

**SARS RFP 20/2019**

**BUSINESS REQUIREMENTS SPECIFICATION**

**SAP AUXILLARY RETRO TAX TOOL**

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## RFP 20/2019

## RETRO TAX TOOL

## Business Requirements Specification

This document forms part of the RFP 20/2019 pack. The document sets out the business requirements that SARS has for Retro Tax Tool and related services.

## 1 USAGE OF TERMS IN THIS DOCUMENT

The capitalised terms in this document appearing in the glossary table below will have the meanings given to them in this glossary table.

Term	Meaning
ERP	Enterprise Resource Planning
HCM	Human Capital management
Solution	Retro Tax

*Important note to Bidder:* The specifications set out in this document contain mandatory and directory requirements. Where a mandatory requirement is set out in this document (indicated by 'must' in the stated requirement) the Bidder's Proposal must address such requirement. If a Proposal fails to meet or does not address a mandatory requirement, the Proposal may, at SARS's discretion, be disqualified at any stage of the evaluation process as being a non-responsive Proposal.

Directory requirements are requirements that serve to guide the Bidder in proposing a solution and consequently may improve a Bidder's score in the evaluation of its Proposal.

## 2 BACKGROUND

SARS is using SAP HCM as its ERP Solution for Human Capital Management system. SARS requires a Retrospective (Retro) Tax Tool that will enable Payroll to keep the payroll open for two (2) successive tax years in order to minimize the manual calculations and payments,

which could potentially create under or over payments of salaries. It should allow certain earnings to be taxed when paid in line with the specifications of the Income Tax Act.

The Retro Tax Tool should run on SAP

### 3 MANDATORY REQUIREMENTS

The mandatory requirements are stipulated on the SARS RFP 20/2019 1-1: The Procurement, Maintenance and Support of SAP Auxiliary Tools (Retro Tax Tool, Data Copy Tool and Reporting Tool) for the South African Revenue Service Summary Guidelines Instructions and Conditions document paragraph 9.3 **SARS's Mandatory qualification Criteria- Gate 1)**

### 4 FUNCTIONAL REQUIREMENTS

SARS is looking for a service provider to provide a Retro Tax Tool and related services, Maintenance and Support for a period of 3 years.

- 4.1 SARS requires a Solution where certain retro transactions can be captured and maintained without updating the previous tax year's totals.
- 4.2 A Solution is required to enable the payroll schema to calculate and process any retroactive transactions over a tax or reconciliation period.
- 4.3 The Solution should not be at risk with any future dated Support Packs/Enhancement packs released by SAP.
- 4.4 The Solution must use the SAP Standard enhancement framework

The Retro Tax tool is required to:

- 4.5 Enable Retro calculations to be done programmatically;
- 4.6 Ensure that IRP5 totals for the previous tax year and previous reconciliation period will remain unchanged;
- 4.7 Ensure that Variable pay earnings to be taxed according to the date on which they are paid.
- 4.8 Ensure that Reconciliation will not negatively impact year-end or any reconciliation period to define the different tax deductions in the current tax year/reconciliation period for the previous tax year/reconciliation period;
- 4.9 Allow for the exclusion of payments to update the previous tax year totals prior to the

IRP5 run as needed;

## **5 TECHNICAL EVALUATION**

### **5.1 Information to be provided for Technical Evaluation**

1. Print screens of their proposed solution that demonstrates the functionality;
2. Three (3) contactable references of companies where similar services were provided recently (within the last 5 years);
3. Provide the Business Profile that describes the service offerings, years of experience and capability to deliver and support the Solution to SARS;
4. Implementation plan indicating the time frames for implementing and customizing the Solution to SARS unique requirements;
5. The nature of support (e.g. telephonic, email etc.) and whether there is local support available.

## **6 IMPLEMENTATION**

The implementation will begin at commencement date to be communicated at the bidd offer stage, (where the Bidder will be doing a transition) once SARS signs a contract with the recommended Bidder and that an effective date will be that of 01 April 2021.

The implementation and Go-live for this solution must coincide with the beginning of the tax year, meaning that the first year (March/ April 2020) we need is for testing and since we cannot implement in the middle of the tax year, the second (March/April 2021) year is needed for implementation/Cut over into the new system at the beginning of the tax year.