



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

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Ref: WP11541

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### **BID NO AND DESCRIPTION: WP11541: APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO CONDUCT AN EFFICIENCY STUDY ON WATER BOARDS FOR 36 MONTHS**

#### **Questions raised by prospective bidders and the answers.**

##### **Questions and answers.**

1. **We request the Department of Water and Sanitation (DWS) to consider extending the deadline by at least 1 month to produce a competitive and well-rounded proposal.**
  - The Department has noted your request for an extension. At this stage, the closing date remains as published in the bid document. Should there be any changes, they will be communicated through an official notice on the e-Tender porta1 and the Departmental website.
2. **We have registered on the Central Supplier Database (CSD) as a foreign company with supplier number – MAAA1470715. However, for an active CIPC registration, is it a requirement of registering Crisil Limited as a legal entity in South Africa?**
  - Active registration on the Central Supplier Database (CSD) is mandatory. A foreign company is required to register as an “external company” with CIPC if it conducts or intends to conduct business in South Africa. Section 23 of the Companies Act, 2008 (Attached)
3. **We request consideration of the Chartered Accountant Certificate indicating 100% of the payment received from the completed project as an indication of the completed project. It is standard practice followed in other projects as well.**
  - As per the bid requirements, signed reference letters from previous employers/clients are compulsory. Alternative documentation, such as Chartered Accountant certificates, will not substitute this requirement.
4. **We are a foreign supplier registered with CSD. As per the local laws of South Africa, foreign supplier is not liable to pay VAT Tax. In this regard, we request clarification whether DWS, as the recipient of the import of services from non-resident, will be paying the VAT Tax or whether it is tax exempt. Further, Does Crisil Limited need to obtain a Tax compliance Status (TCS) or Unique Personal Identification Number (PIN) issued by SARS, as a foreign entity having no place of business in South Africa?**
  - **VAT on Imported Services**  
In terms of **Section 7(1)(c) of the VAT Act**, VAT at the standard rate (currently 15%) is payable on imported services by the **recipient in South Africa**, not the foreign supplier. DWS does not register for VAT and does not claim VAT input, but it pays VAT-inclusive prices to VAT-registered suppliers. VAT registration and compliance are verified through CSD for local suppliers. For foreign suppliers, VAT is accounted for by DWS under the reverse charge mechanism.
  - **Tax Compliance Status (TCS) or SARS PIN**

**National Treasury Instruction No. 7 of 2017/2018** and **Treasury Regulation 16A9.1(d)** require that no bid may be awarded to a supplier who is not tax compliant. For foreign suppliers, SARS does not automatically require registration for tax unless the entity has a permanent establishment in South Africa. However, before awarding, the institution must verify tax compliance with SARS. The procuring institution submits the recommended bidder's details (SBD1 form) to SARS. SARS will confirm whether the foreign entity has any tax obligations or is exempt. If exempt, SARS issues a letter confirming compliance.

- Crisil Limited does **not** need to register for VAT or obtain a TCS PIN if it has no tax obligations in South Africa. DWS will verify this directly with SARS before award, as per Treasury regulations.
5. **Page 14, SBD 6.1 Regarding SPECIFIC GOALS Table 1 on page 14, please clarify that as a bidder who is BEE Level 1, but not a QSE or EME, we will not qualify for the 3 points as allocated.**
- Please note that the allocation of the 3 points under Specific Goals applies only to bidders who are QSE (Qualifying Small Enterprise) or EME (Exempted Micro Enterprise) with B-BBEE Level 1 or Level 2 status. The department has implemented this measure specifically to empower SMME companies and promote inclusive participation in line with government objectives. Therefore, bidders who do not fall under QSE or EME categories are not eligible to claim these points.
6. **TOR Pg 9, Phase 1: Functional/Technical evaluation Regarding the Qualification of Other Team members - how many of the other team members are required to achieve the highest score? Given that it is a mixed team with varying qualifications.**
- We expect the Service provider to have at least one of the qualifications listed and it's up to the service provider how they use the qualification mix to meet the requirements of the TOR.
7. **TOR Pg 10, Phase 1: Functional/Technical evaluation Regarding the expertise of Task Leader/s, 8 areas mentioned in scoring, only 5 indicated in sub-criteria field. Please clarify the three additional expertise areas required.**
- We have submitted a request for an addendum to DBSC to address Question 3 identified during the briefing session. The number of study components will be five instead of eight. However, such changes will be communicated for consideration once approval is obtained from the delegated authority
8. **TOR Pg 13, Phase 1: Functional/Technical evaluation Regarding the Skills Transfer evaluation, a list of interns or candidates to be mentored by the company in order to complete their studies/become registered professionals - please clarify what is meant here**
- The service provider is expected to contribute to skills development and youth employment of the country, and the bidder must indicate how many young people will be mentored and form part of the team
9. **TOR Pg 6, Item 10. Project Proposal Although the limits of pages are noted, can we add additional information as annexures to better support our response.**
- **Yes**