

**REFERENCE: RFP 0004/2019**  
**REQUEST FOR PROPOSAL**

**DESCRIPTION:**

**APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION  
OF MARKETING AND ADVERTISING SERVICES**

**DATE ISSUED: 26 April 2019**

**CLOSING DATE: 28 May 2019, 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 in government delivery.

## 2. OVERVIEW OF SARS

### Our Mandate

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

- Collect all revenues due;
- Ensure maximum compliance with tax and customs legislation; and
- Provide a customs and excise service that will facilitate legitimate trade as well as protect our borders.

### Our Vision

To administer our Tax, Customs and Excise duties in a manner that encourages fiscal citizenship and increased revenue for the State.

### Our Mission

To optimise revenue yield, facilitate trade and enlist new tax contributors by promoting awareness of the obligation to comply with South African 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 and Excise Compliance
- Increased Tax Compliance
- Increased ease and fairness of doing business with SARS
- Increased cost effectiveness and internal efficiencies
- Increased public trust and credibility

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

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential service providers (herewith referred to as "Bidders") with a minimum B-BBEE status level 3, for marketing and advertising services on a retainer basis.

The RFP incorporates, as far as possible, the tasks and responsibilities of the Successful Bidder.

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

#### **4.1 TAX LEGISLATION**

Bidders should be familiar with all tax laws applicable in the Republic of South Africa and should fully comply with such laws.

#### **4.2 PROCUREMENT LEGISLATION**

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

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

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

### **5. BRIEFING SESSION**

A non-compulsory briefing session will be held at Linton House, Brooklyn Bridge, 570 Fehrnsen Street, Brooklyn, Pretoria, to clarify to Bidder(s) the scope and extent of work to be executed. Bidders must refer to paragraph 7 of the RFP document for the date and time of the briefing session.

## 6. DURATION OF CONTRACT

The Successful Bidder will be appointed for a period of thirty six (36) months for the provision of marketing and advertising services.

## 7. TIMELINE OF THE BID PROCESS

The validity period for the tender and withdrawal of offers, after the Closing Date and time, is (180) days.

The project timeframes of this Bid are set out below:

Activity	Date Due
Date of issue of RFP	26 April 2019
Non-compulsory briefing session	10 May 2019, 14h00
Questions relating to RFP from Bidder(s)	29 April – 16 May 2019
Bid Closing Date	28 May 2019, 11h00
Notice to Bidder(s)	* July 2019

All the times given in this bid are South African Standard Time.

Any time or date in this bid is subject to change at SARS' discretion. A reference to 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 that specific date or at that specific time. The Bidder accepts that, if SARS extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this Bid will otherwise apply equally to the extended deadline.

## 8. CONTACT

A nominated official of the Bidder(s) can make enquiries only in writing, to the specified person, Mr Andre Taljaard (Procurement Tender Office) via email [TenderOffice@sars.gov.za](mailto:TenderOffice@sars.gov.za) and copy [rft-professionalservices@sars.gov.za](mailto:rft-professionalservices@sars.gov.za). Bidders must reduce all telephonic enquiries to writing and send same to the above email addresses.

## 9. SCOPE OF WORK / REQUIREMENTS

### 9.1 BACKGROUND

SARS requires a creative advertising agency to partner with the SARS Communication Division to conceptualise, develop and implement comprehensive through-the-line marketing and communication strategies in support of the overall strategic objectives of SARS encompassing all products, divisions, programmes and campaigns including brand building, positioning and advertising thereof.

Advertising is an important aspect of the SARS marketing and communication strategy, and is a platform which the organisation uses to reach taxpayers about important issues.

#### 9.1.1 SARS requirements from the Successful Bidder

The Successful Bidder will partner with the SARS Communication Division in, amongst others:

- Developing, refining and helping to implement the overall marketing and communication strategy for SARS;
- Developing and implementing various marketing and communication campaigns;
- Developing and producing creative advertising / marketing products;
- Working in partnership with SARS media placement partner to develop and implement through-the-line marketing strategies;
- Identifying areas of improvement / innovation in communication and marketing for SARS, and advising on a suitable course of action;
- Conceptualising, producing and sustaining effective through-the-line advertising in respect of all strategy development, creative production, account handling and account planning for marketing activities and campaigns of SARS;
- Ensuring effective liaison for planning and implementation purposes with SARS, the media agency and other service providers;
- Providing graphic design services including animation for online use or presentations and the development of material in Flash;
- Providing special services including social marketing, social media, and specific technical presentations when required;
- Providing audio visual services such as videos, online videos, videography and services including editing of content, script writing, pre-production, production and post-production;
- Providing effective account administration, cost control and reporting activities; and
- Providing advertising research services including qualitative, quantitative, brand or campaign surveys.

## 9.1.2 Key marketing and communication projects for SARS

The Successful Bidder will be expected to conceptualise, develop and implement comprehensive through-the-line marketing and communication strategies in support of the strategic objectives of all SARS products, divisions, programmes and campaigns including brand building, positioning and advertising thereof.

Key annual communication and marketing campaigns include, but are not necessarily limited to the following:

- Employer Annual Reconciliation (April to May)
- Tax Season (June to January)
- Employer Interim Reconciliation (September to October)
- SARS Revenue Collection (November to March)
- Budget Speech (February)
- *Ad hoc*

## 9.1.3 Reporting requirements

### 9.1.3.1 Weekly reporting

- 9.1.3.1.1 Weekly written status reports must be presented at the weekly agency status meetings of two (2) hours in duration, held at SARS offices in Pretoria.
- 9.1.3.1.2 Soft copies of the status report plus minutes of the status meeting must be sent to SARS within forty eight (48) hours after each meeting.
- 9.1.3.1.3 These meetings will be attended by representatives from SARS, the appointed media buying agency and the Successful Bidder.
- 9.1.3.1.4 The Successful Bidder must be represented by the Senior Client Service Director or Senior Account Manager.

### 9.1.3.2 Monthly reporting

- 9.1.3.2.1 A soft copy of a monthly progress report capturing final material for each campaign running must be submitted in PowerPoint format by the end of each month.

### 9.1.3.3 Campaign reporting

- 9.1.3.3.1 A campaign report in PowerPoint format detailing the strategy, all final creative work, campaign performance, final budget and recommendations must be presented within fourteen (14) days after the conclusion of a campaign. Two (2) printed copies plus a soft copy must be provided to SARS.

#### 9.1.4 Skills Transfer

Bidders must commit to a post-campaign implementation review of each campaign. These sessions will be attended by the SARS Communication team (maximum of 15 members) for purposes of skills transfer.

In this regard, the Successful Bidder will be required to submit a skills transfer plan to SARS once appointed and upon request. The skills transfer plan must contain the following minimum details:

- 9.1.4.1 skills transfer methodology contemplated;
- 9.1.4.2 outcomes or deliverables contemplated;
- 9.1.4.3 details of how the Successful Bidder will report to SARS on progress made; and
- 9.1.4.4 details of how SARS Communication team, who participate in the skills transfer program, will be assessed to determine their comprehension of skills transferred.

### 9.2 RESOURCE ALLOCATION

#### 9.2.1 Retainer

The following key personnel must be recommended to SARS and include at least the following experts:

- Strategy Director with a minimum of 10 years of proven experience in marketing and advertising;
- Senior Client Service Director with a minimum of 10 years of proven experience in marketing and advertising;
- Senior Creative Director with a minimum of 8 years of proven experience in creativity;
- Art Director with a minimum of 5 years of proven experience in design;
- Copy Writer with a minimum of 5 years of proven experience in copy writing;
- Animator with a minimum of 2 years of proven experience in animation;
- Researcher with a minimum of 5 years of proven experience in marketing research; and
- DTP with a minimum of 2 years of proven experience in DTP.

#### 9.2.2 Ad hoc

Over and above the recommended key personnel, there are other *ad hoc* resources that will be required. These resources should be made available when required and are as follows:

- Strategy Development;
- TV Producer;
- Radio Producer; and

- Production Manager.

Other *ad hoc* services that will be requested, as and when required by SARS, include but are not limited to the following:

- All production costs;
- Conceptualisation and implementation of SARS specific events;
- Booking and handling fees for voiceovers / casting;
- Music rights / Royalties;
- Model fees; and
- TV and radio performers' fees.

### 9.2.3 Supply Chain Management Policy

The Successful Bidder must align their Supply Chain Management Policy to ensure that the selection of suppliers to deliver on SARS' requirements demonstrates:

- No Conflict of Interest with any SARS Official;
- BEE Compliance (CSD or the valid Certificate will be adequate); and
- Tax Compliance (CSD at the time, not TCC).

The above are not for pre-qualification / mandatory in this tender at this stage but are an obligation to be pro-actively performed and submitted to SARS either on a periodic basis or per Brief.

## 9.3 SARS REQUIREMENTS FROM THE BIDDERS / BIDDERS' RESPONSE

### 9.3.1 Company Profile and Resources

9.3.1.1 The Bidders should provide in their response a comprehensive company profile detailing:

- Organizational structure and infrastructure to render the services;
- Indicate a range of in-house services provided specific to creative advertising;
- Level of expertise of key personnel that are recommended to SARS, their qualifications, years of experience in the industry and competencies relevant to the scope of services. In this regard, a one-page curriculum vitae per resource indicating their experience in their field of expertise must be submitted. The curriculum vitae must be signed by both the individuals concerned and the authorised official of the Bidder; and
- The full contact details of the key contact person / Senior Account Manager who will be assigned to SARS, including his/her role and responsibilities.

### 9.3.2 Capability

9.3.2.1 Provide a schedule of the Bidder's experience and proven track record over the past four (4) years. The information provided for each client (a minimum of 3) must include:

- Client name;
- Contact person, phone number, company business address;
- Contract period;
- Description of a project / campaign;
- Value of the project;
- Challenges; and
- Value-added services.

Please note that SARS will sample and reserves the right to contact the clients for a reference check. It is important to ensure that the clients listed on the Bidder's schedule are contactable.

9.3.2.2 Provide the number of accounts retained, lost and gained over the past four (4) years.

### 9.3.3 SARS Brand

Demonstrate (in not more than 500 words):

- An understanding of the SARS brand and its mandate; and
- An understanding of challenges facing the SARS brand and how these could be addressed.

### 9.3.4 Testimonials

Bidders are required to submit testimonials (not older than 5 years) from two (2) current / recent clients where similar services were provided. Each testimonial must be on a client (i.e. company) letterhead and include but not be limited to:

- A brief description of services rendered;
- Quality of service; and
- Work within budget / cost.

### 9.3.5 Skills Transfer

Bidders must demonstrate their approach to ensure skills and knowledge transfer to nominated SARS staff during post-campaign implementation reviews of each campaign.

### 9.3.6 Case Study

Bidders are required to submit a case study of a **previous** campaign undertaken in the past three (3) years in the financial sector, the Government sector or the service industry. The case study should include:

- Campaign strategy;
- Approach / methodology used to execute the campaign;
- Return on Investment that the Bidder secured for the client; and
- Show reel demonstrating creative execution through-the-line.

## 9.4 PRICING

Bidders must refer to **Annexure B**, which details the pricing schedule that must be completed.

### 9.4.1 Critical Resources Required

The Successful Bidder will be contracted on a retainer basis whereby a fixed monthly fee is paid by SARS for the availability of the following critical resources:

Resource	Hours per month
Strategy Director	2
Senior Client Service Director or Senior Account Manager	40
Senior Creative Director	15
Art Director	29
Copy Writer	19
Animator	9
Researcher	15
DTP	7

## 10. 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 maintains the database for all suppliers for Government and its institutions; and all existing and prospective suppliers are requested to register on the CSD by accessing the National Treasury website at [www.CSD.gov.za](http://www.CSD.gov.za).

## 11. INSTRUCTIONS TO BIDDER(S)

- 11.1 Bids must be properly packaged and deposited on or before the Closing Date and time, stipulated on the cover page, in the tender box situated at the main entrance of the SARS Procurement Centre:

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

- 11.2 Bid documents may also be posted to the Tender Office - SARS Procurement Department, Linton House, Brooklyn Bridge, 570 Fehrsen Street, Brooklyn, Pretoria, 0181.
- 11.3 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.
- 11.4 Late bids will not be accepted and shall be returned to Bidder(s).
- 11.5 The Bidder(s) are required to submit two (2) copies of each file (original and duplicate) and one (1) USB with the contents of each file.
- 11.6 Pricing information should not be included in the technical file (File 1). Each file and information in the USB must be labelled and submitted in the following format:

Table 11A: 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>Bidder Compliance Checklist for the Technical Evaluation (<b>Annexure A2</b>)</li> <li>Bidder's responses and supporting documents to paragraph 9.3</li> </ul>
FILE 2 (PRICE, BEE and FINANCIAL STATEMENTS )	
<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>Pricing Schedule</li> </ul>
<b>Exhibit 3</b> <p>Three (3) years audited / reviewed financial statements.</p>	

**FILE 1 (ONLY TECHNICAL PROPOSAL)**

**Note:** SARS requests that Bidders use Lever Arch files to package their proposals.

## 12. EVALUATION AND SELECTION CRITERIA

Bidders shall be evaluated and selected based on set minimum standards (Gates) that SARS sets out below. The minimum standards consist of the following Gates:

- **Pre-Qualification Criteria (Gate 0)** – Bidder(s) must submit all Standard Bidding Documents as outlined here below;
- **Mandatory Requirements (Gate 1)** – Bidders must submit proof of compliance with the mandatory requirements, as outlined here below;
- **Technical Evaluation Criteria (Gate 2)** – Bidder(s) that have complied with the mandatory requirements in Gate 1, will be evaluated out of one hundred (100) points during the Technical Evaluations and the minimum threshold of seventy (70) points must be achieved. The process is outlined here below; and
- **Price and B-BBEE Evaluation (Gate 3)** – Bidders that have been shortlisted in Gate 2, will be evaluated out of one hundred (100) points. Price will be evaluated out of eighty (80) points and B-BBEE out of twenty (20) points. The process is outlined here below.

### • PRE-QUALIFICATION CRITERIA – GATE 0

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

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

Name of the document that must be submitted	Non-submission may result in disqualification
Invitation to Bid – SBD 1	<b>YES</b> – Please complete and sign the supplied pro forma document.
Declaration of Interest – SBD 4	<b>YES</b> – Please complete and sign the supplied pro forma document.
Preference Point Claim Form – SBD 6.1	<b>NO</b> – Non-submission will lead to a zero score for B-BBEE.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	<b>NO</b> – Please complete and sign the supplied pro forma document.
Certificate of Independent bid Determination – SBD 9	<b>NO</b> – Please complete and sign the supplied pro forma document.
Central Supplier Database (CSD) System Registration Report from National Treasury	<b>NO</b> – Bidders must register on the CSD system and submit the report as confirmation of registration. The Successful Bidder will be expected to be registered on CSD before contracting.
General Conditions of Contract (GCC)	<b>NO</b> – Please sign the supplied GCC.
SARS' Oath / Affirmation of Secrecy	<b>YES</b> – Bidders and resource(s) must complete and sign the supplied pro forma document in the presence of a Commissioner of Oaths and initial every page.
Supplier cost and risk assessment questionnaire	<b>NO</b> – Please complete and sign the supplied pro forma document.

- MANDATORY REQUIREMENT (GATE 1)**

Only Bidder(s) that have met the pre-qualification criteria in Gate 0 will be evaluated in Gate 1 for compliance with the Mandatory Requirements.

**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 tenderer having a stipulated minimum B-BBEE status level of contributor;
- An EME or QSE;
- A tenderer subcontracting a minimum of 30% to-
  - 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 at least 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 **NOT** an acceptable tender and will result in the **immediate disqualification** of a Bidder.

In respect of this RFP, the minimum B-BBEE status level of contributor must be **3**, as appears in Table 12B. Furthermore, because the contract value exceeds R30 million, the Successful Bidder must subcontract a minimum of 30% of the value of the contract to the below mentioned specified EME or QSE.

Table 12B: Mandatory Requirements

Mandatory Requirements	Non-compliance with stated B-BBEE status level WILL result in disqualification
Minimum B-BBEE status level 3	<b>YES</b> – Submit a valid B-BBEE certificate or sworn affidavit (whichever applicable according to SBD 6.1) with minimum B-BBEE status level 3.
Bidders must subcontract a minimum of 30% of the value of the contract to an <b>EME or QSE which is at least 51% owned by black people</b> .	<b>YES</b> – Bidders must submit acceptable proof of a subcontracting arrangement between the main Bidder and the subcontractor. Proof of the subcontracting arrangement may take the form of a subcontracting agreement between the main Bidder and the subcontractor.

**NB: The Bidder will be bound by the choice of subcontractor in its proposal, if it becomes the preferred Bidder. SARS reserves the right of final approval of the subcontractor and to request proof of the subcontractor's B-BBEE credentials at any time.**

- **TECHNICAL EVALUATION (GATE 2) = 100 POINTS**

Only Bidder(s) that have met the mandatory requirements in (Gate 1) will be evaluated in Gate 2 for functionality. Bidder(s) that achieve a minimum threshold of **70** points out of **100** points for technical evaluations will proceed to Gate 2: Price and BEE evaluations. Table 12C below illustrates the summary for the technical evaluation.

Table 12C: Evaluation Criteria

No.	TECHNICAL EVALUATION CRITERIA	Weight
12.3.1	<b>COMPANY PROFILE AND RESOURCES</b>	20
	<p>Bidders should provide a comprehensive company profile detailing:</p> <ul style="list-style-type: none"> <li>Organisational structure and infrastructure to render the services; <b>(6)</b></li> <li>Indicate a range of in-house services provided specific to creative advertising; <b>(5)</b></li> <li>Level of expertise of key personnel that are recommended to SARS, their qualifications; years of experience in the industry and competencies relevant to the scope of services. In this regard, a one-page curriculum vitae per resource must be submitted; and <b>(8)</b></li> <li>The full contact details of the key contact person / Senior Account Manager who will be assigned to SARS, including his/her role and responsibilities. <b>(1)</b></li> </ul>	
12.3.2	<b>CAPABILITY</b>	10
	<p>Provide a schedule of the Bidder's experience and proven track record over the past four (4) years. The information provided for each client (a minimum of 3) must include:</p> <ul style="list-style-type: none"> <li>Client name;</li> <li>Contact person, phone number, company business address;</li> <li>Contract period;</li> <li>Description of a project / campaign;</li> <li>Value of the project;</li> <li>Challenges; and</li> <li>Value-added services. <b>(6)</b></li> </ul> <p>Please note that SARS will sample and reserves the right to contact the clients for a reference check. It is important to ensure that the clients listed on the Bidder's schedule are contactable.</p>	
	Provide the number of accounts retained, lost and gained over the past four (4) years. <b>(4)</b>	
12.3.3	<b>SARS BRAND</b>	20
	<p>Demonstrate (in not more than 500 words):</p> <ul style="list-style-type: none"> <li>An understanding of the SARS Brand and its mandate; and <b>(10)</b></li> <li>An understanding of challenges facing the SARS brand and how these</li> </ul>	

No.	TECHNICAL EVALUATION CRITERIA	Weight
	could be addressed. (10)	
12.3.4	<b>TESTIMONIALS</b>	5
	<p>Provide testimonials (not older than 5 years) from <b>two (2)</b> current / recent clients, where similar services were provided.</p> <p><b>Each testimonial</b> must be on a client (i.e. company) letterhead and include but not be limited to:</p> <ul style="list-style-type: none"> <li>• A brief description of services rendered; (1)</li> <li>• Quality of service; and (½)</li> <li>• Work within budget / cost. (1)</li> </ul>	
12.3.5	<b>SKILLS TRANSFER</b>	5
	Bidders must demonstrate their approach to ensure skills and knowledge transfer to nominated SARS staff during post-campaign implementation reviews of each campaign.	
12.3.6	<b>CASE STUDY</b>	40
	<p>Bidders are required to submit a case study of a <b>previous</b> campaign undertaken in the past three (3) years in the financial sector, the Government sector or the service industry. The case study should include:</p> <ul style="list-style-type: none"> <li>• Campaign strategy; (15)</li> <li>• Approach / methodology used to execute the campaign; (10)</li> <li>• Return on Investment that the Bidder secured for the client; and (5)</li> <li>• Show reel demonstrating creative execution through-the-line. (10)</li> </ul>	
<b>TOTAL</b>		<b>100</b>

**Note:** Bidders should refer to **Annexure A1** for the detailed technical evaluation criteria.

- **PRICE AND B-BBEE EVALUATION (GATE 3) (80 + 20) = 100 POINTS**

#### 12.1 Stage 1 – Price Evaluation (80 points)

Table 12D: Price evaluation formula

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

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

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

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

### 12.2.1 Bid Evaluation Process Gate 2: B-BBEE EVALUATION

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

- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
- B-BBEE Certificate.

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

Table 12E: B-BBEE Checklist

Classification	Turnover	Submission Requirement
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.

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, or a sworn affidavit (Preferably a DTI Affidavit). This is only applicable to QSEs with 51% Black Ownership and above.
Large Entity (LE)	Above R50 million p.a.	Certified copy of B-BBEE Rating Certificate from a SANAS Accredited Rating Agency.

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 Affidavits**

Please note that sworn affidavits must be signed by the Bidder's authorised representative and attested to by a Commissioner of Oaths.

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

#### **Joint Ventures and Consortiums**

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

#### **Subcontracting**

Bidders will have to fully comply with the following regulations of the PPPFA Act with regard to sub-contracting:

**Regulation 9 – Subcontracting as condition of tender**

- (1) *If feasible to subcontract for a contract above R30 million, an organ of state must apply subcontracting to advance designated groups.*
- (2) *If an organ of state applies subcontracting as contemplated in sub regulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to-*
  - (a) *an EME or QSE;*
  - (b) *an EME or QSE which is at least 51% owned by black people;...*
- (3) *The organ of state must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in subregulation (2) from which the tenderer must select a supplier.*

**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 subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.*

**Proof of Existence: Joint Ventures**

Bidders must submit concrete proof of the existence of joint ventures SARS will accept signed agreements as acceptable proof of the existence of a joint venture.

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

**12.3 Stage 3 (80 + 20 = 100 points)**

The Price and B-BBEE points will be consolidated to determine the Successful Bidder.

### 13. FINANCIAL STATEMENTS

Bidders are required to submit complete sets of audited or 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.

- The annual financial statements must contain:
  - Statement of Financial Performance;
  - Statement of Financial Position;
  - Cash Flow Statement; and
  - Notes to the Financial Statements.
- 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.
- 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.
- In the event of the bid being in the form of a JV, the following is required:
  - Annual financial statements of the JV; and
  - A JV legal agreement detailing the percentage ownership of each entity.

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

### 14. AGREEMENTS

#### 14.1 GENERAL CONDITIONS OF CONTRACT

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

14.1.1 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; and

14.1.2 The Bidder submitting the General Conditions of Contract to SARS together with its bid, duly signed by an

authorised representative of the Bidder.

## **14.2 SERVICES AGREEMENT**

14.2.1 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. SARS will not accept any “standard terms and conditions” or other contract that may be presented to it by the Successful Bidder.

14.2.2 SARS reserves the right to vary the proposed terms and conditions of the draft Services Agreement upon the award of this RFP.

14.2.3 Bidders are not required to sign the draft Services Agreement when submitting the Bidder's proposal.

### **14.2.4 Insurance**

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

### **14.2.5 Liability**

14.2.5.1 The Successful Bidder / Service Provider shall be liable to SARS for any direct damages incurred by SARS due to failure by the Service Provider to perform its obligations in the manner required by the Services Agreement between the Parties.

14.2.5.2 The Successful Bidder / Service Provider shall further be liable to SARS for all indirect and consequential or special damages and/or Losses, (including legal costs) suffered by SARS because of gross negligence, wilful misconduct, a breach of confidentiality provisions stipulated in the signed Services Agreement between the Parties, infringement of a third party's intellectual property rights, or a criminal act committed by the Service Provider or any key personnel of the Service Provider.

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

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

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

- 15.1.2 To negotiate with one or more Preferred Bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other Bidder(s) who has not been awarded the status of the Preferred Bidder(s);
- 15.1.3 To accept part of a Bid rather than the whole Bid;
- 15.1.4 To cancel and/or terminate the Bid process at any stage, including after the Closing Date and/or after presentations have been made, and/or after Bids have been evaluated and/or after the Preferred Bidder(s) have been notified of their status as such;
- 15.1.5 To correct any mistakes at any stage of the Bid that may have been in the Bid documents or that occurred at any stage of the Bid process; and/or
- 15.1.6 To disqualify a Bidder whose bid contains a misrepresentation which is materially incorrect or misleading.

## **15.2 SARS requires Bidder(s) to declare**

In the Bidder's Technical response, Bidder(s) are required to declare the following:

### **15.2.1 Confirm that the Bidder(s) is to:**

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

- 15.2.1.8 Ensure that any information acquired by the Bidder(s) from SARS will not be used or disclosed unless the written consent of the client has been obtained to do so.

### **15.3 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 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"):

- 15.3.1 Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Bidder in respect of the subject matter of this Bid;
- 15.3.2 Seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 15.3.3 Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of SARS' officers, directors, employees, advisors or other representatives;
- 15.3.4 Makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- 15.3.5 Accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- 15.3.6 Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- 15.3.7 Has in the past engaged in any matter referred to above; or
- 15.3.8 Has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such Bidder, member or director's name not specifically appearing

on the List of Tender Defaulters kept at National Treasury.

#### **15.4 BIDDER'S OWN TERMS AND CONDITIONS OR BID QUALIFICATIONS**

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

#### **15.5 MISREPRESENTATION DURING THE TENDER PROCESS AND LIFECYCLE OF THE CONTRACT**

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

It follows therefore that misrepresentations in a Tender 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 Service in question.

#### **15.6 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 Bidders in the preparation of their response to this Bid.

#### **15.7 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.

#### **15.8 PRECEDENCE**

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

## **15.9 LIMITATION OF LIABILITY**

A 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.

## **15.10 TAX COMPLIANCE**

No tender shall be awarded to a Bidder whose tax affairs are not 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.

## **15.11 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.

## **15.12 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 courts in any dispute of any kind that may arise out of or in connection with the subject matter of this Bid, the Bid itself and all processes associated with the Bid.

## **15.13 RESPONSIBILITY FOR SUBCONTRACTORS AND BIDDER'S PERSONNEL**

A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its subcontractors (if any) and personnel of its subcontractors comply with all terms and conditions of this Bid and in particular the provisions of paragraph 12.2 above. In the event that SARS allows a Bidder to make use of subcontractors, such subcontractors 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 subcontractors.

#### **15.14 CONFIDENTIALITY**

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

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 Tenders or appointing a Bidder will be disclosed to a Bidder or any other person not officially involved with such process.

#### **15.15 INTELLECTUAL PROPERTY**

SARS retains ownership of all Intellectual Property rights in the tender information documents that form part of this RFP. Bidders will retain the Intellectual Property rights in their tender responses, but grant SARS the right to make copies of, alter, modify or adapt their responses, or to do anything which in its sole discretion is necessary to do for reasons relating to the RFP process.

#### **15.16 SARS PROPRIETARY INFORMATION**

A Bidder must make a declaration on their Bid covering letter 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.

#### **15.17 SCREENING AND VETTING OF SERVICE PROVIDER**

Acceptance of this tender is subject to the condition that both the Successful Bidder 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 Successful Bidder concerned. If the Successful Bidder appoints a subcontractor, the same provisions and measures will apply to the subcontractor.

#### **16. ANNEXURE A1 – TECHNICAL EVALUATION CRITERIA**

#### **17. ANNEXURE A2 – TECHNICAL COMPLIANCE CHECKLIST**

18. ANNEXURE B – PRICING SCHEDULE

19. ANNEXURE C – RESOURCE CV

CONFIDENTIAL