

ANNEXURE A



**REQUEST FOR PROPOSAL (RFP) FOR THE
APPOINTMENT OF A SERVICE PROVIDER FOR
INTERNAL AUDIT SERVICES FOR THE
FP&M SETA**

Internal Audit/FPM/04/2020

Date Issued: 13 March 2020

Closing Date and Time: 3 April 2020

at 11:00am

Bid Validity Period: 120days

NO COMPULSORY BRIEFING SESSION

TENDER BOX ADDRESS:

FP&M SETA office,
1 Newtown Avenue,
Old Nedbank Building,
3rd Floor,
Killarney, 2169.

1. INTRODUCTION

The Fibre Processing and Manufacturing (FP&M) SETA was established in terms of the Skills Development Act of 1998.

The FP&M SETA is accredited as a quality assuring body by the South African Qualification Authority, in terms of regulation R1127 wherein the FP&M SETA is required to perform the following functions:

- a. accredit constituent providers for specific standards or qualifications registered on the National Qualifications Framework;
- b. promote quality amongst constituent providers;
- c. monitor provision by constituent providers;
- d. evaluate assessment and facilitation of moderation among constituent providers;
- e. register constituent assessors for specified registered standards or qualifications in terms of the criteria established for this purpose;
- f. take responsibility for the certification of constituent learners;
- g. develop a sector skills plan within a framework of the National Skills Development Strategy;
- h. plan and report on the implementation of its SSP and service level agreement
- i. approve Workplace Skills Plans;
- j. disburse mandatory and discretionary grants.

2. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidder(s) for Internal Audit Services for the fibre processing and manufacturing sector education and training authority ("FP&M SETA") for a period of 36 months, three (3) years on 80/20 PPPFA.

This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential bidder required by the FP&M SETA to provide internal audit services.

This RFP does not constitute an offer to do business with the FP&M SETA, but merely serves as an invitation to bidder(s) to facilitate a requirements-based decision process.

3. LEGISLATIVE FRAMEWORK OF THE BID

3.1. Tax Legislation

- 3.1.1. Bidder(s) must be compliant when submitting a proposal to FP&M SETA and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- 3.1.2. It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 3.1.3. The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 3.1.4. It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 3.1.5. Bidders are required to be registered on the Central Supplier Database and the National Treasury shall verify the bidder's tax compliance status through the Central Supplier Database.
- 3.1.6. Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database.

3.2. Procurement Legislation

The FP&M SETA 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 the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

3.3. Technical Legislation and/or Standards

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

4. TIMELINE OF THE BID PROCESS

The period of validity of tender and the withdrawal of offers, after the closing date and time is **120** days. The project timeframes of this bid are set out below:

Activity	Due Date
Advertisement of bid on Government e-tender portal	13 March 2020
Compulsory Briefing Session	None
Questions relating to bid from bidder(s)	02 April 2020
Bid closing date	03 April 2020 at 11:00 am
Notice to bidder(s)	FP&M SETA will endeavour to inform bidders of the progress until conclusion of the tender.

All dates and times in this bid are South African standard time.

Any time or date in this bid is subject to change at the FP&M SETA's discretion. The establishment of a time or date in this bid does not create an obligation on the part of the FP&M SETA to take any action, or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if the FP&M SETA extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

5. CONTACT AND COMMUNICATION

- 5.1. A nominated official of the bidder(s) can make enquiries in writing, to the specified person, **Ms Marjorie Dzimiri** via email MARJORIED2@FPMSETA.ORG.ZA and/or **011 403 1700**. Bidder(s) must reduce all telephonic enquiries to writing and send to the above email address.
- 5.2. The delegated office of the FP&M SETA may communicate with Bidder(s) where clarity is sought in the bid proposal.

- 5.3. Any communication to an official or a person acting in an advisory capacity for the FP&M SETA in respect of the bid between the closing date and the award of the bid by the Bidder(s) is discouraged.
- 5.4. All communication between the Bidder(s) and the FP&M SETA must be done in writing.
- 5.5. Whilst all due care has been taken in connection with the preparation of this bid, the FP&M SETA makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current or complete. The FP&M SETA, and its employees and advisors will not be liable with respect to any information communicated which may not accurate, current or complete.
- 5.6. If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the FP&M SETA (other than minor clerical matters), the Bidder(s) must promptly notify the FP&M SETA in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the FP&M SETA an opportunity to consider what corrective action is necessary (if any).
- 5.7. Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by the FP&M SETA will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 5.8. All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the Bid or the Tendering process must keep the contents of the Bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.

6. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the Bidder(s).

7. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such bids.

8. FRONTING

8.1. Government supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Government condemn any form of fronting.

8.2. The Government, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the FP&M SETA may have against the Bidder / contractor concerned.

9. SUPPLIER DUE DILIGENCE

The FP&M SETA reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

10. SUBMISSION OF PROPOSALS

10.1. Bid documents must be placed in the tender box at **The FP&M SETA Offices, Reception Area, 1 Newtown Avenue, Old Nedbank Building, 3rd Floor, Killarney, 2169** on or before the closing date and time.

10.2. Bid documents will only be considered if received by the FP&M SETA before the closing date and time.

10.3 The bidder(s) are required to submit **Five (5)** copies of **file 1: one (1)** original and **Four (4)** duplicate and submit One (1) original copy of File 2 (sealed separately), and one (1) CD-ROM with content of each file by the Closing date **03 April 2020** at **11:00am**. Each file and CD-ROM must be marked correctly and sealed separately for ease of reference during the evaluation process. Furthermore, the file and information in the CD-ROM must be labelled and submitted in the following format:

FILE 1 (TECHNICAL FILE)	FILE 2 (PRICE &)
<p>Exhibit 1: Pre-qualification documents <i>(Refer to Section 14.1 - Gate 0: Pre-qualification Criteria (Table 1))</i></p>	<p>Exhibit 1: Pricing Schedule <i>(Refer to Section 16 – Pricing Proposal)</i></p>
<p>Exhibit 2:</p> <ul style="list-style-type: none"> • Technical Responses and Bidder Compliance checklist for Technical Evaluation • Supporting documents for technical responses. <i>(Refer to Section 14.2 - Gate 1: Technical Evaluation Criteria)</i> 	
<p>Exhibit 3:</p> <ul style="list-style-type: none"> • General Conditions of Contract (GCC) 	
<p>Exhibit 4:</p> <ul style="list-style-type: none"> • Company Profile • Any other supplementary information 	

10.4 Bidders are requested to **initial each page** of the tender document on the top right hand corner.

11. PRESENTATION / DEMONSTRATION

The FP&M SETA reserves the right to request presentations/demonstrations from the short-listed Bidders as part of the bid evaluation process.

12. DURATION OF THE CONTRACT

The successful bidder will be appointed for a period of 36 months, three (3) years, after signing of a contract by the successful bidder. All work is to be carried out in accordance with the time schedule as agreed with the FP&M SETA.

13. TERMS OF REFERENCE

13.1. PURPOSE OF THE BID

To establish an independent and objective Internal Audit Function in terms with Section 27 of the Treasury Regulations prescribed in terms of Section 76 of the PFMA. The appointed service provider is expected to carry out the mandate of the Internal Audit Function in terms of the SETA's Internal Audit Charter.

13.2. BACKGROUND

The Fibre, Processing & Manufacturing SETA (FP&M) was established by the Minister of Higher Education and Training on 01 April 2011 and re-established until the end to 31 March 2030.

The FP&M SETA is a classified as a National Public Entity under Section C of Schedule 3 of the Public Finance Management Act of 1999 (PFMA). The PFMA requires that the Internal Audit Function must be under the control and direction of the Audit Committee. The Internal Audit should report to the Audit Committee and to the Accounting Authority. The function must be independent on activities that are audited, with no limitation on its access to information.

13.3 OBJECTIVES

The Internal Audit Function will be an objective assurance and consulting activity, which will assist the SETA to accomplish its objectives, by bringing a systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The bidder must demonstrate the capability to perform the internal audits in accordance with the Institute of Internal Audit's International Standards and Practices, and any relevant legislation. Bidders who have or are providing internal audit services to SETAs and/or similar entities are encouraged to submit bids.

14. SCOPE OF WORK

14.1 SCOPE OF INTERNAL AUDIT WORK

The successful bidder may be required to perform the following services:

- Financial audits;
- Compliance audits;
- Performance audit;
- Operational audits;
- Performance information audits;
- ICT audits;
- Risk management review;
- Corporate Governance Review;

- Ad hoc projects, and
- Investigative (forensic) audit as and when required.

The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the SETA's system of internal control. This includes:

- Reviewing the risk register of the SETA on an annual basis;
- Establishing a three-year rolling strategy and risk-based annual Internal Audit Operational Plan;
- Reviewing the reliability and integrity of financial and operating information, and the means to identify, measure, classify and report such information;
- Reviewing the system established by management to ensure compliance with policies, plans, procedures laws and regulations that could have significant impact on operations and determine whether the SETA is in compliance;
- Reviewing the means for safeguarding assets and verifying the existence of assets;
- Reviewing the adequacy and effectiveness of internal control;
- Appraising the economy and efficiency with which resources are employed and identified opportunities to improve operating performance;
- Reviewing the operations to ascertain whether the results are consistent with established objectives or goals and whether operations are being carried out as planned;
- Performing any ad hoc projects as may be required by Management and/ or the Audit Committee;
- Liaise with external auditors on the SETA's audits whenever necessary.

Key Responsibilities (What)	Activities (How)	Results indicators (Why)
Regularity audits (refer to paragraph 4)	Internal audits on all the entity's activities as determined by the Annual Internal Audit plan according to the following audit process: <ul style="list-style-type: none"> • Planning the audit; • Examining and evaluating information; • Communicating results; • Follow up actions by management on findings and recommendations. 	To advise management on compliance with laws, policies and best practices as well as the status on internal controls within the SETA.
Fraud prevention, detection and action	Evaluate entities policies and procedures, including internal controls and determine whether they are sufficient to minimize risk of fraud and error.	Report and recommendation on the Organization's overall internal control environment and improvement areas.
Ad hoc Services	Respond to requests by Management and/or those charged with Governance.	To report finding to management in order to determine whether further actions are required
IT Vulnerability audits	Performance of IT vulnerability assessment as part of the audit plan	To determine the exposure of the seta to internal and external IT vulnerabilities

Key Responsibilities (What)	Activities (How)	Results indicators (Why)
Performance information audits	Executing audits in terms of the audit plan	To determine whether plans are correctly implemented and targets being achieved
Reporting	Reporting on all the activities of the Internal Audit Function to the Management and the Audit Committee Meetings on a regular basis Evaluation of outputs	In order for the Management and the Audit committee to evaluate the efficiency of the Internal Audit Function. To ensure that management are furnished with correct and up to date information.

14.2 KEY PERFORMANCE AREAS

The successful bidder's progress and performance with the provision of internal audit services to the SETA will be monitored on a quarterly basis by the SETA's Audit Committee.

14.3 EXTENT OF WORK

Performance of audit assignments will be as follows;

- Assignments are to be performed in accordance with the Institute of Internal Audit's International Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance review as may be required by the SETA;
- All audit reports and working papers will become the property of the SETA;
- The performance of each assignment shall be in accordance with the approved annual internal audit plan;
- In carrying out the work basis, the responsible partner/director shall meet with the Accounting Authority or its delegate to report on progress of the work;
- For planning and conducting its work, the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Audit Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered;
- The successful bidder may be required to attend strategic workshops from time to time. The cost of attendance will be for the account of the SETA.

14.4 COST PROPOSAL

14.4.1 The bidder must submit a comprehensive and detailed line-item budget showing total cost of the services, as well as the hourly rates of personnel to be involved. The budget should show service activities proposed and budgeted hours per activity and per team member. All assumptions made in drawing the budget, including all cost factors such as travelling, must be detailed. The FP&M SETA reserves the right to negotiate the selection/prioritization of deliverables in line with the contract price. The budget must enable the SETA to understand how audit fees are determined

and how the overall budget will be determined, including estimated time based on experience on similar clients.

14.4.2 The headings below provide a guideline for detailed costing;

Activity/Service	Designation	Estimate of hours	Rate per hour (R)	Total cost for (R)
Service	Partner			
	Manager			
	Internal Auditor			
	Senior Internal Auditor			
	Audit Clerks			
Audit Total				

Similar details should be provided for year 2 and 3.

14.4.3 The bidder should estimate fees per annum for the 3-year cycle beginning 01 April 2020 and ending 31 March 2023;

14.4.4 The proposal should also detail the following costs;

- Travel rates (Audit steering meetings will take place at the Head Office based in Johannesburg and some audits may be conducted in the Durban Regional Office and Cape Town Regional Office). An estimate of disbursement (ad hoc experience)

14.4.5 Any other costs not included in the budget, a detailed breakdown of actual expenditure and proof of such costs must be provided;

14.4.6 The bidder must indicate all costs including value added tax (VAT)

14.4.7 The proposal must be based on the estimation of the hours per audit as indicated in the below table;

ACTIVITY	Hours	Hours	Hours	Hours
	Year 1	Year 2	Year 3	Year 4
Audit hours (Including Audit committee meeting)				
Ad hoc projects				
Total hours				

To include details of estimated travel costs

15. REPORTING FRAMEWORK AND SCHEDULING

The successful bidder will report to Audit Committee as per the agreed timeframes in terms of the delivery schedule for the project.

KEY PERFORMANCE AREA	ELEMENT	WEIGHT	SCORING MATRIX
Experience of the firm in undertaking a project to implement an internal audit services	<p>Proven experience and expertise in implementing an internal audit services (supply proof of three (3) signed and contactable comprehensive reference letters narrating similar work done).</p> <p>The signature date should be less than five (5) years old prior to the closing date of this request for proposal.</p> <p>Note: All references will be contacted to confirm if the work done was satisfactory.</p>	20	<p>1=No signed contactable reference letters provided.</p> <p>2=1-2 signed contactable reference letters provided.</p> <p>3=3 signed contactable reference letters provided.</p> <p>4=4 signed contactable references provided.</p> <p>5=5 or more signed and contactable references provided.</p>
Response to the scope of work — Methodology and Implementation Plan. (Implementation Plan, Costing & Timeframes)	Including tasks, timeframes, budget allocation for each task and resource allocation.	25	<p>1=No plan submitted.</p> <p>2=Plan with either tasks or resource allocation.</p> <p>3=Plan provided with tasks, timeframes, budget allocation for each task and resource allocation.</p> <p>4=Plan provided with tasks, timeframes, budget allocation for each task and resource allocation and milestones of each phase.</p> <p>5=Comprehensive Plan provided with tasks, timeframes, budget allocation for each task and resource allocation, milestones of each phase and post implementation support plan.</p>

Demonstrated experience — detailed CV including reference summary for each key project personnel must be submitted	Capable human resources [five (5) or more CVs of suitably qualified team to be part of this project]. CVs should include individual certification and experience of each team member	25	1 = 1-year experience 2= 2-years’ experience 3= 3- years’ experience 4= 4-years’ experience 5= 5+ years’ experience
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16. CONTRACT PERIOD

The contract of internal audit services will be effective from the date of signing of the contract until 31 March 2023. The contract shall be renewed annually based on the results of the performance evaluation of the Internal Audit Function.

17. EVALUATION REQUIREMENTS

17.1. ELIGIBILITY CRITERIA/FUNCTIONALITY

The following criteria will be used to evaluate proposals that are submitted by bidders;

KEY PERFORMANCE AREA	ELEMENT	WEIGHT	SCORING MATRIX
Experience in comparative projects in a SETA environment	Execution of 5 or more comparative projects Execution of 4 comparative projects Execution of 3 comparative projects Execution of 1 or 2 comparative projects No comparative projects	20	5 Points 4 Points 3 Points 2 Points 1 Point
Professional Membership	Category A – Forensic Services (Member-ACFE) Category B- ICT Services (Member –ASACA) Category C – Internal Audit services (Member – IIASA) Category D-Risk Management Services – (Member – IRMSA/IIASA)	10	1.Member =2 Points 2. Members = 4 Points 3. Members = 6 Points 4.Members = 8 Points 5.Members = 10 Points

17.2 Functionality Evaluation

The proposal will be evaluated in two stages. The first stage is the functionality evaluation with the allocated total points of 100. The minimum threshold requirement for the functionality evaluation is 75 points. Proposals not meeting the minimum threshold requirement of 75 points will not advance to the second stage 80/20 evaluation of price and B-BBEE status level of contribution where 80 points is allocated for price and 20 points for BEE. Only qualifying bids will be evaluated on the 80/20 preference point

Document that must be submitted	Non-submission may result in disqualification?	
Invitation to Bid – SBD 1	YES	Complete and sign the supplied pro forma document
Tax Status SBD 1	YES	i. Written confirmation that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status. ii. Proof of Registration on the Central Supplier Database iii. Vendor number
Declaration of Interest – SBD 4	YES	Complete and sign the supplied pro forma document
Preference Point Claim Form – SBD 6.1	NO	Non-submission will lead to a zero (0) score on BBEE
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES	Complete and sign the supplied pro forma document
Certificate of Independent Bid Determination – SBD 9	YES	Complete and sign the supplied pro forma document
Registration on Central Supplier Database (CSD)	NO	The Service Provider must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Submit proof of registration.

Pricing Proposal	YES	Submit full details of the pricing proposal in a separate envelope and must be sealed.
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17.3 Pre-Qualification Requirement

Without limiting the generality of the FP&M SETA’s other critical requirements for this Bid, bidder(s) must submit the documents listed in Table 1 below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During these phase Bidders’ responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

18. COMPETENCIES/EXPERIENCE REQUIRED

18.1. Previous experience in performing an internal audit, including the audit methodology, nature, timing and extent of audit procedures to be performed, administration of such a project, i.e. size of funds allocated and managed by the applicant, scope of coverage and level of deliverables achieved;

18.2. Demonstrate experience and expertise of auditing public sector entities in specific fields as indicated in section 4 – scope of internal audit work and compliance with the PFMA and extensive expertise in the management of a complex, large scale project with adequate financial management systems and procedures;

18.3. Knowledge of the Seta environment and demonstrate experience and expertise of auditing sector entities in the seta and education specific fields;

- Engagement partner with at least 5 years’ experience in internal audit for PFMA
- Qualifications of engagement partner and audit manager: CA and /or Qualified internal auditor
- Demonstrate at least 2 candidates in the engagement team with at least 2 years’ experience in PFMA and Audit of predetermined objectives
- Prior SETA audit experience
- At least two contactable references of similar size PFMA audits.

18.4. Ability to implement the project in a cost effective way;

18.5. The applicant must demonstrate commitment of meeting the requirement of Broad Based Black Economic Empowerment (BBBEE) and Employment Equity (EE); The applicant organization must meet other requirements such as;

- Compliance with all applicable laws;
- No outstanding judgments or litigation against them.

19. DETAILS OF THE APPLICANT'S PROPOSAL

Prospective providers intending to apply under this request need to include the following information in the proposal:

- a) Introduction and executive summary
- b) Similar assignment undertaken nature of the assignment, duration, and value, number of beneficiaries serviced. The names and contact details of three references who can provide an objective assessment of the quality of relevant and recent work undertaken by the potential Contractor and who will not be seen to be in a potential conflict of interest situation;
- c) The bidder will provide a proposal plan of action to achieve the objectives of the Internal Audit Function. The plan will specify budgeted hours, time lines and sequence for audit procedures, and levels of staff to be assigned. Hours and associated costs must be submitted in the format specified in section 7;
- d) A broad project plan including key activities, milestone and deliverables. The bidder must furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement, the bidder must do the following;
 - Provide information that will assist the SETA to assess the service provider's capabilities, capacity, competitive advantages, etc, for instance, in-house skills, previous experience, etc;
 - Provide proof that the service provider has experience in performing internal audit services. List current and past audit clients (in the public and private sector) along with the names and telephone numbers of contact persons, the value of and the number of years audit services were provided;
 - An overview of the key personnel to be used on the contract. Describe the proposed audit team, in terms of the job position in the firm; list names of staff member(s) who will direct and review audit work for the overall audit throughout the duration of engagement as well as those staff members who will be responsible for planning, directing and conducting substantial portions of the fieldwork or reporting on this audit engagement. The educational background detailed resumes of all staff member's names and professional membership held must be included;
 - Provide details of staff training and development policies and procedures with specific mention of continuing professional accounting and auditing experience qualifications received by the proposed audit team during the last two years;
- e) Provide an organogram or list of partners, managers, specialists and clerks in the company;
- f) Profile of the organization including evidence of compliance with BEE;

The bidder must provide a company profile that details the following information;

- Company name;
 - Copy of registration documents for the organization;
 - VAT registration number;
 - Income tax reference number;
 - Web address;
 - E-mail address;
 - Telephone number;
 - Fax number;
 - Toll free number;
 - Postal address;
 - Physical address;
 - Contact person in you company.
- g) Provide the name of the professional association of which the bidder is a member, and the bidder's length of membership (e.g. SAICA, IRBA, IIA, etc.). Proof of such membership should be provided; Provide proof that the bidder and its directors are not under the terms of a public or private reprimand/warning of a professional Association;
- h) Engagement partner should have more than 20 years' relevant experience and audit manager must have more than 10 years relevant experience.
- i) Reference letters for work performed at seta's not older than 4 years.
- j) require services of firm that has been in existence for at least 3 years.
- k) a compulsory requirement is that the bidder needs to have an individual to lead the team for the period for the project who must be registered with both IRBA and IIA.
- l) Proposed budget including costs (VAT inclusive) per deliverables.

20. LIST OF ATTACHMENTS TO THE PROPOSAL

- Original letter of Application;
- Copy of registration document of the organization;
- A valid tax clearance certificate or proof of Exemption;
- **Supplier must be registered on the NT Central Supplier data base (CSD)**
- **Certified copies of the directors / owners of the entity ID document**
- Bank stamped Banking Details form not older than three (03) months;
- The completed and signed Standard Bidding forms (submitted with the ToR)
- A valid certified BEE certificate

21. Gate 2: Price and BBEE Evaluation (80+20) = 100 points

Only Bidders that have met the **75**points threshold in Gate 1 will be evaluated in Gate 2 for price and BBEE. Price and BBEE will be evaluated as follows:

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the **80/20**-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum **80** points)
- B-BBEE status level of contributor (maximum **20** points)

Stage 1 – Price Evaluation (80 Points)

Criteria	Points
Price Evaluation : $P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	80

The following formula will be used to calculate the points for price: Where -

- Ps = Points scored for comparative price of bid under consideration
 Pt = Comparative price of bid under consideration
 Pmin = Comparative price of lowest acceptable bid

Stage 2 – BBEE Evaluation (20 Points)

a. BBEE Points allocation

A maximum of **20** points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

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

b. Joint Ventures, Consortiums and Trusts

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. The **FP&M SETA** will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.

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

Stage 3 (80 + 20 = 100 points)

The Price and BBEE points will be consolidated

22. PRICING PROPOSALS

The FP&M SETA reserves the right to negotiate the selection/prioritisation of deliverables in line with the contract price.

The quotation must outline the costs projection for the requirements set out and also include a breakdown of the following costs where applicable:

Bidders are required to indicate if prices are fixed or not, If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

NOTES REGARDING PRICING

*The rates **MUST** be all inclusive. This means, all direct and indirect related cost must be included. Note that failure to propose the rates will render the entire bid as non-responsive and will result in the bidder scoring zero out of 80 points achievable on the price criteria.*

23. GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder(s) under this bid is conditional, amongst others, upon –

- a. The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which FP&M SETA is prepared to enter into a contract with the successful Bidder(s).
- b. The bidder submitting the General Conditions of Contract to the FP&M SETA together with its bid, duly signed by an authorised representative of the bidder.

24. CONTRACT PRICE ADJUSTMENT

Contract price adjustments will be done annually on the anniversary of the contract start date. The price adjustment will be based on the Consumer Price Index Headline Inflation.

STATS SA P0141 (CPI), Table E	Table E - All Items
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25. SERVICE LEVEL AGREEMENT

- a. Upon award the FP&M SETA and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by the FP&M SETA, more or less in the format of the draft Service Level Indicators included in this tender pack.
- b. The FP&M SETA reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.
- c. Bidder(s) are requested to:
 - a. Comment on draft Service Level Indicators and where necessary, make proposals to the indicators;
 - b. Explain each comment and/or amendment; and
 - c. Use an easily identifiable colour font or “track changes” for all changes and/or amendments to the Service Level Indicators for ease of reference.
- d. The FP&M SETA reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to the FP&M SETA or pose a risk to the organisation.

26. SPECIAL CONDITIONS OF THIS BID

The FP&M SETA reserves the right:

- e. To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000)
- f. 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).

- g. To accept part of a tender rather than the whole tender.
- h. To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.
- i. To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.
- j. To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.
- k. Award to multiple bidders based either on size or geographic considerations.

27. The FP&M SETA REQUIRES BIDDER(S) TO DECLARE

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

Confirm that the bidder(s) is to: –

- a. Act honestly, fairly, and with due skill, care and diligence, in the interests of the FP&M SETA;
- b. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- c. Act with circumspection and treat the FP&M SETA fairly in a situation of conflicting interests;
- d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the FP&M SETA;
- f. Avoidance of fraudulent and misleading advertising, canvassing and marketing;
- g. To conduct their business activities with transparency and consistently uphold the interests and needs of the FP&M SETA as a client before any other consideration; and
- h. To ensure that any information acquired by the bidder(s) from the FP&M SETA will not be used or disclosed unless the written consent of the client has been obtained to do so.

28. CONFLICT OF INTEREST, CORRUPTION AND FRAUD

The FP&M SETA 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 FP&M SETA or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")

- a. 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;
- b. 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;
- c. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the FP&M SETA's officers, directors, employees, advisors or other representatives;
- d. 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;
- e. 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;
- f. 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;
- g. has in the past engaged in any matter referred to above; or
- h. 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.

29. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

- a. The bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that the FP&M SETA 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.
- b. It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by the FP&M SETA against the bidder notwithstanding

the conclusion of the Service Level Agreement between the FP&M SETA and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

30. 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 the FP&M SETA, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

31. INDEMNITY

If a bidder breach FP&M SETAs the conditions of this bid and, as a result of that breach, the FP&M SETA 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 the FP&M SETA harmless from any and all such costs which the FP&M SETA may incur and for any damages or losses the FP&M SETA may suffer.

32. 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.

33. LIMITATION OF LIABILITY

A bidder participates in this bid process entirely at its own risk and cost. The FP&M SETA 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.

34. TAX COMPLIANCE

No tender shall be awarded to a bidder who is not tax compliant. The FP&M SETA 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, or has submitted a fraudulent Tax Clearance Certificate to The FP&M SETA, or whose verification against the Central Supplier Database (CSD) proves non-compliant. The FP&M SETA 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.

35. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. The FP&M SETA 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.

36. 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.

37. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that The FP&M SETA allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and the FP&M SETA will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

38. 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 the FP&M SETA's examination and evaluation of a Tender.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by the FP&M SETA remain proprietary to the FP&M SETA and must be promptly returned to the FP&M SETA upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidder(s) must secure the FP&M SETA's 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.

39. THE FP&M SETA PROPRIETARY INFORMATION

Bidder will on their bid cover letter make declaration that they did not have access to any the FP&M SETA proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidder(s).

40. AVAILABILITY OF FUNDS

Should funds no longer be available to pay for the execution of the responsibilities of this bid, the FP&M SETA may terminate the Agreement at its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure: Provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

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