

# **REQUEST FOR PROPOSALS**

## **DESCRIPTION:**

**PROVISION OF SHORT-TERM INSURANCE  
BROKERAGE SERVICES**

**DATE ISSUED: 19 January 2018**

**CLOSING DATE: 20 February 2018 at 11H00**

## **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**

- Integrity
- Fairness
- Respect
- Trust
- Honesty
- Accountability
- 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 PROPOSALS (RFP)**

The purpose of this Request for Proposals (RFP) is to solicit proposals from bidders to enable SARS to appoint a service provider for the provision of Short-term Insurance Brokerage Services, hereafter referred to interchangeably as “bidder(s)” or “service provider(s)”.

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) [hereinafter “FAIS”]; and
- Short-Term Insurance Act, 1998 (Act No. 53 of 1998).

#### 5. BRIEFING SESSION

No briefing session will be held, but bidders can submit questions to the following email address [tenderoffice@sars.gov.za](mailto:tenderoffice@sars.gov.za) and copy [rft-professionalservices@sars.gov.za](mailto:rft-professionalservices@sars.gov.za).

#### 6. DURATION OF CONTRACT

The successful service provider will be appointed for a period of sixty (60) months.

#### 7. TIMELINE OF THE BID PROCESS

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

**Table 7a: Timelines**

Activity	Date Due
Advertisement of Bid in the Government Tender Bulletin	19 January 2018
Advertisement of Bid in the eTender website	19 January 2018
Uploading of Bid documents on SARS website	19 January 2018
Starting date for questions relating to the bid from bidder(s)	19 January 2018
Closing date for questions relating to the bid from bidder(s)	13 February 2018

Bid closing date	20 February 2018
Presentation of Online System	*26 February to 02 March 2018
Notice to bidder(s)	*March / April 2018

\* 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 bidders 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 potential bidder(s) can make enquiries in writing, to the specified person, Ms Vuyokazi Ntshinga (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 collects revenue to fund initiatives, plans, programmes and strategies of national and provincial government departments and thus SARS plays an enabling role in government delivery.

SARS business operations are dependent on having optimal short-term insurance cover in the event the organisation suffers a loss. This insurance should cover all SARS assets, including vehicles and properties, business interruption, public liability, SASRIA, international travel and contractors "All risk", cash in transit and marine assets amongst others.

The purpose of this RFP is to procure the services of a competent insurance broker to assist SARS in managing its short-term insurance portfolio. The service provider appointed would need to ensure that cover

and premiums are negotiated in the best interest of SARS, as and when required.

## 9.2. DELIVERABLES

### 9.2.1. Administration

- 9.2.1.1. The Service Provider will be required to obtain short-term insurance cover from the insurance industry based on the needs of SARS, the prevailing market conditions at the time and the insurance products that are available to mitigate or partly mitigate the risks as identified.
- 9.2.1.2. The Service Provider must continuously negotiate beneficial policy conditions for SARS with the insurer.
- 9.2.1.3. The Service Provider must arrange for the issuing of the necessary policy contracts by the insurer, on behalf of SARS, as and when required.
- 9.2.1.4. The Service Provider must administer and facilitate the claims management process from submission to finalisation and reporting stage.
- 9.2.1.5. The Service Provider must be able to provide a fully functional online system to SARS which will enable the SARS Insurance Administrator to log and submit claims, and to track the status of claims.
- 9.2.1.6. The Service Provider must act in SARS's best interest in all dealings with the appointed insurers and prospective underwriters.
- 9.2.1.7. The Service Provider's employees appointed to work on the SARS account must fully understand their obligations under the General Code of Conduct issued in terms of FAIS, and any other guidelines that may be issued by a regulatory body having jurisdiction over the Service Provider.
- 9.2.1.8. The Service Provider must ensure that any third party service provider appointed by an insurer and/or underwriter to render a service following the occurrence of an insured event is compliant with the taxation laws of the Republic of South Africa. In particular, ensure that third party service providers who render services following the occurrence of an insured event invoice the Service Provider for the services rendered. The Service Provider shall in turn invoice SARS for the services rendered by such third service providers; and attach the invoice of the third party service providers to its invoice.

### 9.2.2. Reporting

- 9.2.2.1. The following **monthly** reports should be provided:
  - 9.2.2.1.1. A reconciliation of all claims data and contributions paid pertaining to the risk schemes;
  - 9.2.2.1.2. Monitoring of data movements in respect of the activities on the short-term insurance portfolio and claims register;
  - 9.2.2.1.3. A reconciliation of:
    - i) Claims received and registered;
    - ii) Claims submitted to the insurance company;

- iii) Outstanding claim documents and the reasons thereof;
- iv) Payments made on claims, including verifying the correctness of the payment calculation by the insurance company;
- v) Repudiated claims; and
- vi) Measures taken by the service provider through a third-party supplier to address repudiated claims, including progress made on any litigation process in connection with a repudiated claim; and

9.2.2.1.4. A performance report recording any failures to achieve service levels, the nature and date thereof, the causes of the failures and a summary of steps taken to resolve the failures and avoid them in the future.

9.2.2.2. The following **quarterly** reports should be provided:

- 9.2.2.2.1. Updating SARS on the current state of the insurance market in terms of general economic realities, solvencies, capacity, profitability, rates and market activity (such as mergers, amalgamations, take-overs and joint ventures) and the possible impact of such matters on the SARS's renewal strategy and insurance portfolio;
- 9.2.2.2.2. Updating SARS on legal developments within the short-term insurance industry and informing SARS on insurance product developments, and the risk mitigation developments in the South African market;
- 9.2.2.2.3. Ongoing evaluation of uninsured risks and possible options for addressing them;
- 9.2.2.2.4. Ongoing analysis of loss statistics to identify trends to assist SARS in future loss prevention and more effective management of risk; and
- 9.2.2.2.5. Advising SARS regarding any reserve accounts with the insurer(s).

### 9.2.3. **Meetings**

- 9.2.3.1. The Service Provider will be required to review the SARS short-term insurance portfolio with SARS Procurement and Finance departments in a formalised pre-set meeting on a quarterly basis.
- 9.2.3.2. The Service Provider will be required to report on the overall progress of the Services and discuss service execution issues i.e. problems, risks, administrative issues etc. at a Service Relationship Review on an annual basis.

### 9.2.4. **Advice to SARS**

The Service Provider must provide financial advice on the short-term insurance portfolio in the event SARS requests such advice, and must assist SARS with the interpretation of insurance policy documents and matters incidental thereto, including the interpretation of insurance rules and regulations.



### 9.3. **BIDDERS RESPONSES**

Bidders are required to submit their detailed response to the requirements in this paragraph. Refer to the technical evaluation criteria in paragraph 14 below.

#### 9.3.1. **References**

- 9.3.1.1. Bidders must provide written contactable references from five (5) of its own current or recent clients (i.e. not older than 24 months) in similar size to SARS to whom the bidder is providing or has provided broker services for short-term insurance.

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

#### 9.3.2. **Insurers and/or underwriters**

- 9.3.2.1. List the insurers and/or underwriters from whom quotes can be obtained to cover SARS in respect of each risk area and demonstrate their relationship with the insurer and/or underwriter.
- 9.3.2.2. Describe how the bidder will ensure the best quote / quotations for SARS e.g. competitive premiums and minimal exclusions.

#### 9.3.3. **Knowledge Sharing**

- 9.3.3.1. The Bidder must provide details of how it will ensure that SARS stays up-to-date with developments in the market. Any additional value adds to SARS in line with the scope should be inclusive of the total bid price.

#### 9.3.4. **Claims Settlement**

- 9.3.4.1. Provide a sample of a monthly reconciliation report, as per the requirements of this tender.
- 9.3.4.2. Provide a sample of quarterly reports, as per the requirements of this tender.

#### 9.3.5. **Risk Management**

- 9.3.5.1. Outline the bidder's process of identifying and mitigating the risks for SARS.
- 9.3.5.2. Bidders must provide a detailed plan on how they propose to set-up the service delivery capability at the awarding of the contract and the handover of SARS's short-term portfolio to a new service provider at the expiration of the contract.

#### 9.3.6. Online System

##### 9.3.6.1. Describe the bidder's administration process, in terms of the following:

- 9.3.6.1.1. The online system used in claims logging and tracking;
- 9.3.6.1.2. The online system's capabilities and potential benefits to SARS;
- 9.3.6.1.3. How the online system can be customised for SARS's needs; and
- 9.3.6.1.4. Turnaround times for customisation for the above.

##### 9.3.6.2. The bidder must provide screen-prints of the online system.

#### 9.4. TECHNICAL COMPLIANCE CHECKLIST

Bidder(s) are required to complete the compliance checklist, as outlined in **Annexure A**, in order to guide the SARS evaluators where to find their technical 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 Fehrson 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**

FILE 1 (ONLY TECHNICAL PROPOSAL)	
<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>Response to Mandatory Requirements</li> <li>Bidder Compliance Checklist for the Technical Evaluation (<b>Annexure A</b>)</li> <li>Company profile</li> <li>Response to Technical Requirements</li> <li>Supporting documents for the technical responses</li> <li>References (<b>Annexure D</b> template)</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 BEE PROPOSAL)	
<b>Exhibit 1</b> <ul style="list-style-type: none"> <li>B-BBEE Certificate</li> <li>SBD 6.1</li> </ul>	<b>Exhibit 2</b> <ul style="list-style-type: none"> <li>SBD 3.3</li> <li>Pricing Template (<b>Annexure B</b>)</li> </ul>

**Exhibit 3**

- 3 years audited / independently reviewed financial statements

**Please note:** SARS requests that bidders use Lever Arch files to package their proposals.

## 11. EVALUATION AND SELECTION CRITERIA

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

- **Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all Standard Bidding Documents and proof of compliance with mandatory bidding requirements, as outlined in paragraph 11.1 below.
- **Technical Evaluation Criteria (Gate 1)** – Bidders that qualified in Gate 0 will be evaluated for functionality. The technical evaluation will be scored out of 100 points. The process for the technical evaluation is outlined in paragraph 11.2 below.
- **Price and B-BBEE Evaluation (Gate 2)** – Bidders that qualified in Gate 1 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's 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.
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.
Pricing Proposal – SBD 3.3 and <b>Annexure B</b> : Pricing Template	<b>YES</b> – Complete and sign the supplied pro forma document. Submit full details of the pricing proposal 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's 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.
Three (3) most recent Financial Statements	<b>YES</b> – Bidders are required to submit complete sets of audited / independently reviewed annual financial statements in the name of the bidding entity.
Bidder Compliance Checklist Form for Technical Evaluation ( <b>Annexure A</b> )	<b>NO</b> – Complete the checklist to assist with ease of reference during evaluation.

MANDATORY REQUIREMENTS	
Mandatory requirement	Non-submission will result in disqualification
Minimum B-BBEE status level 3.	<b>YES</b> – Please submit a valid B-BBEE Status Level Verification Certificate or sworn affidavit (whichever applicable according to SBD 6.1) with a minimum B-BBEE status level 3. Failure to submit a valid B-BBEE certificate or sworn affidavit with the required minimum B-BBEE status will result in disqualification.
Registration with the Financial Services Board.	<b>YES</b> – Please provide proof of registration with the Financial Services Board. Failure to submit proof will result in disqualification.
Professional Indemnity Cover	<b>YES</b> – Bidders must submit a schedule of Error and Omissions cover with a minimum cover of R150 million.
Online system for claims logging, tracking, tracing and reporting.	<b>YES</b> – Bidders must provide a letter indicating what online system they are utilising. This will be verified against the screen-prints provided. (Bidders will be required to demonstrate their online system as part of the technical evaluation).

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.

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;
- 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 must be **level 3**, as appears in **Table 11a** above.

## 11.2. TECHNICAL EVALUATION (GATE 1) = 100 POINTS

Only bidder(s) that have met the Pre-Qualification Criteria in (Gate 0) will be evaluated in Gate 1 for functionality.

All bidder(s) that met the pre-qualification criteria will be evaluated as per the technical requirements stated in paragraph 14 below of this document.

The technical evaluation will be scored out of 100 points, 80 points for desktop and 20 points for presentation. Bidders will be required to present their online system to the evaluators as set out in section 14.4 of the technical criteria. The bidder's presentation should reflect the screen-prints presented in their proposal. All bidders that meet the threshold of 75 points will proceed to Gate 2.

## 11.3. PRICE AND B-BBEE EVALUATION (GATE 2) (80 + 20) = 100 POINTS

### 11.3.1. Stage 1 – Price Evaluation (80 points)

Bidders are required to complete all line items on the Pricing Template (**Annexure B**) 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 services required in the scope of work.

**Table 11b: Price evaluation formula**

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

Where:

$P_s$  = Points scored for price of Bid under consideration

$P_t$  = Price of Bid under consideration

$P_{min}$  = Price of lowest acceptable Bid

### 11.3.2. Stage 2 – B-BBEE Evaluation (20 points)

**Table 11c: 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.	20

The checklist below indicates the B-BBEE documents that must be submitted for this bid. Failure to submit the required documents will result in bidder(s) scoring zero (0) for B-BBEE.

**Table 11d: B-BBEE Checklist**

No.	Classification	Turnover	Submission Requirement
1.	Exempted Micro Enterprise (EME)	Below R10 million p.a.	A sworn affidavit or certificate from CIPC or a certified copy of B-BBEE Status Level Verification Certificate from a SANAS Accredited rating agency or a registered Auditor approved by IRBA (must have been issued before 1 January 2017).



2.	Qualifying Small Enterprise (QSE)	Between R10 million and R50 million p.a.	A sworn affidavit or a certificate from CIPC or a certified copy of B-BBEE Status Level Verification Certificate from a SANAS Accredited rating agency or a registered Auditor approved by IRBA (must have been issued before 1 January 2017).
3.	Large Enterprise (LE)	Above R50 million p.a.	A certified copy of B-BBEE Status Level Verification Certificate from a SANAS Accredited rating agency or a Registered Auditor approved by IRBA (must have been issued before 1 January 2017).

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

Failure of the bidder to submit a B-BBEE Status Level Verification Certificate from a verification agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in the 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.

Bidders who do not claim preference points will be scored zero for B-BBEE but cannot be excluded from the tender process, for that reason.

#### **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

**11.3.3. Stage 3 (80 + 20 = 100 points)**

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

**11.4. FINANCIAL STATEMENTS**

Bidders are required to submit complete sets of audited / independently 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. Bidder(s) must attain a satisfactory financial position.

**11.4.1. The annual financial statements must contain:**

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

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

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

**11.4.3. 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 authorized representative of the entity.**

**11.4.4. In the event of the bid being in the form of a Joint Venture (JV), the following is required:**

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

**11.4.5. SARS reserves the right to request further information with regards to the annual financial statements of a bidder at a later stage.**

## **12. AGREEMENTS**

### **12.1. GENERAL CONDITIONS OF CONTRACT**

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

- 12.1.1. 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.
- 12.1.2. The bidder submitting the General Conditions of Contract to SARS together with its bid, duly signed by an authorised representative of the bidder.

### **12.2. SERVICES AGREEMENT**

- 12.2.1. 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.
- 12.2.2. SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement during the course of negotiations.
- 12.2.3. Bidders are requested to-
  - 12.2.3.1. 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
  - 12.2.3.2. Each comment and/or amendment must be explained.
- 12.2.4. 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.

### **12.3. 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.

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

#### **13.1. SARS reserves the right:**

- 13.1.1. Not to award or cancel this bid at any time and shall not be bound to accept the lowest or any bid;
- 13.1.2. 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;
- 13.1.3. To accept part of a bid rather than the whole bid;
- 13.1.4. 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;
- 13.1.5. 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;
- 13.1.6. 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
- 13.1.7. To disqualify a bidder whose bid contains a misrepresentation which is materially incorrect or misleading.

#### **13.2. SARS requires bidder(s) to declare:**

In the bidder's technical response, the bidder(s) are required to declare the following:

##### **13.2.1. Confirm that the bidder(s) shall:**

- 13.2.1.1. Act honestly, fairly and with due skill, care and diligence, in the interests of SARS;
- 13.2.1.2. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- 13.2.1.3. Act with circumspection and treat SARS fairly in a situation of conflicting interests;
- 13.2.1.4. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- 13.2.1.5. Make adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with SARS;
- 13.2.1.6. Avoid fraudulent and misleading advertising, canvassing and marketing;
- 13.2.1.7. Conduct their business activities with transparency and consistently uphold the interests and needs of SARS as a client before any other consideration; and
- 13.2.1.8. 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.

### **13.3. 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"):

- 13.3.1. Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- 13.3.2. 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;
- 13.3.3. 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;
- 13.3.4. 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;
- 13.3.5. 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;
- 13.3.6. 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;
- 13.3.7. Has in the past engaged in any matter referred to above; or
- 13.3.8. 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 bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

### **13.4. 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.



### **13.5. 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.

### **13.6. 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.

### **13.7. 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.

### **13.8. 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.

### **13.9. 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.

#### **13.10. 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.

#### **13.11. 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.

#### **13.12. 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.

#### **13.13. 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 11.3.2 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.

#### **13.14. 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'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, bidders must secure SARS's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this 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.

#### **13.15. 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.

#### **13.16. 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.

#### **13.17. 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 to classified information, intelligence in the possession of SARS and areas designated as National Key points that they may have. Obtaining a positive recommendation is the responsibility of the contracting firm concerned. If the principal contractor appoints a sub-contractor, the same provisions and measures will apply to the sub-contractor.

## 14. TECHNICAL EVALUATION CRITERIA

**Table 14a: Technical Evaluation**

No.	Technical Evaluation Criterion	Weight (100)
<b>14.1.</b>	<b>Capability as to how the bidder will ensure the best quotes</b>	<b>35</b>
14.1.1.	<p><b>References</b></p> <p>Bidders must provide <b>written contactable references</b> from five (5) of its own current or recent clients (i.e. <b>not older than 24 months</b>) in <b>similar size to SARS</b> to whom the bidder is providing or has provided broker services for short-term insurance.</p> <p>Each reference should complete <b>Annexure D</b> and authenticate it with a company stamp or transfer the information onto the companies' letterhead.</p> <p><b>NB: The bidder must provide written references from its own clients, and not that of its sub-contractors.</b></p>	20
14.1.2	<p><b>Insurers and/or underwriters</b></p> <ul style="list-style-type: none"> <li>The bidder must list the insurers and/or underwriters from whom quotes can be obtained to cover SARS in respect of each risk area and demonstrate their relationship with the insurer and/or underwriter; and</li> <li>The bidder must describe how it will ensure the best quote / quotations for SARS e.g. competitive premiums and minimal exclusions.</li> </ul>	10
14.1.3	<p><b>Knowledge sharing</b></p> <p>The bidder must provide details of various methods of how it will ensure that SARS stays up-to-date with developments in the market.</p>	5
<b>14.2</b>	<b>Claims Settlement</b>	<b>25</b>
14.2.1	<p>The bidder must provide <b>written references from the same five (5) current / recent clients listed</b> in section 14.1.1 above. The client must rate the bidder's claims settlement performance under the following headings:</p> <ul style="list-style-type: none"> <li>Turn-around times;</li> <li>Quality of feedback;</li> <li>Accessibility and availability;</li> <li>Settlement of claims performance;</li> <li>Customer satisfaction provided by the bidder; and</li> <li>Effectiveness of the online system, i.e. functionality, complexity and reporting.</li> </ul>	20

No.	Technical Evaluation Criterion	Weight (100)
14.2.2	<b>Compulsory monthly reporting</b> Provide a sample of a monthly reconciliation report, as described in paragraph 9.2.2.1 of this document.	2.5
14.2.3	<b>Compulsory quarterly reporting</b> Provide a sample of a quarterly reconciliation report, as described in paragraph 9.2.2.2 of this document.	2.5
<b>14.3</b>	<b>Risk Management (What cover will be taken?)</b>	<b>20</b>
14.3.1	<b>Determining the SARS Risk and Need</b> The bidder must outline the process of identifying and mitigating risks for SARS.	10
14.3.2	<b>Transition and handover</b> The bidder must provide a detailed plan on how they propose to set-up the service delivery capability at the awarding of the contract and the handover of SARS's short-term portfolio to a new service provider at the expiration of the contract.	10
<b>14.4</b>	<b>Administration - Presentation</b> <b>The presentation should reflect the screen-prints presented in the proposal.</b>	<b>20</b>
14.4.1	The bidder must describe the bidder's administration process in terms of the following: <ul style="list-style-type: none"> <li>• The online system used in claims logging and tracking;</li> <li>• The online system's capabilities and potential benefits to SARS;</li> <li>• How the online system can be customised for SARS's needs; and</li> <li>• Turnaround times for customisation for above.</li> </ul> <p>The bidder must provide screen-prints of the online system.</p>	20

15. ANNEXURE A – TECHNICAL EVALUATION CHECKLIST
16. ANNEXURE B – PRICING TEMPLATE
17. ANNEXURE C – COVER AND CLAIMS HISTORY
18. ANNEXURE D – CUSTOMER REFERENCE
19. ANNEXURE E – DRAFT SERVICES AGREEMENT