

INVITATION TO BID

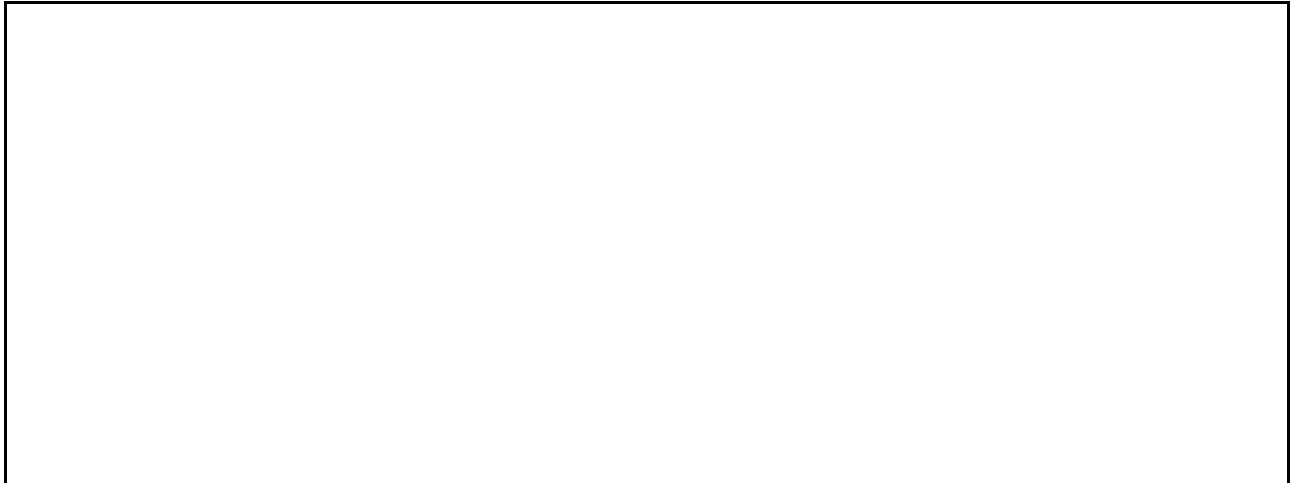
APPOINTMENT OF THE SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES FOR THE PERIOD OF THREE YEARS

BID NO:	PSA/OCFO/01/2025
ADVERTISING DATE AND TIME	22 August 2025 at 10:30
RESPONSE TO QUERIES:	10 September 2025 at 10:30
LAST DAY OF QUERIES:	17 September 2025 at 16:30
CLOSING DATE AND TIME:	23 September 2025 at 10:30
BID VALIDITY PERIOD:	120 DAYS AFTER CLOSING DATE

BOARD MEMBERS:

Ms B.A Jack (Acting Chairperson); Ms A. A Naidoo (Acting CEO); Dr A. Chetty; Mr G.M Selematsela; Mr W.C Noling; Dr N.X Sicwebu; Mr G. Dlamini

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1. INTRODUCTION

Productivity SA is a Schedule 3A entity established in terms of section 31 of the Employment Services Act, No. 4 of 2014 as a juristic person and an entity of the Department of Labour. Its mandate is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness

Productivity SA invites suitably qualified and experienced service providers to submit proposals for the provision of internal audit services.

The successful bidder will be expected to provide high-quality internal audit services that align with the entity's strategic objectives and ensure effective governance, risk management, and control processes.

2. SCOPE OF WORK

The scope of work includes:

- Conducting risk assessments to identify areas of high risk and developing audit plans accordingly
- Performing audits to evaluate the effectiveness of internal controls, risk management, and governance processes
- Providing recommendations for improvement and monitoring implementation
- Reviewing financial statements, annual reports, and other relevant documents
- Evaluating compliance with laws, regulations, and policies

3. DELIVERABLES

3.1 Bidder must comply with the performance of audit assignments as follows:

3.2 Assignments are to be performed in accordance with the Institute of Internal Audit's Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance review as and when required by Productivity SA.

3.3 Establish and submit for approval by ARC - Audit and Risk Committee a three-year rolling strategy and a risk-based annual Internal Audit Operational Plan.

- 3.4 Auditing the reliability and integrity of financial and operating information, and the means to identify, measure, classify and report such information.
- 3.5 Auditing the systems established by management to ensure compliance with policies and plans, procedures, laws and regulations that could have significant impact on operations and determine whether Productivity SA is in complying.
- 3.6 Auditing the operations to ascertain whether the results are consistent with established objectives or goals and whether operations are being carried out as planned.
- 3.7 Auditing the Human Resource (HR) organizational performance management system and its implementation for driving desired performance outcomes.
- 3.8 Liaise with external auditors on Productivity SA's audits whenever necessary.
- 3.9 All audit reports will be deposited in a dedicated drive at Productivity SA, upon conclusion of each audit and will be the property of Productivity SA. Working papers should be accessible to the Audit and Risk Committee on request.
- 3.10 The performance of each assignment shall be in accordance with the approved annual internal audit plan.
- 3.11 In carrying out the work, the successful service provider must ensure that their staff maintain their objectivity by remaining independent of the activities they audit.
- 3.12 On a mutually agreed basis, the person responsible shall meet with the chairperson of the Audit and Risk Committee, Chief Financial Officer and Management to report on the progress of the work.

4. KEY PERFORMANCE INDICATORS

Key Responsibilities	Activities	Results Indicators (Including all applicable evidence to substantiate against key responsibilities)
Regularity audits	<p>Audits on all Productivity SA's activities as determined by the approved Annual Internal Audit Plan according to the following auditing guidelines:</p> <ul style="list-style-type: none"> • Planning the audit • Examining, monitoring, and evaluating information • Communicating results • Follow up actions by management on findings and recommendations 	To advise management on compliance with regulations, policies, and best practices as well as the status of internal controls within Productivity SA.
Fraud prevention, detection, and action	Assist with investigations in terms of the entity's Fraud, Prevention, Detection and Response Plan.	To minimise fraud in the entity
Ad hoc audits	Audit issues as and when required are investigated as delegated by the Accounting Authority and or Audit and Risk Committee.	To report findings to Audit and Risk Committee to determine whether further actions are required
Audit of Predetermined Objectives	Executing audits in terms of the approved audit plan.	To determine whether the strategic documents and plans are correctly aligned and implemented and those targets are being achieved.
Reporting	<p>Reporting on all the activities of the Internal Audit Function to the Audit and Risk Committee, Meetings on a regular basis</p> <p>Evaluation of outputs</p>	<p>In order for the Management and the Audit Committee to evaluate the efficiency and effectiveness of the Internal Audit Function.</p> <p>To ensure that Productivity SA is furnished with correct and up to date information.</p>
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance

5. AWARD STRATEGY

Only the top scoring firms as classified in paragraph ...6...below) will be eligible for appointment internal audit service provider for Productivity SA

6. EVALUATION PROCESS

Proposals will be evaluated based on the following criteria:

6.1. ADMINISTRATIVE BASIC COMPLIANCE REQUIREMENTS (PHASE 1)

Item	Description	Mandatory	Submitted	
			Yes	No
1.	Technical Proposal	Yes		
2.	Invitation to bid (SBD1): completed and signed	Yes		
3.	Pricing Schedule (Firm Pricing) SBD 3.1	Yes		
4.	Bidders Disclosure (SBD 4) Original completed and signed.	Yes		
5.	Preference Point Claim form (SBD 6.1) Original completed and signed.	Yes		
6.	Did you submit valid proof of registration with IRBA/IIA?	Yes		
7.	Did you submit copies of the full Company Registration documents?	Yes		
8.	Did you submit copies of South African IDs' for Directors?	Yes		
9.	Did you submit your company profile?	Yes		
10.	Did you submit one (1) hard copy bid proposal?	Yes		
11.	Did you submit one (1) USB with an information replica of the bid proposal?	Yes		
12.	Joint Venture / Consortium agreement / Trust Deed (if applicable): <ul style="list-style-type: none"> Did you submit all documents for all parties of the Joint Venture/Consortium/Trust Deed? All documents listed below: ✓ Certified copies of shareholders certificates ✓ Certified copy of Company Registration documents ✓ Certified copy of ID documents of the Directors or Members 	Yes		

Service Provider's Name:.....

Completed by:.....

Signature:.....

6.2. FUNCTIONALITY EVALUATION CRITERIA (PHASE 2)

This phase measures the capability and capacity of the service provider to deliver on the assignment. The criterion below will be applied to score the proposals from which a service provider must score a minimum of 75 points to be considered for Phase 3 of the evaluation, i.e., Price and Specific Goals

A key score of 0-5 will be applied where: 0 = Poor; 1= below average; 2 = average; 3 = Satisfactory; 4 = Very Good and 5= Excellent					
#	CRITERION			DESCRIPTION	SCOREWEIGHT
1	Service Provider Experience in similar projects			A minimum of 5 years' experience in the public sector, implementing similar projects with supporting cumulative reference letters for work performed in the past 5 years.	20
	Provide a Project List and supporting cumulative reference letter(s) from previous clients in the Public sector demonstrating years of experience in executing projects of a similar nature. The service provider must ensure that at least one (1) reference letter should reflect the following types of audits: <ul style="list-style-type: none"> • Audit of Performance Information / Predetermined Objectives • Information system auditing, in particular SAP system 			3 reference letters	
				4 reference letters	
				5 or more reference letters	
	Project Description	Value	Period	Client Name	
2.	Project Management Team			Provide the Project team organogram, qualifications and experience	25
	Submit the project team organogram, CVs and qualifications of the project team as proof of evidence.			Project Team Organogram	5

<p align="center">A key score of 0-5 will be applied where: 0 = Poor; 1= below average; 2 = average; 3 = Satisfactory; 4 = Very Good and 5= Excellent</p>				
#	CRITERION	DESCRIPTION	SCORE	WEIGHT
		The Engagement Director/Partner must possess the following: <ul style="list-style-type: none"> • 10 years' experience • Professional Chartered Accountant (CA) or Certified Internal Auditor 	5	10
		All managers must have at least five (5) years' managerial experience.	5	5
		All supervisors/assistant managers must have at least three (3) years' supervisory experience.	5	5
3	Project Plan	Provide a high-level project management plan, detailing the following aspects covered: <ul style="list-style-type: none"> • including tasks, • timelines, • risk management associated with this project and mitigation strategy, • aligned to the Internal Audit Plan and • demonstrate ability to deliver the Internal Audit Plan on time, i.e. by 31 March annually. 		20
		3 of the above points covered	3	
		All 5 of the above points covered	5	
4	Technical Approach and Execution Plan Provide a comprehensive internal audit methodology to be applied.	Comprehensive internal audit methodology to cover at least the following points: <ul style="list-style-type: none"> • Audit process 		25

A key score of 0-5 will be applied where: 0 = Poor; 1= below average; 2 = average; 3 = Satisfactory; 4 = Very Good and 5= Excellent				
#	CRITERION	DESCRIPTION	SCORE	WEIGHT
		<ul style="list-style-type: none"> Alignment to the IIA standards Integration to risk management process Quality Assurance Review (QAR) Combined assurance model 		
		3 of the above points covered	3	
		4 of the above points covered	4	
		All 5 of the above points covered	5	
5.	Affiliation with professional bodies Provide valid proof of membership of the Institute of Internal Auditors.	A service provider project team management is expected to be a member of the IIA (Institute of Internal Auditors)		10
		Not a member of any required association or professional body	0	
		The engagement director/partner and the project team managers are members of the IIA	5	
TOTAL POINTS				100
CUT OFF POINTS				75

6.3. PRICE AND B-BBEE & SPECIFIC GOALS PREFERENCE POINT (PHASE3)

Only bidders that score a minimum score of **75 points and above out of 100 points on Functionality** will qualify for this phase which will determine the bidder to be recommended for approval by the delegated authority.

As the tender price is estimated to be between R2 001 and R50 000 000 including VAT, the tender responses will be evaluated on the 80/20-point system.

The 80/20 Preference points system will be applied using the formula below to calculate price:

The following formula will be used to calculate the points for price: Criteria	Points
Price Evaluation $Ps \frac{Pt - P_{min}}{P_{min}} \times 80$	80
Specific Goals	20
TOTAL	100

Where,

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

The 20 Special Goal preference points will be distributed as follows:

#	GROUPING	POINTS	VERIFICATION
1	Historically Disadvantaged Individual (HDI)	14	
Goal 1	(a) Who had no franchise in national elections before 1983 and 1993	7	Registration Documents
	(b) Who is female	5	ID Copy
	(c) Who has disability	2	Letter from the Doctor
Goal 2	Who is Youth	3	ID Copy
Goal 3	Locality (Gauteng Province)	3	Lease Agreement/ Registration documents
	TOTAL	20	

7. COMMUNICATION

7.1 Any communication to an official or a person acting in an advisory capacity for Productivity SA in respect of the bid between the closing date and the award of the bid by the Bidder(s) is discouraged.

- 7.2 All communication between the Bidder(s) and Productivity SA must be done in writing.
- 7.3 All enquiries relating to this BID should be emailed to njabulok@productivitysa.co.za and veliswad@productivitysa.co.za on or before @16:30 Responses to all queries will mail to all bidders .

8. CONDITIONS TO BE OBSERVED WHEN BIDDING

- 8.1. Productivity SA does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. Productivity SA also reserves the right to withdraw or cancel the BID at any stage.
- 8.2. No BID shall be deemed to have been accepted unless and until a formal contract / Contract Form and letter of award or Purchase Order is prepared and executed.
- 8.3. The competitive shall remain open valid by Productivity SA for a period of 120 days from the closing date of the BID enquiry.
- 8.4. Productivity SA reserves the right to:
- 8.4.1. Not evaluate and award a bid that does not comply strictly with this BID document.
 - 8.4.2. Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.
 - 8.4.3. Contact any bidder during the evaluation process, in order to clarify any information, without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.
 - 8.4.4. Cancel this BID at any time.
 - 8.4.5. Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the cost effectiveness and the principle of value for money not necessarily on the basis of the lowest costs.

9. COST OF BIDDING

The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and Productivity SA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

Note to Bidders:

Due diligence to be conducted by Productivity SA prior to the award of the contract.

10. INSTRUCTIONS ON THE SUBMISSION OF BIDS

1. Productivity SA requires two copies – one original hard copy and one soft copy (USB) – of the complete bid documentation that support the criteria, as stated in Section B of this document. Productivity SA reserves the right to make additional copies, if required, for the evaluation.
2. The Pricing Schedule (Annexure D: Financial Proposal) and SBD 3.3 form must be submitted in a separate sealed envelope, along with the printed copies of the bid documentation.
3. The bid document must be hand-delivered and placed in the bid box by no later than 10:30, on the 23 September 2025.

**Productivity SA,
Cnr New and 6th Roads
International Business Gateway
Midrand
1639**

4. The bid closing date, bidder's name and the return address must also be reflected on the envelope.
5. No bid response received by email, fax or similar medium will be considered.
6. Any bid response that is not in the bid box at the bid closing date and time will be regarded as a late bid. It is Productivity SA's policy not to consider late bids for tender evaluations.
7. Amended bids may be sent in an envelope marked "Amendment to bid" and should be placed in the bid box before the closing date and time.

11. PREPARATION OF THE BID RESPONSE

- i. All documentation submitted in response to this RFT must be in English.
- ii. The bidder is responsible for all costs that they shall incur regarding the preparation and submission of the bid document.
- iii. Bids submitted by bidders that are comprised of companies must be signed by a person or persons duly authorised thereto by a resolution of the applicable board of directors, a copy of which resolution, duly certified, must be submitted with the bid.
- iv. The bid documents must be paginated to ensure easy reference.
- v. The bidder should check the numbering of the pages on their bid to satisfy themselves that no pages are missing or duplicated.
- vi. The information required in paragraphs 9.4 – 9.6 above must be included in the bid response.
- vii. In responding to the Functional Requirements Specifications, the bidder must complete **Annexures A1 to A4**

12. REQUIREMENT TO CONCLUDE A CONTRACT

This bid document, along with all the attached documentation and the proposal in response thereto, the General Conditions of Contract issued in accordance with Chapter 16A of the Treasury Regulations, and any applicable special conditions of contract, will form the foundation for formal contracts to be negotiated and concluded between Productivity SA and the successful bidders awarded the contract.

13. CONTRACT PERIOD

- The contract shall be for a period of three years, on an “as and when” required basis, subject to an annual performance review of the service provider.
- Notwithstanding the expiry of the contract period set out in 13.1 above, where the appointed firms are already on brief in respect of certain matters, they will be required to finalise those matters. In such cases, the contract expiry date in such circumstances will be the date on which such matters are finalised, unless Productivity SA elects to terminate the firm’s mandate in respect of such matters.
- The successful bidders shall, upon receipt of a written notification of an award, be required to conclude a Service Level Agreement (SLA) with Productivity SA. The SLA will serve as a tool to measure, monitor and assess the service provider’s performance

and ensure an effective delivery of the services, quality and value-add to Productivity SA's business.

14.ASSIGNMENT OF OBLIGATIONS, CONFLICT OF INTEREST AND INDEPENDENCE

The successful bidder(s):

- a) May not assign their own obligations.
- b) Shall conduct their business from the Republic of South Africa.
- c) May not, while at liberty to accept any person, firm, department, company or organisation as a client, act against Productivity SA in any matter; and, similarly, Productivity SA will not appoint the successful bidder to act against their clients and other connected persons. To this end, successful bidders must, at the commencement of their appointment, disclose to Productivity SA, all audit firms contracted to them and against which they cannot act.
- d) Shall, in rendering the services to Productivity SA, maintain independence and must not have any conflicts of interest.
- e) Shall ensure that the credentials of the individuals presented to Productivity SA are in line with the proposals submitted, and that these individuals are not substituted without the prior approval of Productivity SA.

15.CANCELLATION OF THE CONTRACT

15.1.1 Productivity SA may, in its sole discretion and without limitation to any of its other rights elsewhere in law, cancel the contract, if it is satisfied that any person (including an employee, partner, director or shareholder of the interested company or a person acting on behalf of or with the knowledge of the interested person or entity):

- a) Has, in any manner, been involved in a corrupt act or offered a gift or remuneration to any officer or employee of Productivity SA in connection with obtaining or executing a contract;
- b) Has acted in bad faith, in a fraudulent manner or committed an offence

in obtaining or executing a contract;

c) Has, in any manner, influenced or attempted to influence the awarding of Productivity SA's bid process;

d) Has, when advised that their proposal has been accepted, given notice of their inability to execute or sign the contract;

e) Has engaged in any anti-competitive behaviour, including having entered into any agreement or arrangement, whether legally binding or not, with any other person, entity or company to refrain from quoting for this contract, or relating to the bid to be submitted by either party; and/or

f) Has disclosed to any other person any information relating to this bid, except where disclosure in confidence was necessary to obtain quotations required for the preparation of the bid.

15.1.2 Productivity SA may, in its sole discretion, resolve that for a specified period it will not consider any bid from a bidder whose contract has been cancelled for fraud, dishonesty or contravention of supply chain management legislation. If Productivity SA is satisfied that any person is or was a shareholder or a director of an entity or company, which in terms of paragraph 15.1 is one from which no bid will be favourably considered for a specific period, it may also decide that no bid from such a person, entity or company shall be favourably considered for a specified period.

15.1.3 Any restriction imposed upon any person/entity shall apply to any other person/entity with which such a person/entity is associated.

15.1.4 Productivity SA reserves the right to unilaterally terminate the contract with the successful bidder on at least one month's notice, in the event of circumstances beyond Productivity SA's control and those that render continuation with the contract undesirable or unnecessary.

16.SUPPLIER PERFORMANCE MANAGEMENT

Productivity SA views supplier performance management as a critical component in ensuring high quality, in as far as the acquisition of services and the maintenance of good relations between Productivity SA and all its service providers are concerned.

17.SUPPLIER DEVELOPMENT

Productivity SA promotes supplier development. In this regard, successful bidders may be required to mentor small attorney firms appointed into Productivity SA panel of attorney firms to assist Productivity SA in its endeavour to support and enhance the capabilities of its smaller attorney firms. The implications of such an arrangement(s) will be subject to negotiations between Productivity SA and the successful bidder/s.

18.SKILLS TRANSFER

Successful bidder(s) may be required to assist Productivity SA in building intern capacity and/or transfer skills to Productivity SA Legal Department. The implications of such an arrangement(s) will be subject to negotiations between Productivity SA and the successful bidder/s.

19.DISCLAIMER

1. Bidders must make and rely on their own investigations and satisfy themselves as to the correctness of any and all aspects of the bid. Productivity SA will not be liable for any incorrect or potentially misleading information in relation to any part of this document and any accompanying bid documents.
2. Productivity SA reserves the right to not appoint any bidder that does not comply with the conditions of this bid, or if it obtains information about the bidder that could put Productivity SA at risk.
3. Productivity SA reserves the right to cancel this bid, should the budget to cover its full costs not be available at the time of awarding the contract, or if the need no longer exists, or the specifications have changed.

20.ABSENCE OF OBLIGATIONS

- No legal or other obligation shall arise between the bidder and Productivity SA, unless and until the formal appointment, contract and SLA have been signed.
- Productivity SA is not obliged to proceed with any submitted bids.

21.ANNEXURES

The following annexures must be completed and submitted with the proposal:

- ANNEXURE SBD 1 and conditions to tender. – must be fully completed and signed.
- ANNEXURE SBD 3.3 (pricing schedule- A to include 3 year pricing) – must be fully completed and signed.
- ANNEXURE SBD 4– must be fully completed and signed.
- ANNEXURE SBD 6.1 – must be fully completed and signed.
- ANNEXURE General Conditions of Contract (GCC) initialed on each page.