



WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

PROVISION OF THE INTERNAL AUDIT SERVICES

CONTRACT NUMBER: WMM LM 06/10/22/03 IAS

07 October 2022

ISSUED BY:

Issued and prepared by: Municipal Manager

Winnie Madikizela-Mandela Local Municipality

Internal Audit

51 Winnie Madikizela Street

Bizana

4800

Municipal Manager: Mr. L. Mahlaka

Contact Person: Mr.N.Mgxiva

Tel: 039 251 0230

NAME OF TENDERER: _____

Letter of Consent

The Municipal Manager
Winnie Madikizela-Mandela Local Municipality
P.O. Box 12
Bizana
4800

Sir/Madam

Granting of authority to request information from any legal entity relevant to this Bid

I/we acknowledge that the information herein contained shall constitute the basis on which my/our Bid is to be considered. I/we grant approval that any source regarding this Bid may be fully investigated and that all such information shall be of material value to Winnie Madikizela-Mandela Local Municipality and directly relevant to the consideration of my/our Bid. I/we

_____ grant my/our consent to such source to provide confidential information.

I/we warrant that all the information herein contained is to the best of my/our knowledge and belief true and correct in all material respects and I/we am /are not aware of any information which, should it become known to the Winnie Madikizela-Mandela Local Municipality, would affect the consideration of my/our Bid in any way.

The Winnie Madikizela-Mandela Local Municipality wishes to inform you that all information regarding your personal matters is treated as strictly confidential.

Please tick the appropriate box.

<input type="checkbox"/>	I/We hereby consent to the above
<input type="checkbox"/>	I/We hereby withhold consent and fully understand the implications and ramifications my/our decision and will not hold the Winnie Madikizela-Mandela Local Municipality responsible for not considering my/our Bid.

Signature:

Date:

Witness:

Signature:



WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY
CONTRACT NO: WMM LM 06/10/22/03 IAS

INVITATION TO BID FOR PROVISION OF THE INTERNAL AUDIT SERVICES

Bid proposals are hereby invited from suitably service providers who are interested in the above-mentioned project for Winnie Madikizela-Mandela Municipality.

Bid documents can be downloaded from e-tender portal website. (www.etenders.gov.za)
Proposals will be evaluated on functionality and preferential points system

Bids should score a minimum of 70% for functionality in order to be considered for further evaluation.
The bids will be evaluated on the **80/20** preferential points system

Failure to submit the following fully completed document(s) will render the bid null and void:

- A copy of Entity Registration Documents, Certified ID Copy(ies) of Director(s) (not older than 6 months), CSD Registration
- SARS Valid PIN Printout
- Bid documents MBD1, MBD4, MBD6.1, MBD 8 and MDB 9
- Billing Clearance Certificate or Statement of Municipal Accounts confirming that no undisputed municipal accounts are overdue by more than 30 days and letter signed by the bidder declaring that all accounts have been disclosed and no account is more than 30 Days in arrears
- A certified copy or Original BBBEE Status Level Certificate (SANAS accredited) or sworn affidavit as provided by dti
- In case of a joint venture, an original valid Tax Compliance Document of both partners should be submitted as well as a signed agreement by both parties clearly indicating the lead partner
-

Closing date: All tenders must be emailed to tenders.scm@mbizana.gov.za by no later than 12h00 on the 7th of November 2022 after which they will be opened. All tenders must be clearly marked the Name of the project and Reference number indicated above.

No late, incomplete or facsimile bids will be accepted for consideration. The only or lowest bid received shall not necessarily be accepted. Winnie Madikizela-Mandela Local Municipality reserves the right to accept part or full bid.

For technical enquiries, please contact MR.N.Mgxiva, Manager: Internal Audit at (039-2510 230), email: mgxivan@mbizana.gov.za during working hours.

For Supply Chain Management related enquiries, please contact Mr. Z. Khala at (039) 2510230, Ext. 2113, email: khalaz@mbizana.gov.za during working hours

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Mr. L. Mahlaka
MUNICIPAL MANAGER

INTRODUCTION AND BACKGROUND

The Winnie Madikizela Mandela Local Municipality is a Local Sphere of Government Institution listed in Category A of the Municipal Structures Act No. 117 of 1998 and was established in December 1998. In terms of s165(3) of the Municipal Finance Management Act (MFMA), Winnie Madikizela Mandela Local Municipality must co-source internal audit function to develop its internal capacity. The Internal Audit function must be effective and also comply with the Institute of Internal Auditors' (IIA) standards and Professional Practices.

Therefore, the Winnie Madikizela Mandela Local Municipality is requiring a suitably qualified service provider for the Provision of Internal Audit Co-Sourcing Services for a Period of 3 Years. that can provide an appropriate internal audit services for the council and management of the Winnie Madikizela Mandela Local Municipality.

The internal audit function must assist Winnie Madikizela Mandela Local Municipality to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control system and governance processes. The risk management strategy, including the Fraud Prevention Plan, must be used to direct the internal audit effort.

1. PURPOSE

To strengthen the internal capacity of the established Internal Audit function in terms of section 165(3) of the MFMA. The appointed service provider is expected to carry out the mandate of the Internal Audit function, as approved by Winnie Madikizela Mandela Local Municipality audit and risk committee, in terms of the Internal Audit approved annual coverage plan.

2. PROJECT OF OBJECTIVES

The Internal Audit function will be an objective assurance and consulting activity, which will assist Winnie Madikizela Mandela Local Municipality to accomplish its objectives, by bringing a systematic approach to evaluate and improve the effectiveness and efficiency of risk management, control and governance processes within the organization.

The service provider must demonstrate the capability to perform the internal audit services in accordance with the Institute of Internal Auditing Standards and Practices, and any relevant legislation

3. SCOPE OF INTERNAL AUDIT SERVICES

The scope of the internal audit function includes the points listed below. However, the list is not exhaustive should any other function be regarded as imperative, it should be added and clearly defined upon consultation with CAE.

- Internal Audit scope includes these projects:
 - a) Follow-Up Audits;

- b) Combined Assurance;
- c) Risk-Based Audits
- d) Speciality Audits- IT Audits that includes security and systems processes.
- e) Cyclical Audits
 - (i) Audit of Annual Performance Report
 - (ii) Quality review of the Annual Financial Statement (AFS);
 - (iii) Review of the 2022/2023 Service Delivery and Budget Implementation Plan (SDBIP);
 - (iv) Audit of Pre-determined Objectives on a quarterly basis.
- f) Ad hoc requests
 - (i) Ad-hoc requests are composed of those audits that are specifically requested by management, audit committee, MPAC or council
- g) Consulting Activities
 - (i) The proposed activities focus primarily on developing standardised control processes, skills and knowledge transfer at different levels such as training of Internal Audit staff members as well as the Institution at large;
 - (ii) Advise on the development of processes and controls for Quarterly and Annual Performance Reporting:
 - Quarterly MPAC and Finance Portfolio Committee workshops;
 - Participation in the External Audit Steering Committee;
 - Internal Controls Development and Coaching programme;
 - Performance management;
 - Compliance monitoring;
 - Human Resources; and
 - Strategic Planning sessions;

▪ **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO REVIEW THE FOLLOWING:**

- ⇒ Internal control processes;
- ⇒ The information systems environment;
- ⇒ The reliability and integrity of financial and operational information;
- ⇒ The effectiveness of operations;
- ⇒ Compliance with policies, regulations and contracts;
- ⇒ The safeguarding of assets;
- ⇒ The economical and efficient use of resources;

▪ **THE SUCCESSFUL BIDDER IS FURTHER REQUIRED**

- a. To report on progress of the work against the approved Annual Internal Audit Plan to the Audit and Risk Committee at all Audit and Risk Committee meetings
- b. To attend a strategic workshop to obtain knowledge of the procedures of the 6 departments.
- c. To develop / update the Internal Audit Charter that contains the purpose, authority, and responsibility of the internal audit activity. The Internal Audit Charter must be consistent with the Definition of Internal Auditing, the Code of the Ethics, and the Standards.
- d. To develop a three-year audit plan.

- e. To prepare the risk profile to assess the coverage of the audit plan and cost associated against the budget.
- f. To conduct the trainings to the Internal Audit team as part of the on-or-off site skills transfer;
- g. The trainings must be regularly conducted in compliance with the requirements of IIA to meet the minimum CPD points in the given period;
- h. The successful bidder's appointment will be based on the rate per hour as opposed to contract value;

4. FRAUD AND IRREGULARITIES

In planning and conducting its work, the internal auditor should seek to identify serious defects in internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Accounting Officer and/or ARC without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities have been uncovered.

5. EXPECTED OUTCOMES AND DELIVERABLES

Performing Audit Assignments;

Each assignment should at least consist of the following:

- A pre-audit survey;
- An audit planning memorandum;
- Minutes of the entrance meeting;
- A risk assessment document;
- System descriptions;
- Audit programmes;
- Sampling methodology;
- Mechanisms for follow-up on matters previously reported and feedback to ARC;
- Mechanisms to ensure that working papers are reviewed at the appropriate level;
- A record of work performed;
- A review of work performed;
- Audit findings and recommendations;
- Reporting (a draft internal audit report and a final internal audit report);
- Follow-up on previous audit findings; and
- The programme, procedures and working papers are for the Winnie Madikizela Mandela Local Municipality.

6. 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 implementation dates);

- All audits as carried out according to the Internal Audit Plan and as approved by ARC; and
- Conclusion.

The auditor is to deliver an electronic copy and one signed copy of the final report to the members of ARC and senior Management and Municipal Manager.

7. LOCATION OF SERVICES

The required services of internal audit will be rendered at Winnie Madikizela Mandela Local Municipality's offices situated at 51 Winnie Madikizela Street in Bizana.

8. QUALITY ASSURANCE REVIEWS OF THE WORK

- .1. Assignments must be performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). Compliance with the IIA Standards will be evaluated through conducting External Quality Assurance Review undertaken by the Winnie Madikizela Mandela Local Municipality.
- .2. The execution of each assignment shall be in accordance with the Annual Internal Audit Plan.
- .3. In carrying out the work, the successful bidder must ensure its staff maintains their objectivity by remaining independent of the activities they audit.

9. MONITORING THE PROGRESS OF ASSIGNMENTS

On a quarterly basis, a report on progress against the plan, significant findings and administrative matters will have to be presented to ARC. The Internal Audit Manager will monitor the appointed service provider as to the effectiveness, efficiency, general compliance with Service Level Agreement and etc. The Internal Audit Manager will liaison with appointed service provider in respect of work to be done during the quarter as and when he deems necessary.

10. INDEPENDENCE AND OBJECTIVITY OF STAFF

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

11. DURATION OF CONTRACT

The term of the contract is envisaged to cover a period of three years or 36 months, renewable on an annual basis based upon performance commencing on the date of signing the Service Level Agreement. The successful bidder should be able to start immediately as soon as Service Level Agreement is signed.

12. PAYMENT

Schedule of payments will be done based on the work done and only if approved by Manager: Internal Audit. Municipal payment runs are on the 15th or 30th of every month.

13. EVALUATION PROCESS

- Price =80
- BBBEE =20

4. EVALUATION CRITERIA

The bidders will be evaluated on the basis of the Preferential Procurement Policy Framework Act (No.5, 2017), and the regulations pertaining thereto as well as Winnie Madikizela Mandela Local Municipality’s Supply Chain Management Policy. Functionality and 80/20 preferential point system will be used as per the SCM policy.

5. EVALUATION PHASES

The evaluation will be completed in 3 phases:

- Phase 1: Compliance to minimum requirements
- Phase 2: Functional evaluation
- Phase 3: Pricing and Preferential Procurement policy (80/20)

Phase 1: Compliance to minimum requirements

During Phase 1 all bidders will be evaluated to ensure compliance to minimum document requirements (e.g. Tax Clearance Certificates or Pin), ensuring all documents have been completed and that the specified documentation has been submitted in accordance with the bid requirements. All bidders that comply with the minimum requirements will advance to Phase 2.

Responsiveness Criteria: Failure to provide the following might result in a bid not to be considered: (minimum requirements)

- Bid offers must be properly received on the tender closing date and time specified on the invitation, fully completed and signed in ink as per Standard Conditions of Tender;
- Submission and completion of the Declaration of Interest;
- Submission of an original and valid Tax Clearance Certificate or SARS Pin;
- Submission of the company’s registration certificate from the Register of Companies (CIPC); and
- Submission of printout of National Central Supplier Database **unique number**

Phase 2: Functional evaluation

All bidders that advance to Phase 2 will be evaluated by a panel to determine compliance to the functional requirements of the bid. The functional evaluation will be rated out of 100 points and will be determined as follows:

		Weight	Points Scored
B	Functionality (Phase II)		
B 1	EXPERIENCE OF THE FIRM: Relevant Skills and Experience (Competency):	15	

	<p>Bidder's profile including demonstrated experience in providing internal audit services to local municipalities of a similar nature and significant size and within the Local Sphere of Government and/or Provincial and National Government. At five (5) contactable reference letters and appointment letters. Each relevant reference and appointment letter constitutes three (3) points.</p> <p>B 2 ACADEMIC /PROFESSIONAL QUALIFICATION Relevant Professional/Post Graduate Qualification by Key Resources dedicated to the Municipality in part or in full as per the staff plan. General Assurance auditors must have a minimum of a Bcom degree or BTech in Auditing/or Internal Auditing/ Accounting or Investment including CIA, CISA or related years' experience. Professional/Post Graduate Qualification by Key Resources dedicated to the Municipality in part or in full as per the staff plan must possess the following.</p> <ol style="list-style-type: none"> 1. Postgraduate degree in Accounting/ Auditing/ Finance and/or Fraud Examiner. [Engagement partner and engagement Manager] (10) 2. Degree in Accounting/ Auditing/ Finance or Btech/ Diploma. [Supervisor] (7) 3. Post grade-12 certificates in auditing/ accounting/ finance and relevant experience in internal auditing services (3) <p>B 3 EXPERIENCE OF TEAM CV's of the team members assigned to this project must be submitted. Team Assigned Resources and Years of Experience in the following categories with equal weighting: Minimum number of years</p> <ol style="list-style-type: none"> 1.1. Engagement Partner <ol style="list-style-type: none"> 1.1.1. 0— 7(0) 1.1.2. > 7 (10) 1.2. Manager <ol style="list-style-type: none"> 1.2.1. 0—4 (0) 1.2.2. 5— 7 (10) 1.2.3. 1.3. Supervisor <ol style="list-style-type: none"> 1.3.1. 0—3 (0) 1.3.2. > 3 (5) 1.4. Senior Auditor (Consultant) <ol style="list-style-type: none"> 1.4.1. 0—2 (0) 1.4.2. > 2 (5) <p>B 4 <u>CONTINUED PROFESSIONAL DEVELOPMENT RELEVANT TO THIS ENGAGEMENT.</u></p> <p>List of relevant training or courses attended by the proposed team in the last 2 years.</p> <p>*B 5 A detailed Internal Audit Approach and Methodology</p> <p>TOTAL</p>	<p>20</p> <p>30</p> <p>5</p> <p>30</p> <p>100</p>	
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*** B 5 A DETAILED INTERNAL AUDIT APPROACH AND METHODOLOGY**

CRITERION & POINTS WEIGHTING	EVIDENCE TO CLAIM POINTS	POINTS TO BE AWARDED
Functionality		
Methodology (inclusive of techniques, tools and systems)		
<p>Proposals should respond to the deliverables outlined under the paragraph “scope of work” (a-g) in the terms of reference.</p> <p>(i) Methodology demonstrating a comprehensive understanding of the scope of work as outlined in the RFP = 30 pts</p> <p>(ii) Methodology demonstrating a reasonable understanding of the scope of work as outlined in the RFP = 25 pts;</p> <p>(iii) Methodology demonstrating a satisfactory understanding of the scope of work as outlined in the RFP = 15 pts.</p> <p>(iv) Methodology demonstrating a poor and unsatisfactory understanding of the scope of work as outlined in the RFP = 10 pts.</p>	<p>Project Implementation Methodology and Plan detailing how each of the project requirements under scope of work will be undertaken.</p> <p>(i) Comprehensive understanding means bidder has responded to all main deliverables outlined.</p> <p>(ii) Reasonable understanding means bidder has responded up to 80% of the main deliverables outlined.</p> <p>(iii) Satisfactory means bidder has responded to 50% of the main deliverables outlined.</p> <p>(iv) Poor and unsatisfactory understanding means bidder has responded to 33.33% of the main deliverables outlined.</p> <p>Failure to submit this will result in zero points being awarded for this section.</p>	

Bidders scoring less than 70 points in Phase 2 will not be eligible for Phase 3 evaluation i.e. price and preferential procurement.

**Phase 3: Preferential Procurement Policy and Price
Preferential Procurement Policy**

The bidders that have successfully progressed through to Phase 2 will be evaluated in accordance with the 80/20 preference point system contemplated in the Preferential Procurement Policy Framework Act (Act 5 of 2000).

Pricing

Bidders must submit a separate price proposal that is broken down in detail. Internal audits are generally based on hourly rates and typically detailed audit budgets can only be drawn up once the appointed auditor has been able to assess the likely extent of each particular audit project. Accordingly, financial proposals will be compared on the basis of hourly rates inclusive of overheads and VAT which bidders must supply in the form of the table set out below.

NB: Travel and accommodation rates must be separate from the activity-based rate per hour.

Resource /Personnel	Hourly Rate (including overheads and VAT)
Engagement Partner	R
Manager	R
Supervisor	R
Senior Auditor	R
Specialists (e.g. IT, Investigations & other technical)	R

NB: Disbursement will be based on the actual cost incurred.

Pricing will be calculated using the lowest price quoted as the baseline, thus the lowest price quoted will achieve

All prices indicated in the pricing schedule must remain fixed for the 1st year of the project contract. Bidders will be subjected to application of CPI on the Reserve Bank website on each of the anniversaries of the contract. Prices shall be increased annually on the anniversary date of the contract at a rate that is linked to the Consumer price index(CPI), provided that the escalation shall not be lower than two percent (2%) and not higher than eight percent (8%), over the three year term.

full marks, while all other quotes will achieve a weighted average mark based on the lowest price.

Description	Total
Price	80
BBBEE	20
Total	100

Enquiries

For enquiries and further details please contact Manager: Internal Audit, Mr. NA Mgxiva, on 039 251 0230 ext 2019 during office hours.

.6. CLOSING DATE

All tenders must be emailed to tenders.scm@mbizana.gov.za by no later than 7th November 2022 at 12h00 after which they will be opened. All tenders must have a subject Internal Audit Co-Sourcing Services.

No late, incomplete or facsimile bids will be accepted for consideration. The only or lowest bid received shall not necessarily be accepted. Winnie Madikizela- Mandela Local Municipality reserves the right to accept part or full bid

Technical enquiries, please contact to Mr. N Mgxiva, Manager: Internal Audit on 039 251 0230 or email to mgxivan@mbizana.gov.za and Supply Chain Management related enquiries, please contact Mr. Z. Khala at (039) 2510230, Ext. 2113, email: khalaz@mbizana.gov.za during working hours

.7. CONDITIONS OF ACCEPTANCE

Winnie Madikizela Mandela Local Municipality is under no obligation to accept any proposal with lowest bidding price and reserves the right to accept the whole or any part of the proposals. No proposals will be considered from persons in the service of state.

Yours in good governance

Mr L Mahlaka
Municipal Manager
Winnie Madikizela Mandela Local Municipality

14. Local Content

Not Applicable

15. CIDB Grade- N/A

16. MBD Forms- Attached

PART A

INVITATION TO BID MBD 1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)

BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
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DESCRIPTION	
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THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN
THE BID BOX SITUATED AT (*STREET 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				
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<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 /SERVICE	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]	

		S /WORKS OFFERED ?	
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

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 ONLINE
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
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 VIEW THE TAXPAYER’S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL

NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.

- 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
- 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
 YES NO
- 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?
 YES NO
- 3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
 YES NO
- 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?
 YES NO
- 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?
 YES 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 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER.....

CAPACITY UNDER WHICH THIS BID IS SIGNED.....

DATE:.....

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.

- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

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

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number:
.....

3.3 Position occupied in the Company (director, trustee, hareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....
.....

¹MSCM Regulations: “in the service of the state” means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of 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);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.

.....



3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....
.....

3.12 Are any of the company’s directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company’s directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

.....
.....



4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number



CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS
CORRECT. I ACCEPT THAT THE MUNICIPALITY MAY ACT AGAINST ME SHOULD
THIS DECLARATION PROVE TO BE FALSE.**

.....

Signature

.....

Date

.....

Capacity

.....

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) | level certificate issued by an authorized body or person; | B-BBEE Status |
| 2) | affidavit as prescribed by the B-BBEE Codes of Good Practice; | A sworn |
| 3) | requirement prescribed in terms of the B-BBEE Act; | Any other |
- (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:

80/20

or

90/10

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

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 last 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 **MUNICIPAL INFORMATION**

Municipality where business is situated:

Registered Account Number:

Stand Number:.....

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

8.9 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:
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DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.

- 2 It serves as a declaration to be used by municipalities and municipal entities 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 rejected if that bidder, or any of its directors have:
 - a. abused the municipality’s / municipal entity’s supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

- 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	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)? 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.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other 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"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)CERTIFY THAT THE INFORMATION FURNISHED ON THISDECLARATION FORM 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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) 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 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

- 4 This MBD 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 (MBD 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 Municipality / Municipal Entity)

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

SPECIFICATION COMMITTEE MEMBERS

MEMBER	DEPARTMENT	SIGNATURE
1. Mr N. Mgxiva	Municipal Manager	
2. Ms.Z Mehlo	Budget and Reporting	
3. Mr M Mtetandaba	SCM	

MINUTES OF THE COMMITTEE(COMPULSORY)

APPROVAL OF SPECIFICATION

Approved/Not Approved

Mr. L. Mahlaka
Municipal Manager