by black people;
  - vii) An EME or QSE which is at least 51% owned by black people who are military veterans; and
  - viii) An EME or QSE.

A tender that fails to meet any qualifying criteria stipulated in the tender documents is an unacceptable tender.

In respect of this RFP, the minimum B-BBEE status level of contributor for bidders must be level 3 as it appears in **Table 11B** above.

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

Only bidder(s) that have met the Pre-Qualification Criteria in Gate 0 and mandatory requirements in Gate 1 will be evaluated in Gate 2 for functionality/ technical.

Only Bidders that have obtained a minimum threshold of 70 out of 100 points will proceed to Gate 3: Price and B-BBEE evaluations.

Bidders must refer to **Annexure: A2** for technical evaluation Criteria.

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

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

Bidders are required to complete all line items on the **Annexure B: Premiums and Rates Schedule** in full. Any changes to the template or an incomplete template may result in a non-responsive bid. The price should be all-inclusive for all the benefits required by SARS.

Please refer to paragraph 9.3 for additional information on premium and rates.

**Table 11C: Price evaluation formula**

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

Where:

$P_s$  = Points scored for price of Bid under consideration  
 $P_t$  = Price of Bid under consideration  
 $P_{\min}$  = Price of lowest acceptable Bid

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

**Table 11D: B-BBEE points allocation and required documents**

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

The checklist below indicates the B-BBEE documents that must be submitted for this bid.

**Table 11E: BBBEE Checklist**

No.	Classification	Turnover	Submission Requirement
1.	Exempted Micro Enterprise (EME)	Below R10 million p.a.	A sworn affidavit (Preferably a Department of Trade and Industry [DTI] Affidavit) <b>or</b> a Certificate from the Companies and Intellectual Property Commission (CIPC) <b>or</b> a B-BBEE Rating Certificate from a SANAS Accredited Rating Agency.
2.	Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited Rating Agency, <b>or</b> a sworn affidavit (Preferably a DTI Affidavit). This is only applicable to QSEs with 51% Black Ownership and above.
3.	Large Enterprise (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited Rating Agency.

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

Failure on the part of a Bidder to submit a B-BBEE Verification Certificate from a verification agency accredited by the South African Accreditation System (SANAS), a Certificate from the Companies and Intellectual Property Commission (CIPC) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

#### **Use and acceptance of Sworn Affidavits**

Please note that sworn affidavits must be signed by the bidder's representative and attested to by a Commissioner of Oaths. SARS reserves the right to request bidders submit proof of their black ownership and turnover information, in support of their sworn affidavits.

### **Joint Ventures (JVs) and Consortiums**

A trust, consortium or joint venture (including unincorporated consortia and joint ventures) will qualify for points for their B-BBEE status level, provided that the entity submits their consolidated B-BBEE Status Level Verification Certificate / scorecard and that such consolidated B-BBEE certificate / scorecard is prepared for every separate bid.

### **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

#### 11.4.3. **Stage 3 (90 + 10 = 100 points)**

The Price and B-BBEE points will be added together to determine each bidder's overall score out of 100 points.

### 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 bidding entity. 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.** 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.

**12.3.** 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.

**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 with regards 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 bidder under this bid is conditional, amongst others, upon –

- 13.1.1. The bidder 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 bidder submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the bidder.

### 13.2. **SERVICES AGREEMENT**

- a) Upon award, SARS and the successful bidder will conclude an 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.
- b) SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations.
- c) SARS reserves the right to conduct independent benchmark in the market to ensure that the annual rates review are competitive.
- d) Bidders are requested to:
  - Comment on the terms and conditions set out in the draft Services Agreement and where necessary, propose required changes to such terms and conditions; and
  - Explain each comment and/or amendment.
- e) SARS reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to SARS or pose a risk to the organisation. For this reason, it is not required that the draft Services Agreement be signed on submission of the bidder's proposal.
- f) The successful bidder shall upon award, issue SARS with relevant insurance policies within a time frame to be agreed upon by SARS in consultation with the bidder.

### 13.3. **INSURANCE**

The successful bidder will be required, on or before the effective date of the Services Agreement and for the duration of the Agreement, 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 bidder(s) identified in the evaluation process, regarding any terms and conditions, including price and Best and Final Offer (BAFO) throughout the lifecycle of the contract;
- 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 bidder(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 bidder(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; and
- 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 bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members [being any person or entity who indirectly holds at least a fifteen percent (15%) interest in the bidder other than in the context of shares listed on a recognised stock exchange], directors or members of senior management, whether in respect of SARS or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity") if they:

- 14.3.1 Engage in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- 14.3.2 Seek 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 Make or offer any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of SARS' officers, directors, employees, advisors or other representatives;
- 14.3.4 Make or offer 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 Accept 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 Pay or agree 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 Have in the past engaged in any matter referred to above; or
- 14.3.8 Have been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

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

#### **14.5 Misrepresentation during the Lifecycle of the Contract**

The bidder 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 bidder and in concluding a Services Agreement with the bidder.

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

#### **14.6 Preparation Costs**

The bidder 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 bidder in the preparation of their response to this bid.

#### **14.7 Indemnity**

If a bidder breaches the conditions of this bid 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 bidder indemnifies and holds SARS harmless from any and all such costs which SARS may incur and for any damages or losses SARS may suffer.

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

#### **14.10 Tax Compliance**

No bid may be awarded to a bidder whose tax matters have not been declared by the SARS to be in order. SARS reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award. SARS further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

#### **14.11 National Treasury**

No tender shall be awarded to a bidder 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 bidder should it be established, at any time, that a bidder 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 bidder agrees to submit to the exclusive jurisdiction of the South African High 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 Sub-contractors and Bidder's Personnel**

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid and in particular the provisions of paragraph 11.4.2 above. In the event that SARS allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and SARS will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

#### **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 bidder or other person not officially involved with SARS' 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, bidders must secure SARS' 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 bidder will be disclosed to a bidder or any other person not officially involved with such process.

#### **14.15 Intellectual Property Rights**

Subject to pre-existing intellectual property rights of the bidder and/or any third party, all intellectual property right to literary works created in the course of executing the services contemplated in this RFP shall vest exclusively in SARS. By bidding, bidders irrevocably agree to transfer, make over and assign to SARS such relevant intellectual property rights.

#### **14.16 SARS Proprietary Information**

On their bid covering letter, bidder(s) will make a declaration that they did not have access to any SARS proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidders.

#### **14.17 Screening and Vetting of Service Provider**

Acceptance of this tender is subject to the condition that both the contracting firm and its personnel providing the service must be screened and cleared by the appropriate authorities to the grade of clearance in line with classified information, intelligence in the possession of SARS and areas designated as National Key points that they may have. Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a sub-contractor, the same provisions and measures will apply to the sub-contractor.



- 15. ANNEXURE A1 : MANDATORY BENEFITS REQUIREMENTS
- 16. ANNEXURE A2 : TECHNICAL EVALUATION CRITERIA
- 17. ANNEXURE A3 : COMPLIANCE CHECKLIST
- 18. ANNEXURE B : PREMIUMS AND RATES SCHEDULE
- 19. ANNEXURE C : GENERAL CONDITION OF CONTRACT
- 20. ANNEXURE D : SERVICE LEVEL AGREEMENT