



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



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REQUEST FOR PROPOSALS (RFP)

APPOINTMENT OF A SUITABLY PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT FUNCTION

BID REFERENCE NO: MISA/IA/001/2021

CLOSING DATE: 14 May 2021

TIME: 11:00am

1. BACKGROUND

- 1.1 MISA emanates from the State of Local Government Report (2009) and the Local Government Turn-Around Strategy (LGTAS). As part of implementing the LGTAS, in May 2012 the government established MISA as a government component accountable to the Executive Authority of Cooperative Governance and Traditional Affairs (COGTA). MISA is a special purpose vehicle whose primary mandate is to coordinate and provide support to municipalities to facilitate sustainable municipal infrastructure provisioning and management.
- 1.2 The Public Finance Management Act (PFMA), No.1 of 1999, as amended requires the establishment of an effective internal audit and risk management function under the control and direction of an Audit Committee (Section 38(1) (a)(ii). This function will be co-sourced to a independent reputable service provider.

2. PURPOSE OF THE TERMS OF REFERENCE

In terms of the PFMA, MISA should have an effective Internal Audit function which should also comply with the Institute of Internal Auditors (IIA) standards. The Internal Audit function should assist MISA to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management control and governance processes. The risk management strategy including the fraud prevention plan must be used to direct the internal audit efforts. Some of these objectives/ standards/ controls are subject to evaluation, are to review:

- Internal control processes
- The information systems environment
- The reliability and integrity of financial, operational and performance information
- The effectiveness of operations
- The safeguarding of assets
- The economical and efficient use of resources
- Achievement of established operational goals and objectives
- Compliance with policies, laws, regulations, and controls
- Assisting the Audit Committee and management in the effective discharge of their responsibilities, furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities

reviewed and regular follow ups.

3. SCOPE OF WORK FOR INTERNAL AUDIT SERVICES

The scope of Internal Audit function includes at least the under-mentioned. Should any other function be regarded as imperative by the bidder the functions shall be offered and clearly defined.

The Internal Audit function must, in consultation with the Audit and Risk Management Committee prepare:

- A three year rolling strategic Internal Audit Plan based on its assessment of key areas of risk for the entity, having regard to its current operations. The operations proposed in MISA's strategic plan and its risk management strategy.
- An annual Internal Audit Plan.
- Plans indicating the scope, cost and timelines of each audit in the annual internal audit where applicable.
- Audit reports directed to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- Adhoc requests from Management and Executive Authority where necessary.

The Internal Audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort.

The Internal Audit function must assist the Accounting Officer in maintaining effective controls by evaluation of those controls and by developing recommendations for enhancement or improvement.

The Internal Audit function must assist the Accounting Officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:

- Objectives and values are established and communicated.
- The accomplishment of objectives is monitored.
- Accountability is ensured.
- Corporate values are preserved.
- The adequacy and effectiveness of the system of internal control are reviewed and appraised.

- The relevance, reliability and integrity of management, financial and operating data and reports are appraised.
- Systems establishment to ensure compliance with policies, plans, procedures, statutory requirements and regulations, which could have a significant impact on operations are reviewed.
- The means of safeguarding assets are reviewed and as appropriate verifying the existence of such assets.
- The economy, efficiency and effectiveness with which resources are employed, are appraised.
- The results of operation or programmes are reviewed to ascertain whether results are consistent with MISA's established objectives and goals whether the operations or programmes are being carried out as planned.
- The adequacy of established systems and procedures are assessed.

The audits that will be needed to be taken into account at the MISA are among others:

- IT security and systems processes audit.
- Conducting special assignments and investigations on behalf of the Audit Committee/Executive Authority/Accounting Officer into any matter or activity affecting the probity, interest and operating efficiency of MISA.
- Audit designed to detect fraud.
- All statutory and risk based audits.
- Financial audit.
- Performance Information audit.
- Evaluate the effectiveness of Risk Management.
- Corporate Governance systems including governance structures.
- Ad hoc requests from management.

3.1 Fraud and Irregularities

In 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 such defects must be reported immediately to the Accounting Officer/Executive Authority and/or the Audit Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities is uncovered.

4. PERFORMING AUDIT ASSIGNMENTS

Each assignment should at least consist of the following:

- Preliminary survey
- Notification letter
- Engagement letter
- Minutes of entrance meeting
- Risk assessment/ control adequacy assessment and the conclusion thereof
- System descriptions
- Audit programmes
- Sampling methods applied
- Mechanisms for follow up on matters previously reported and feedback to the Audit and Risk Management Committee
- Mechanism to ensure that working papers are reviewed at the appropriate level.
- Record of work performed
- Audit of work performed
- Audit findings and recommendations
- Reporting (draft internal audit report and final internal audit report)
- Follow up of previous audit findings
- Compliance with MISA Internal Audit Methodology and provide possible improvements in order to ensure uniformity in the operations of all internal audit assignments.

4.1 Reporting Requirements

The structure of the report is to be as follows:

- Introduction
- Audit objective and scope
- Background
- Executive summary highlighting significant findings
- Findings, recommendations and management response (including action plans and implementation dates)
- All audits are to be carried out according to the Internal Audit Plan approved by the Audit Committee.
- Conclusion

The service provider is to deliver an electronic and the final report to the Chief Audit Executive (CAE) for signature who in turn will make the reports available to the Audit Committee, the relevant Auditee and the Accounting Officer. The final audit file (hard and electronic) quality checked complying with IIA standards must be made delivered to the CAE.

5. QUALITY ASSURANCE REVIEWS OF THE WORK

The service provider shall ensure that all work conforms to the International Standards for the Professional Practice of the Institute of Internal Audit (IIA). Such work may further be subject to an external quality assurance as may be considered necessary. The service provider must also conduct a high level readiness assessment of the Internal Audit Activity for the preparation of an external quality assurance assessment or assist with the development of internal quality assessment.

6. MONITORING PROGRESS OF ASSIGNMENTS

On completion of each assignment, the service provider shall distribute the reports to the Audit and Risk Committee, Accounting Officer (CEO) through CAE. On quarterly basis a report to the Audit Committee on progress against the plan, significant findings and administrative matters will be presented. Weekly progress report should be made available to the CAE.

7. INDEPENDENCE AND OBJECTIVITY OF STAFF

In carrying out the work, the service provider must ensure that their staff maintain objectivity by remaining independent of the activities they audit.

The service provider shall:

- Have no executive or managerial powers, functions or duties relating to Internal Audit Activity.
- Not be involved in the day to day operation of the MISA.
- Not be responsible for the detailed development or implementation of new systems and procedures.

8. TECHNICAL PROPOSAL

The tenderer should focus on the following aspects to qualify for consideration:

- 8.1 A description of your company's internal audit methodology and risk assessment process including an example of the resulting risk map/profile that would be developed as part of the risk assessment process. This should be in line with IIA, COSO framework and ISACA standards.
- 8.2 Identification of tools and technologies developed and utilised by your company to increase the efficiency and effectiveness of the Internal Audit function.
- 8.3 Experience for this purpose is defined as time spent as an Internal Auditor before and after joining your firm. The above resources should also subscribe to the International Standards for the Professional Practice of Internal Auditing and be members of the Institute of Internal Auditors.
 - 8.3.1 Description of your company's approach to the co-source arrangement including:
 - 8.3.2 Identification of key resources that will be responsible for the engagement, including the expected percentage of their time committed to MISA along with their internal audit experience (as indicated above);
 - 8.3.3 Number and names of human resources in the core team dedicated to MISA;
 - 8.3.4 Plans to maintain human resource continuity;
 - 8.3.5 Performance development plans for your human resources for skills enhancement;
 - 8.3.6 Project management plan and day-to-day management of your human resources;
 - 8.3.7 How you plan to routinely communicate with MISA management.
- 8.4 Curriculum Vitae of the key team members that will be assigned, including experiences in serving as a senior/key internal audit resource in the industry.
- 8.5 Description of your specific capabilities and expertise in information technology systems as well as for other services, including specialised expertise in business continuity planning, implementation and evaluation projects, systems and network security reviews, emerging risks and business to business re-engineering.
- 8.6 Description of your training programme for internal audit professionals.
- 8.7 Description of proposed integration and coordination with the external auditor and other assurance providers.
- 8.8 The bidder should also articulate the plans of skills transfer in areas where MISA audit team might have deficiencies.

8.9 A summary of relevant experience for which similar internal audit services are currently being provided. Include at least five reference clients where you are providing internal audit outsourcing services. Signed References (including key contact names and telephone numbers) to be provided for companies who have completely outsourced or co-sourced their internal audit function to your firm.

8.10 Description of the ways in which your company will bring innovation through leadership, best practise in internal audit. Describe tools resident in the firm to ensure easy access to such information and any other capabilities that will enhance the performance of the internal audit function and ensure continuous improvement that will add value to the organisation.

Provide any other information you deem appropriate and the following points below should be noted:

- The firm/company/partnership must be registered with the Institute of Internal Auditors;
- Demonstration of the firm's substantial internal audit experience, including the experience and qualifications of the team to be assigned in the audit;
- Specialised skills, expertise and value added services in the field of internal audit, with emphasis on best practise methodology, tools and technology used;
- Availability of Computer Audit Skills and Tools;
- Availability of Forensic Audit Skills and Tools;
- Advanced understanding of and sufficient exposure to the Public Finance Management Act of 1999 and the Protocol on Corporate Governance for Public Entities;
- Experience in auditing of state organs;
- Shareholding and Management structure;
- Employment Equity Policy;
- Fee structure;
- External references, size of audits and size of client base.

Please ensure adequate documentation is attached to evaluate the entity on the above criteria.

9. DURATION OF CONTRACT

The duration of the contract is anticipated to run for a period of three years commencing on the date of signing of the appointment letter. The Service provider will be expected to sign a Service Level Agreement (SLA).

10. CONFIDENTIALITY

10.1 Due to the sensitive information that is usually handled in the Finance and SCM unit, the service provider will sign a confidentiality and non-disclosure agreement.

11. SELECTION OF SERVICE PROVIDER

11.1 The selection of the service provider is solely at the discretion of MISA and will be based mainly on the following consideration points amongst others:

11.1.1 Demonstration of relevant technical experience and competence in the fields of government entity;

11.1.2 Black Economic Empowerment status level of the service provider

11.1.3 Methodology of undertaking the work; and

11.1.4 Skills transfer to MISA employees.

11. EVALUATION CRITERIA

Bids are invited on the basis of submission of proposal and will be evaluated in three stages, namely pre-qualification, functionality, price and B-BEEE.

NB: Bidders (and as well as each member of JV or consortium or partnership agreement) must submit proof of registration with the National Treasury's centralised supplier database Bidders must ensure that they are registered on the CSD before bid closing date and before they submit bid proposals.

12.1 FIRST STAGE - PRE QUALIFICATION

Mandatory Requirements:

- 12.1.1 Proposal / approach paper.
- 12.1.2 Three (3) Reference letters on the company letter head detailing the experience of the bidder.
- 12.1.3 Detailed CVs of all Key Personnel (background, field of specialisation, and experience of team members).
- 12.1.4 Proof of registration with professional bodies where applicable (certified copies valid for 3 months before closing date of submission of bid proposals).
- 12.1.5 Proof of registration at CIPC for subsidiary companies.
- 12.1.6 Partnership agreements (if a partnership has a partnership agreement in place that enables the partnership to automatically continue to function in the event of a death or withdrawal of one of the partners).
- 12.1.7 Completed and appropriately signed SBD forms: SBD 1, SBD 3.1, SBD 4, SBD 6.1, SBD 8 and SBD 9.

All bids will be pre-qualified to ensure compliance to mandatory requirements. Should the mandatory requirements as stated above not be met, bids will be considered as non-responsive and will be disqualified.

12.2 SECOND STAGE - FUNCTIONALITY EVALUATION

The following criteria and weights will be applied when bids are evaluated on functionality:

12.2.1 FUNCTIONALITY

Service providers need to score a minimum of **80 points** on technical proposal to proceed to the next phase of evaluation.

Phase 2. Evaluation on Functionality (Technical Proposals)

Functionality Evaluation Criteria and Weight Scores:

Criteria	Max Sub score	Max per section
Work experience and Internal Audit Methodology		
<ul style="list-style-type: none"> o Firm's experience in the field of Internal Audit particularly in the Public Sector <p>0 to below 2 years = 0 points 2 to below 3 years = 4 points 3 to below 6 years = 6 points 6 to below 9 years = 15 points 9 years and above = 20 points</p>		20
<ul style="list-style-type: none"> o Relevant qualifications (certified) including Cv's and experience of the proposed team members to render the services o Degree/Diploma Audit/ Commerce (3 points) o Honours in Auditing/ CIA (8 points) o Masters in Auditing (10 points) 		10
<ul style="list-style-type: none"> o Company's Internal Audit Methodology <p>Planning phase of the Audit (3 points) Execution of the audit (3points) Reporting Phase (5 points) A proposed plan of action to achieve the objectives as set out in the deliverables. (4 points)</p>		15
Information System Audits methodology/approach		10
<ul style="list-style-type: none"> o Knowledge and understanding of Enterprise Wide IT Governance (2 points) o Execution of Information system Audits(4 points) o Execution of cyber security reviews(4 points) 		
<ul style="list-style-type: none"> o Relevant qualifications (certified) including Cv's and experience of the proposed team members to render information system audits o B degree/Diploma in Computer Auditing (5 points) o CISA/ Post Graduate Diploma in Computer Auditing (7 points) o Masters In Information Technology (10) 		10
Training programme for internal audit professionals including transfer of skills to MISA Internal Audit Activity		10

Description of ways in which your firm will bring innovation, thought leadership, best practises to MISA internal audit function. A proposed plan of action to achieve the objectives of the co-sourced internal audit function		10
A list of organisations/ references accompanied by at least five signed letters not older than 3 years from referees proving that such projects were executed. MISA reserved the right to contact those references		5
The service provider must also provide a detailed Quality Assurance Improvement Programme(QAIP) to improve the existing one and indicate how will it conduct a high level readiness assessment of the Internal Audit Activity for the preparation of an external quality assurance assessment		10
TOTAL:	100	100

13. THIRD STAGE – EVALUATION FOR PRICE AND BEE

Stage 3 - Price and BBEE

Points for B-BBEE Status Level of Contribution (P_p)

Maximum of **20 points** are allocated for Preferential Procurement Goal. Preference point must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of point (80/20 system)
1	20
2	18
3	16
4	12
5	8

B-BBEE Status Level of Contributor	Number of point (80/20 system)
6	6
7	4
8	2
Non-compliant contributor	0

Points for Bid Price (P_s)

Maximum of 80 points are allocated to Bid Price on the following basis:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where,

P_s = Points scored for comparative price of the Bid under consideration

P_t = Comparative price of the Bid under consideration

P_{\min} = Comparative price of lowest qualified Bid

A tenderer may not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points that the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

14. MISA's RIGHTS

MISA reserves the right to cancel this solicitation in whole or in part, at its sole discretion, at any time before the Agreement is fully executed. This RFP does not commit MISA to award an Agreement, to pay any costs incurred by bidders in the preparation of their proposals submitted in response to this RFP, or to procure or contract for services. MISA reserves the right to modify or cancel in whole or in part this FRP, to reject any and all proposals, to accept the proposal it considers most favorable to MISA's interests at its sole discretion, and to waive irregularities or informalities in any proposal or in the proposal procedures. MISA further reserves the right to reject all proposals and seek new proposals when MISA considers such a procedure to be in its best interest. If there is any evidence indicating that two or more bidders are in collusion to restrict competition or are otherwise engaged in anti-competitive practices, the proposals of all such bidders shall be rejected, and such evidence may be a cause for disqualification of the participants in any future solicitations issued by MISA.

MISA reserves the right to hold discussions and/or negotiations with any individual or qualified company, to interview or not, to request additional information or revised proposals or to request best and final offers if it is in the best interest of MISA to do so. However, MISA may make an award without conducting any negotiations; therefore, proposers are encouraged to submit their best proposal at the outset. Appointment will be subject to the outcome of the vetting process on the recommended bidder.

15 MISA'S OBLIGATIONS

MISA will steer the project internally and will monitor and evaluate all activities and reports on work delivered. MISA will review, evaluate and approve the services provided by the service provider as stipulated in the terms of references on an on-going basis;

Supply all reasonable, relevant, available data and information required and requested by the service provider for the proper execution of the project, and such assistance as shall reasonably be required by the service provider in carrying out their duties as per the terms of reference for the project.

16 REPORTING

16.1 The appointed service provider will report to the appointed Project Manager by MISA.

16.1.1 The detailed reporting requirements will be provided to the successful service provider during the contract negotiation and project inception.

16.1.2 The service provider will have to generate monthly reports for submission to Project Manager.

16.1.3 The resources deployed will report directly to the Chief Financial Officer of Financial Management Unit.

17 MONITORING AND EVALUATION

17.1 MISA or its nominee reserves the right to monitor and evaluate the progress on the services provided by the selected service provider;

MISA or its nominee reserves the right to replace the service provider if the quality of service rendered is being compromised and this was brought to the attention of the service provider and there was no improvement.

18 PRICING SCHEDULE

- a. Your proposed fees and billing arrangement must indicate whether actual or average rates would be used as per AG/SAICA rates.
- b. Appropriate detail of both your proposed hourly and project fees must be provided i.e. human resources cost per category vs other expenses where applicable.
- c. Detailed Project breakdown list is attached as **Annexure A** to enable the costing of the audits.

It is understood that internal audits are based on hourly rates and that budgets are compiled once the appointed auditor has assessed the likely extent of the work.

Financial proposals will be compared on the basis of hourly rates. Firms are required to submit a table of hourly rates as required in the table below. Rates should be inclusive of overheads but exclusive of VAT. An indication must be made whether quoting and invoicing is based on actual or average rates. If a particular category does not exist in the firm, it can be omitted.

ITEM	Qualifications	Experience	HOURLY RATES (Incl. all overheads) (Excl. VAT) Year 1		HOURLY RATES (Incl. all overheads) (Excl. VAT) Year 2		HOURLY RATES (Incl. all overheads) (Excl. VAT) Year 3	
			Rate	No. of Hrs	Rate	No. of Hrs	Rate	No. of Hrs
Engagement Partner	Chartered Accountant(CA)	More than 10 years	R		R		R	
Partner	Chartered Accountant (CA)	More than 10 years	R		R		R	
Senior Manager	CIA/Honours in Accounting/Auditing	10 years	R		R		R	
Manager	CIA/Honours in Accounting/Auditing	7 years plus	R		R		R	
Assistant Manager	Degree in Commerce plus CIA	5-7 years	R		R		R	
Supervisor	Degree/ Diploma in Commerce	3-5 years	R		R		R	
Senior Auditor	Degree/Diploma in Commerce	3 years	R		R		R	
Trainee Auditor	Degree/Diploma in Commerce	No experience	R		R		R	
Specialists (e.g. Tax, Technical, etc.)	CIA/ CISA/ Diploma Computer Auditing	5-7 years	R		R		R	

It is recognised that it is difficult for a prospective bidder to be firm about the extent of work solely on the terms of reference. However, to assist with assessments a firm must provide a typical distribution of time for members of the audit team on a job of this nature. This is to be expressed in percentages of the total person-hours billed on a typical job (see table below).

This will only be indicative and will not be binding on the firm.

ITEM	Role	TYPICAL PERCENTAGE OF TOTAL HOURS ON PROJECT
Engagement Partner	Co-sign the report	2%
Partner	Sign off the report	3%
Senior Manager	Quality assurance on the completed work	5%
Manager	Review the work done by Auditors	10%
Assistant Manager	Review the work done by Auditors	15%
Supervisor	Execution of the audits	20%
Senior Auditor	Execution of the audits	25%
Trainee Auditor	Execution of the audits	10%
Specialists (e.g. Tax, Technical, etc.)	Execution of the audits	10%
Total		100%

The service provider must submit a price, broken down into clear milestones and key deliverables. All the prices must be **VAT inclusive**.

19.1 PAYMENTS

- 19.1.1 A payment schedule together with all delivery requirements associated with the release of payments will be agreed upon up-front with the successful service provider.
- 19.1.2 MISA does not pay any amount in advance.
- 19.1.3 All reports and documents needed for the processing of payment should be forwarded to MISA.
- 19.1.4 Only original signed invoices must be submitted for payments.
- 19.1.5 No invoice shall be paid if it is not an original invoice, is not signed and is not accompanied by the necessary documentation and deliverables.
- 19.1.6 The Project Manager must approve the documents before payment can be recommended.
- 19.1.7 The service provider will be paid within **30** days after approval of the invoice, by means of electronic transfer directly into the service provider's bank account.

20. CONTACT PERSON

All technical queries should be addressed to Ms. Lumka Tyikwe (lumka.tyikwe@misa.gov.za).

Annexure A

NO	SECTION AUDITED	REVIEW TYPE	PROJECTSCOPE	PLANNED HOURS	KNOWLEDGE /REQUIRED	2021/22	2022/23	2023/24

1.	Finance and Supply Chain Management	<p>Review of Financial Statements (Interim and Final)</p> <p>AGSA Management letter</p>	<ul style="list-style-type: none"> - Review the accounting policies - Review of disclosure notes - Compliance with National Treasury guidelines of AFS - Casts and Cross casting to the notes to the AFS - Over/understating of expenditure as per Trial balance - To perform a GRAP compliance review of the interim and final financial statements - Identify Possible misstatements 	160		□□□	□□□	□□□
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2.	Human Resource Management	Review of Human resource Management and payroll Management	<ul style="list-style-type: none"> - Compliance with policies and procedures - Review of Human Resource Planning Processes. - Review recruitment ,selection and termination processes - Vacant post in line with approved structure not filled within 6 months - Compliance with PMDS - Submission of Performance Agreements - Job evaluation - Leave management 	160	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3.	Financial Management and SCM	Accounts payable including payments made to suppliers within 30 days	140	<ul style="list-style-type: none"> - Accuracy and completeness of Irregular Expenditure register - Ascertain whether payments were approved by the delegated authority - Compliance with MISA SCM policies - Compliance with National Treasury practices notes, PFMA and Treasury regulations 	□□	□□	□□	□□
4.	Asset and Facilities Management	Review of Asset Management	160	<ul style="list-style-type: none"> - Compliance with Asset Management Policy - Accuracy and completeness of the asset register - Assets disposal - Movement of Assets 	□□	□□	□□	□□

5.	Financial Management and SCM	Review of SCM processes including verification of irregular expenditure (Bi -annually)	<ul style="list-style-type: none"> - Compliance with SCM policies and procedures - Compliance with NT prescripts - Contract Management 	200	□□□	□□□	□□□
6.	Information and Communication Technology	Review of IT Security	Assess vulnerabilities of the security of the IT networks, Infrastructure and systems.	175	□□□	□□	□□□
7.	Office of the CEO (All Programmes)	Review of Performance Information(Pre-determined Objectives) (quarterly)	<ul style="list-style-type: none"> - Verification of Performance Information against Portfolio of Evidence and reasons for deviations - Usefulness (Target are SMART, Indicators are well define and verifiable. 	240	□□□	□□□	□□□

8.	Technical Skills	Review of Municipal Sectoral and Technical Skills processes	<ul style="list-style-type: none"> - Review process for capacity building at municipalities including stakeholder engagements. - Review of MOUs and SLA's between MISA and municipalities 	120		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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9.	Financial Management and SCM	Verification of Post Audit Action Plan (PAAP) (Quarterly)	<ul style="list-style-type: none"> - Verification of activities against portfolio of evidence - Follow-up to determine the status of implementation of recommendations made and report such status to management; - Follow-up to assess the impact of recommendations implemented and actions taken by management in mitigating the identified risks; and - Follow-up to obtain the revised implementation dates and management comments in respect of unresolved issues 	320		□□□	□□□	□□□
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10	Technical Support	Review of Technical support and enhance Infrastructure processes in municipalities	<ul style="list-style-type: none"> - Review process for capacity building at municipalities including stakeholder engagements - Review process for Infrastructure Assessment and Analysis - Number of municipalities for which municipal infrastructure master plans were developed - Municipalities with which annual technical support plans are signed and reported - Verification of MISA Boreholes at Municipalities 	140		□	□□	□□□
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PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

OFFER TO BE VALID FOR.....DAYS FROM THE CLOSING DATE OF BID.

**BID PRICE IN RSA CURRENCY
** (ALL APPLICABLE TAXES INCLUDED)**

Item No.	Item Description	QTY	Unit Price	Total Price (vat exclusive)	Total Price (vat Inclusive)

- Required by:
- At:
- Brand and model
- Country of origin
- Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery
- *Delivery: Firm/not firm
- Method of Delivery

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-
- the bidder is employed by the state; and/or
 - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹"State" means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:
.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:
.....
.....
.....

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:
.....
.....
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

4 DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

May 2011

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE
B-BBEE STATUS LEVEL OF CONTRIBUTOR
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- (a) “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) “**B-BBEE status level of contributor**” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) “**EME**” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) “**functionality**” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) “**prices**” includes all applicable taxes less all unconditional discounts;
- (h) “**proof of B-BBEE status level of contributor**” means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are youth	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are women	<input type="checkbox"/>	<input type="checkbox"/>
Black people with disabilities	<input type="checkbox"/>	<input type="checkbox"/>
Black people living in rural or underdeveloped areas or townships	<input type="checkbox"/>	<input type="checkbox"/>
Cooperative owned by black people	<input type="checkbox"/>	<input type="checkbox"/>

Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
 - One person business/sole propriety
 - Close corporation
 - Company
 - (Pty) Limited
- [TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
 - Supplier
 - Professional service provider
 - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a

fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

- (a) disqualify the person from the bidding process;
- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
--

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
--

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

SBD 8

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME).....
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION
FORM IS TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT,
ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION
PROVE TO BE FALSE.**

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js365bW

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

Js914w 2