

MUNICIPAL INFRASTRUCTURE SUPPORT AGENT (MISA)

REFERENCE NO: MISA/IA/011/2022/23

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

NOVEMBER 2022

Beneficiary	Municipal Infrastructure Support Agent
Contact Person and Details	Ms. Lumka Tyikwe Lumka.tyikwe@misa.gov.za
Postal Address	1303 Heuwel Avenue, Riverside Office Park, Letaba House, Centurion 0046
Project Name	APPOINTMENT OF A SUITABLY QUALIFIED PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT FUNCTION
Reference No.	MISA/IA/011/2022/23
Closing Date and Time	14/12/2022 @11H00
Non-Compulsory Briefing Session and time	06/12/2022@10H00

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.

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 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 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.**
- **Compliance with rules and regulations.**

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 including Annual Financial Statements
- Performance Information audit.
- Evaluate the effectiveness of Risk Management.
- Corporate Governance systems including governance structures.
- Ad hoc requests from management.
- Cyclical Reviews.
- Business or divisional audits and
- Consulting and advisory engagements.

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 through the CAE, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities is uncovered.

4. Performing audit assignments in accordance with the International Professional Internal Audit Standards and Internal Audit methodology.

- Ensure uniformity in the operations of all internal audit assignments.

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 relevant stakeholders, namely, Audit Committee, the relevant Auditee Management, and the Accounting Officer. The final audit file (hard and electronic) quality checked complying with IIA standards must be made delivered to the CAE within a month after the completion of the audit project.

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 the service provider representatives will be expected to accompany the CAE in all Audit Committee meetings. Monthly and weekly progress report should be made available to the CAE. or the project manager. Compulsory monthly meetings with the service will be held to discuss and track progress against the approved Internal Audit plan.

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

- 8.1 Identification of tools and technologies developed and utilised by your company to increase the efficiency and effectiveness of the Internal Audit function.
- 8.2 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 Description of your specific capabilities and expertise in conducting risk based internal audits including information technology systems as well as for other services, including specialised expertise in cyber security reviews, implementation and evaluation of projects, systems, and network security reviews.
- 8.4 Description of the ways in which your company will bring innovation thought leadership, best practise to MISA internal audit function. Describe tools and techniques which the firm will 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.
- 8.5 A detailed skills transfer plan to MISA internal Audit staff.

8.6 A detailed Internal audit methodology and implementation plan on how the audit/ projects will be executed as per approved audit plan in accordance to the Internal Audit Standards.

9. DURATION OF CONTRACT

The duration of the contract is anticipated to run for a period of **three years**.

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.

11.2 The incumbent service provider must deploy Personnel who are members of the Professional bodies, e.g., Member of the Institute of Internal Auditors (IIA), Information Systems Audit and Control Association (ISACA). South African Institute of Chartered Accountants (SAICA) etc.

12. 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. Bidders are required to complete and submit SBD 1, SBD 6.1 as part of the Bid proposal

12.1 FIRST STAGE – PRE- QUALIFICATION

Mandatory Requirements:

12.1.1 Detailed Company Profile indicating the experience of the bidder.

12.1.2 Is registered in terms of the Companies Act, 2008 (Act 71 of 2008) or Close Corporation Act, 1984, (Act No. 69 of 1984) or, if a partnership, has a partnership agreement (buy and sell agreement for participating partners in this tender) in place that enables the partnership to automatically continue to function in the event of death or withdrawal of one of the partners.

12.1.3 Sign and Submit SBD, 3.3, SBD 4

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 FOR

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

12.2.1 FUNCTIONALITY

12.2.2 Service providers need to score a minimum of **75 points** on technical proposal to proceed to the next phase of evaluation.

12.2.3. The Bidder must clearly mark and indicate on the CV's which personnel or resource will play which role.

12.2.4 Detailed CVs of key personnel(background, field of specialisation , and experience of team members) as well as copies of qualifications.

12.2.5 Contactable reference letters on the company letter head detailing the experience in conducting internal audit in the public sector.

Phase 2. Evaluation on Functionality

Functionality Evaluation Criteria and Weight Scores:

No	Criteria	Max Sub score
Company profile and work experience		
1	<p>A minimum of five years' experience is required in conducting Internal Audit in the public sector. References letters from referees proving that such projects were executed in the company's letterhead. MISA reserved the right to contact those references in the Public Sector</p> <p>0 < 5 years = 0 points ≥ 5 < 7 years = 7 points ≥ 7 < 9 years = 11 points 9 years and above = 15 points</p>	15
2	<p>Highest value (Total Project Value) of a completed single project of the type of projects mentioned in item 1</p> <p>10 points</p> <p>a) Below R3 Million = 0 points b) R 3 Million to below R 4 Million = 7 Points c) R 4 Million to below R 6 Million = 11 Points c) R 6 Million and above = 15 Points</p>	15

3.	<p>Relevant qualifications of proposed team members to render the Services</p> <p>Senior Manager: Chartered Accountant (CA)/ CIA = 5 Points</p> <p>Cyber/Information security Officer: Certificate in Information Security/ Professional hacker certificate = 5 points</p> <p>Senior Auditor/ Supervisor: Bachelor's degree in Auditing /Accounting = 5 points</p> <p>Auditor: Bachelor's degree/BTEC/Advanced Diploma in Internal Auditing /Accounting =5 Points</p> <p>IT Auditor Advanced Diploma in Computer Auditing /CISA =5 Points</p>	25
4.	<p>Number of years' experience conducting Audit services including information system Audits</p> <p>Senior Manager:</p> <p>< 7 years = 0 Points ≥7 years < 10 years = 5 Points ≥10 Years = 10 points</p> <p>Cyber/ information security personnel</p> <p>< 4 years = 0 points >4 years <7 years = 3 points >7 years = 5 points</p> <p>Senior Auditor/ Supervisor:</p> <p>< 4 years = 0 Points ≥4 Years < 7 Years = 3 points ≥7 Years = 5 Points</p> <p>Auditor</p> <p>< 2 Years = 0 Points ≥2 Years < 5 Years = 3 Points ≥ 5 years = 5 Points</p> <p>IT Auditor :</p> <p>< 2 Years = 0 Points ≥ 2 Years < Years = 3 Points ≥ 5 years = 5 Points</p>	30

	<p>Detailed breakdown of the audit processes amongst others are as follows:</p> <ul style="list-style-type: none"> • Planning phase: (4 points) <ul style="list-style-type: none"> ○ Background Information (Pre-Audit Questionnaire) ○ Engagement Notification ○ Engagement Objectives ○ Engagement Scope • Execution phase (3points) <ul style="list-style-type: none"> ○ Performing the audit (effectiveness phase ○ Analysis and Evaluation ○ Record of findings • Reporting Phase and follow-up (3 points) <ul style="list-style-type: none"> ○ Criteria for communicating the results ○ Management comments ○ Final audit reports <p>Detailed plan on how the service provider will assist with readiness of Internal Audit function in preparation of External quality Assurance Assessment (5 points)</p>	
	TOTAL:	100

NB: Bidders must obtain a minimum threshold of **75 points** to be considered for further evaluation on price and B-BBEE.

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
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:

$$P_s = 80 \frac{P_t - P_{\min}}{P_{\min}}$$

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 Audit Executive (CAE).

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

- 18.1. Your proposed fees and billing arrangement must indicate whether actual or average rates would be used as per AG/SAICA rates.
- 18.2. 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.
- 18.3. Detailed Project breakdown of a list of project including the scope of the review per year and over a period of three years.
- 18.4. An Indicative 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. 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	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
Senior Manager	R		R		R	
Cyber/information system audit	R		R		R	
Audit Supervisor/Senior Auditor	R		R		R	
Auditor	R		R		R	
IT Auditor	R		R		R	
Price escalations, if any must be included as part of the total price						

The disbursement costs as a percentage of the overall total price not exceeding 3%	
The total offer price include VAT to be transferred to the SBD 3.3 form	

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).

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

ITEM	Role	TYPICAL PERCENTAGE OF TOTAL HOURS ON PROJECT
Senior Manager	Sign off the report Quality assurance on the completed work	25%
Cyber/information security personnel		15%
Audit Supervisor	Execution of the audits	15%
Senior Auditor	Execution of the audits	15%
Auditor	Execution of the audits	15%
IT Auditor	Execution of the audits	15%
Total		100%

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

19.1 PAYMENTS

19.1.1A 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. BRIEFING SESSION (NON-COMPULSORY)

- 20.1. Bidders are invited to attend a non-compulsory virtual briefing session. The link to the briefing session will be made available on MISA website on the specified date and time of the briefing session. Non-compulsory Briefing session date on the **06 December 2022 Time: 10 H00am**

21. CONTACT PERSON

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

NO	SECTION AUDITED	REVIEW TYPE	Proposed scope of work	Proposed hours	2021/22	2022/23	2023/24
1.	Finance and Supply Chain Management	Review of Financial Statements (Interim and Final) AGSA Management letter		160	✓	✓	✓
2.	Human Resource Management	Review of Human resource Management and payroll Management		160	✓	✓	✓
3.	Financial Management and SCM	Accounts payable including payments made to suppliers within 30 days		140	✓	✓	✓
4.	Asset and Facilities Management	Review of Asset Management		160	✓	✓	✓

5.	Financial Management and SCM	Review of SCM processes including verification of irregular expenditure -annually)		200	✓	✓	✓
6.	Information and Communication Technology	Review of IT Governance		175	✓	✓	✓
7.	Information and Communication Technology	Review of Information security/ Cyber					
8.	Office of the CEO (All Programmes)	Review the effectiveness of risk management		240	✓	✓	✓
9.	Technical Skills	Review of Municipal Sectoral and Technical Skills processes		120	✓	✓	✓

10	Technical Support	Review of business processes to enhance infrastructure processes in municipalities		140	✓	✓	✓
11	Financial Management and SCM	Review of Internal Budgeting Process		160	✓	✓	✓
12	ALL	Review of Governance including governance structures		160	✓	✓	✓
13.	Corporate Management	Review of Ethics Management		160	✓	✓	✓

REFERENCE: MISA/IA/011/2022/23

END USER INITIAL.....PT

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	
CELL PHONE 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 & GSEs) 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

(Professional Services)

NAME OF BIDDER:MISA/IA/011/2022/23

CLOSING TIME 11:00 ON 14 DECEMBER 2022

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF **ALL APPLICABLE TAXES
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APPOINTMENT OF A SUITABLY QUALIFIED PROFESSIONAL SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT FUNCTION

- Services must be quoted in accordance with the attached Terms of Reference.
- All prices quoted **must** be VAT inclusive for VAT Vendor/s, if no indication is given, prices will be evaluated as all inclusive.

Project Cost

Provide the anticipated number of hours and fees for the project per work parcel. Add VAT and disbursements and provide the contract cost. Add additional rows where necessary. Fee to exclude VAT.

TEAM MEMBERS	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
Senior Manager	R		R		R	
Cyber/information system audit	R		R		R	
Audit Supervisor/Senior Auditor	R		R		R	
Auditor	R		R		R	
IT Auditor	R		R		R	
Total Offer per Year						
Total Offer for 3 Years						
Price escalations, if any must be included as part of the total price						
The disbursement costs as a percentage of the overall total price not exceeding 3%						
The total offer price including VAT						

Total cost for the assignment should include All applicable taxes)

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State Institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? YES/NO

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned,
(name)..... In submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;**
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;**
- 3.3 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 consortium² will not be construed as collusive bidding.**
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.**
- 3.4 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.**
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring**

² 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.

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Institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 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.**

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

..... Signature Date
..... Position Name of bidder

**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"/>
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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"/>
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- 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 least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

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.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

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