



NATIONAL AUCTIONEERING SERVICES

SPECIFICATIONS

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1. INTRODUCTION

The purpose of this document is to define the scope of work for the auctioneering of goods in SARS nationally. This scope shall be in line with the objectives and shared values embedded in the constitutions of recognised associations of auction practitioners to the extent that it complies with the regulations and provisions of the Consumer Protection Act No. 68 of 2008 and other relevant legislation.

State warehouses are prescribed premises in terms of the Customs and Excise Act No. 91 of 1964 as amended (herein after referred to as 'the Act') for the deposit, security, and protection of goods dealt in terms of the Act pending compliance with it as well as other applicable legislation. The Act authorises the Commissioner for the South African Revenue Service (SARS) to dispose goods that are condemned and forfeited to the State in terms thereof through an auction sale.

SARS requires the services of an auctioneer in order to dispose of goods by means of auction sale as prescribed in the Act, and the Customs Internal Standard Operating Procedure State Warehouse SC-CW-01-02-S01. In addition, the auctioneer will also be required to auction any other SARS goods such as assets.

2. BACKGROUND

The Act confers a duty on SARS to provide efficient and effective State warehouse services as an essential component of the value chain of Customs and Excise's mandate of trade facilitation and revenue collection.

In pursuance of the Customs mandate, Customs implements interventions that are aimed at improving Customs compliance. The interventions result in detention and seizure of goods that are found to have been dealt with contrary to the provisions of the Act, including un-cleared and abandoned goods. The goods must be disposed of by means of an auction sale, donation or destruction when the prescribed period for safekeeping of goods lapses, hence the need to appoint an auctioneer.

3. SCOPE

The scope for the disposal of goods in terms of the said Act has been broadened, to provide not only for the disposal of un-cleared goods, seized goods and abandoned goods, but also specifically for goods imported or exported in contravention of any other law. SARS will cordially communicate the location and volume of goods that are available for live auction and online auction purposes with the appointed auctioneer.

4. VENUES TO CONDUCT AUCTIONS

The appointed auctioneer is expected to visit the relevant below listed Customs State Warehouses (satellite warehouses and auction hubs) before an auction is conducted or other site specified by SARS. The satellite warehouses supply the auction hubs with goods for auction purposes. Goods for auction purposes that are found at the listed satellite warehouses and the auction hubs shall be recorded and pictures shall be taken. The pictures must be used for visual aid purposes during the auction.

The below list of auction hubs, which will be used to conduct live auctions, serves as a guide for scheduling of auctions however it must not be seen as an exhaustive list of hubs for conducting auctions. SARS reserves the right to direct that live auctions be conducted at satellite State warehouses or different areas, other than the ones listed below, as dictated by operational requirements:

AUCTION HUB	SATELLITE WAREHOUSE
Kaserne	Gauteng Province – <ul style="list-style-type: none">• ORTIA Customs and Excise State Warehouse• Pretoria Customs and Excise office• Pretoria Iscor Customs and Excise State Warehouse
Upington	Northern Cape Province – <ul style="list-style-type: none">• Vioolsdrift Customs and Excise Border Post• Nakop Customs and Excise Border Post

Durban Prospecton/New Pier	KwaZulu-Natal Province – <ul style="list-style-type: none"> • Richards Bay Customs and Excise office Durban Customs Warehouses: <ul style="list-style-type: none"> • Cato Creek Customs and Excise State Warehouse
Ladybrand	Free State Province – <ul style="list-style-type: none"> • Ficksburg Customs and Excise Border Post • Caledonspoort Customs and Excise Border Post • Van Rooyens Hek Customs and Excise Border Post • Qacha’s Nek Customs and Excise Border Post
Kopfontein	North West Province – <ul style="list-style-type: none"> • Ramatlabama Customs and Excise Border Post • Skilpadshek Customs and Excise Border Post
Musina	Limpopo Province – <ul style="list-style-type: none"> • Beit Bridge Border Customs and Excise Border Post • Grobler’s Bridge Customs and Excise Border Post • Old Pietersburg Airport
Lebombo	Mpumalanga Province – <ul style="list-style-type: none"> • Oshoek Customs and Excise Border Post • Golela Customs and Excise Border Post • Jeppes Reef Customs and Excise Border Post • Mahamba Customs and Excise Border Post • Mananga Customs and Excise Border Post • Nerston Customs and Excise Border Post
Cape Town	Eastern Cape Province – <ul style="list-style-type: none"> • Port Elizabeth Customs and Excise State Warehouse • East London SARS offices
	Western Cape Province – <ul style="list-style-type: none"> • Cape Town office

5. FEE STRUCTURE

A Bidder must provide the percentage of buyers' commission to be charged. Please refer to the pricing template attached as annexure C.

6. PERFORMANCE AND AUCTIONEERING PROCESS

The successful Bidder will be required to:

- 6.1 Effectively provide auctioneering services of various goods for a period of three (3) years, subject to satisfactory performance.
- 6.2 Auction various goods, which include among others: furniture, motor vehicles, household goods, personal effects, and a variety of other items and assets.
- 6.3 Auction goods that require de-registration of motor vehicles or registrable goods as well as other machinery.
- 6.4 Conduct auctions per hub, on an as and when required basis.
- 6.5 Conduct auctions at venues appointed by SARS, as listed in paragraph 4 above, or different venues on request and in support of SARS's operations.
- 6.6 Provide adequate audio and visual aid equipment in order to effectively communicate with the Bidders during the auction.
- 6.7 Advertise Customs auctions at a capped cost and hire tables and chairs: these costs will be reimbursed on production of valid invoices. The auctioneer is responsible for advertising an auction in the public press in English and depending on the target group, advertisements may also be in other languages as well. Proof of such adverts must be submitted to SARS.

- 6.8 Have the capability of conducting bi-monthly secure online auctions for goods that have been selected by Customs and Excise for online auctioning purposes.
- 6.9 Furnish a performance guarantee for R2 000 000.00 from an approved financial institution, upon award of the tender. The performance guarantee will be held at SARS and must be valid for the duration of the Services Agreement i.e three (3) years.
- 6.10 Lodge a guarantee / surety against the estimated income from any auction as a deposit two (2) weeks prior to the auction-taking place. This amount will be refunded once all proceeds of sale are finally accounted for. The amount lodged as security, which is 10% of the estimated income of an auction plus VAT, and must be lodged on a DA 70 (provisional payment).
- 6.11 Make payment of the proceeds of auction sales to SARS within 48 hours of the auction date.
- 6.12 Register as a Dealer Stockist to be able to manage the documentation for registration of local auctioned vehicles, as and when applicable.
- 6.13 Register with SARS to obtain an importer / exporter code, if awarded the tender.
- 6.14 Undertake to perform all such duties and exercise all such functions a may be permitted by law and as may be necessary or desirable to give effect to the provisions of this scope of work and to provide the services according to the terms and conditions of these specifications.