



South African Revenue Service

RFP 01-2019 QUESTIONS & ANSWERS

DATE 08 AUGUST 2019

RFP 01-2019: QUESTIONS & ANSWERS

	QUESTIONS	ANSWERS
1.	Clause 3.2 SARS's Requirements. Pg. 5 of 44. "Service provider must enter into a commercial agreement and establish service level agreements with the cigarette manufacturer(s)". What directives will SARS's put in place to ensure cigarette manufacturers comply with the tender requirements and will agree to acceptable SLAs? Does SARS's intend to set out the terms and SLAs?	<p>The SLA/Agreement is concluded with the Service Provider and not the Manufacturers. No agreement will be concluded with the Manufacturer.</p> <p>However, rules that are yet to be promulgated in terms of the Customs Act, will regulate the relationship between SARS and the Manufacturers.</p>
2.	Business Requirements Specification. Pg. 12 of 32. Scenario 2: Importation of excisable goods for local consumption and re-export. "It is possible that there may be a portion of low-volume imported goods that cannot or will not be marked prior to arrival into South Africa." How many manufacturers of imported cigarettes are there and	<p>There are 91 estimated number of importers that imported cigarettes in the last 12 months. SARS however cannot</p>

	<p>what is the expected volume of unmarked imported cigarettes that is expected? At how many locations is the importing of cigarettes permitted?</p> <ul style="list-style-type: none"> • 	<p>predict the amount of unmarked cigarettes that will be imported in the future.</p> <p>Cigarettes can be imported at any port of entry as prescribed in the Customs and Excise Act, within South Africa. imports of cigarette products over the past year has Predominately taken place through the following ports of entry</p>
3.	<p>Business Requirements Specification. Pg. 16 of 32. Clause 4.2.2 Fiscal Marks Management Sub clause 5: Please provide additional details regarding the management of the payment function. In particular, is it possible that the solution provider will be asked to collect the payments? Also, please provide a definition for an “entity account basis”.</p>	<p>Please refer to page 5 of the main RFP, for details which indicate that;</p> <ul style="list-style-type: none"> • The Service provider will enter into a commercial agreement and establish service level agreements with the cigarette manufacturer(s).
4.	<p>Our BRS refers to Appendix A. Where can we find this document?</p>	<p>Please disregard the Appendix A as it does not form part of the tender pack.</p>
5.	<p>Kindly advise if, when evaluating the proposal, the experience, capacity and capability of the subcontractor will be considered in the scoring.</p>	<p>If the bidder includes experience of an entity other than the bidder itself, then the bidder must include in their submission a letter or agreement from the respective entity that the entity is aware and is in agreement that their experience may be included for tendering purposes.</p>
6.	<p>As a B-BBEE Level 1 Company, we are unable to raise a Bid Bond on submission of the tender. However we can raise a Bid Bond if we do win as our bank is willing to issue a bid bond against a valid contract. Kindly advise if an undertaking is acceptable on submission of tender.</p>	<p>The Bid Bond is mandatory for the reason that Bidders need to demonstrate to SARS that they are financially stable to take up a contract of such nature with or without a contract from SARS.</p>
7.	<ul style="list-style-type: none"> • point 12, we understand that the bidding entity will be and will remain, at all times, the only entity liable to SARS for the performance of the commercial contract even if other affiliates are involved. • The contemplated Scheme is that the bidding entity will allocate roles and responsibilities between the bidding entity (only liable entity towards SARS) and its affiliates to best serve the execution of the contract, • the affiliate located in South Africa being for example responsible for the local maintenance of the operating lines and invoicing in local 	<ul style="list-style-type: none"> • That is correct • That is correct • SARS expects that (having been notified of the Subcontractor and granting approval to subcontract) the winning bidder will conclude an agreement with such prior approved Subcontractor. SARS will not be a party to such subcontract agreement which subcontractor agreement, the responsibility to ensure that its terms do not contradict the Master Services Agreement, is that of the winning bidder/Service Provider.

	<p>currency to the manufacturers. Could you please confirm that it is an acceptable scheme to SARS?"</p>	
<p>8.</p>	<p>I am confused by the statistic presented in 3.2.2 of the RFP document.</p> <p>It states for packs of 20:</p> <p>Local Production 805 Million Import 105 Million Total number of Marks 985 million</p> <p>Why is that total not 910 Million?</p> <p>Also,</p> <p>Exports 826 Million</p> <p>Google says that South African smoke 27 Billion cigarettes per year (That would be 1.3 billion pack of 20).</p> <p>Does the RFP say that SA produces 805 + 826 Million packs of 20 within the country, but exports 826 million of them and then imports another 105 Million?</p> <p>In the Glossary of the RFP document it defines Licensed Marking Facility as: "An entity and facility licensed by SARS to specifically cater for applying Fi for Fiscal Marks to unmarked goods arriving at the border for importation into South Africa, for volumes of goods below the threshold to be prescribed by SARS. This facility will receive unmarked goods intended for import directly from the border. Once received, prescribed fiscal marks will be applied to the goods prior to release for home consumption"</p> <p>Is this the 105 million listed in 3.2.2. If so, how many of these Licensed Marking Facilities are there, and where are they located?</p>	<p>All goods will be marked prior to importation in the country of origin. Low volume marking will take place in exceptional circumstances such as samples.</p> <p>A centralised location will be chosen for such a facility nationally.</p> <p>Note: The 985 represents the total number of marks including other pack sizes i.e. 10s and 30s.</p> <p>The figures provided on the RFP are obtained from SARS' database. These are the figures that bidders should use for the purpose on the RFP.</p>

9.	If bidding as an unincorporated consortium, is it acceptable for one member of the consortium to submit a bid bond to the entire value in the member's own name?	This is acceptable in the case of an unincorporated consortium.
10.	We recognise the requirements for JV/consortia/spv entities to provide separate TCS/PIN/CSD numbers. Must each consortia member complete its own individual SBDs?	Please see Guidelines for Trusts, Joint Ventures, Subcontracting and other arrangements attached.
11.	<p>Our company will be submitting a response with two international companies our domestic company being the lead partner. Do these international companies have to be:</p> <ul style="list-style-type: none"> • Registered with SARS as exempt enterprises? • Registered on the CSD as foreign company, and • Apply for BEE rating? 	<ul style="list-style-type: none"> • Please refer to Refer to www.sars.gov.za https://www.sars.gov.za/ClientSegments/Businesses/TEO/Pages/default.aspx • Transactions concluded with foreign suppliers with no local registered entity may be entered into even if the supplier is not registered on the CSD. Bidders must ensure that the Standard Bidding Document (SBD) 1 is completed in full (paragraph 5.2.5 of the Main RFP document) • The bidder will not qualify for BEE. The lead company must submit their BEE information.
12.	"If the tracking stamps are to be manufactured outside of South Africa, will import duties be applied when transporting these into the country? Or can we assume that these products will be exempt from import duties? "	The answer to the question will be determined by the nature of the mark. For example will it be a paper stamp, a dot or an electronic mark etc. The nature of the product will determine the tariff classification and the tariff heading under which it falls to be classifiable will determine if there is an import or other type of duty. The rate of duty could also be influenced by the country from which it is imported because we have preferential agreements with various countries. In other words the same article imported from the EU may have a lower rate of duty than the same product imported from America. There will of course be VAT payable. Unless we approach ITAC to negotiate a rebate item or special dispensation for the product the normal principles relating to duty will apply.
13.	Whether the Oath of Secrecy which will be executed by the foreign bidder will need to be apostilled/authenticated or whether executing the document in front of a commissioner of oaths will suffice.	<p>If the document is executed in South Africa, the execution of a Commissioner of Oaths shall suffice.</p> <p>If executed outside of South Africa, authentication of the Oath of Secrecy shall suffice.</p>

14.	Whether it is possible to add an additional signatory (by hand) to the official forms to be provided in relation to the bid/tender to be submitted? The internal policy of the foreign bidder dictates that 2 authorised signatories execute any document on behalf of such bidder. The current form of the Oath of Secrecy (attached) only makes provision for one signatory.	This is an issue of legal compliance in your country. The Oath of Secrecy must therefore be completed such that they are compliant with the laws of your country. However, with regards to other tender documents a separate Oath of Secrecy form should be completed for each signatory.
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