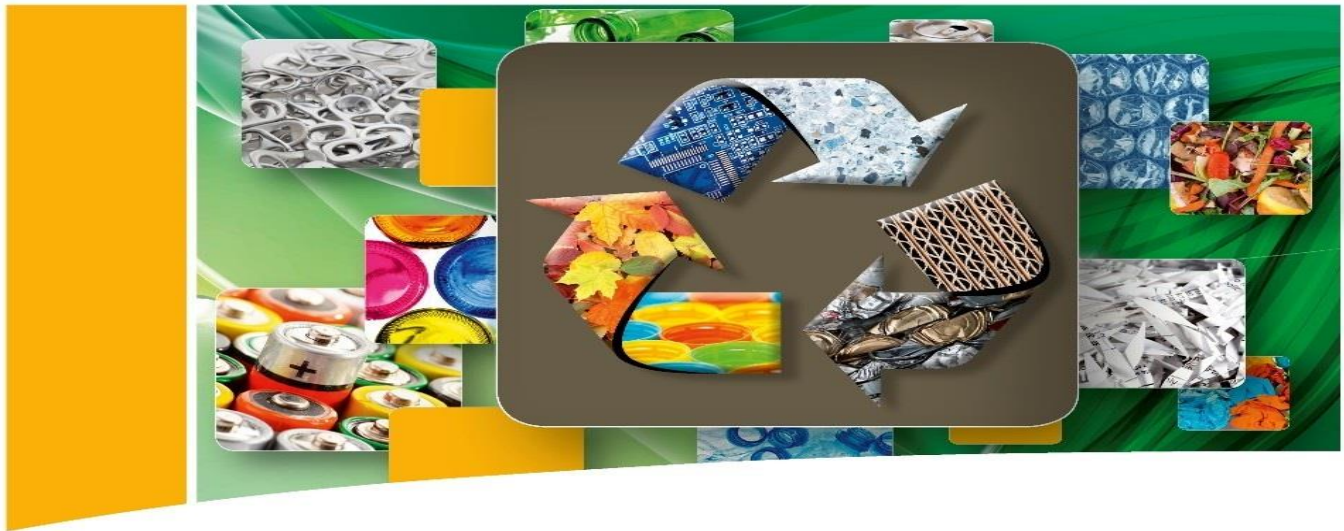




PIKITUP JOHANNESBURG SOC LIMITED

BID DOCUMENT FOR THE APPOINTMENT A PANEL OF SERVICE PROVIDERS FOR THE PROVISION OF INTERNAL AUDIT SERVICES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

BID NO: PU123/2022

CLOSING DATE: 25 MAY 2023

CLOSING TIME: 11:00AM

BIDDER NAME:

TENDER DOCUMENT FOR:

**PIKITUP JOHANNESBURG SOC LTD
JORISSEN PLACE
66 JORISSEN STREET
BRAAMFONTEIN, JHB**

Contact person: Nomaswazi Lamola

E-mail: nomaswazilamola@pikitup.co.za

Enquiries relating to this bid may be e-mailed to the mentioned above contact person.

**Bid document must be deposited at:
Pikitup Head Office, Tender Office, Ground Floor,
East Wing, Jorissen Place, 66 Jorissen Street,
Braamfontein, JHB before the closing date and time.**

**Enquiries should be emailed to:
nomaswazilamola@pikitup.co.za**

SCAM ALERT

With an endeavor to promote transparent tender processes and to comply with the relevant legislation, bidding company names and bid values are called out at tender opening and such details are also published on the Pikitup website. Fraudsters however abuse the information available from various sources on the internet with fraudulent intentions.

It came to our attention that fraudsters are posing as municipal employees claiming that they are members of either the Bid Evaluation or Adjudication Committee, and soliciting bribes from bidders for being favored during the tender evaluation or being awarded the tender.

Bidders are requested to be vigilant pertaining to the following:

- Pikitup tender documents are available free of charge from the National Treasury e-tender portal, thus do not pay for tender documents.
- Pikitup is using the National Treasury Central Supplier Database (CSD), hence Pikitup will not request bidders to pay for supplier registration forms.
- All Pikitup tenders are published on the National Treasury e-tender portal and / or the Pikitup website. Only respond to tenders that are published on these websites.
- Bid responses must be deposited in the Pikitup tender box as indicated in the respective tender documents.
- Only correspond in writing with the Pikitup contact person as indicated in the tender document. The Pikitup official and contact details are also advertised on the National Treasury e-tender portal and / or Pikitup website.
- Do not entertain any request for a bribe, and never pay money for being favored or being awarded a tender.

REPORT FRAUD AND CORRUPTION

Please report fraud and corruption at the City of Johannesburg Anti-Fraud Hotline: 0800 002 587 or the National Treasury Anti-Corruption Hotline: 0800 701 701

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ANNEXURE 1.1

MBD 1

INVITATION TO BID

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)					
BID NUMBER:	PU123/2022	CLOSING DATE:	25 MAY 2023	CLOSING TIME:	11:00 AM
DESCRIPTION	APPOINTMENT A PANEL OF SERVICE PROVIDERS FOR THE PROVISION OF INTERNAL AUDIT SERVICES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS				
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)					
PIKITUP TENDER BOX, SITUATED AT PIKITUP JOHANNESBURG (SOC) LIMITED, JORISSEN PLACE, TENDER OFFICE, EAST WING, GROUND FLOOR, 66 JORISSEN STREET, BRAAMFONTEIN, JOHANNESBURG, 2000					
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]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT ☐ Yes ☐ 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?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? ☐ Yes ☐ No [IF YES, ANSWER PART B:3]		
TOTAL NUMBER OF ITEMS OFFERED					
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	SUPPLY CHAIN		CONTACT PERSON	SAME	
CONTACT PERSON	NOMASWAZI LAMOLA		TELEPHONE NUMBER	SAME	
TELEPHONE NUMBER	087 357 1038		FACSIMILE NUMBER	SAME	
FACSIMILE NUMBER	NOT APPLICABLE		E-MAIL ADDRESS	SAME	
E-MAIL ADDRESS	nomaswazilamola@pikitup.co.za				

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, 2022, 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)? NO	☐ YES ☐
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? NO	☐ YES ☐
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? NO	☐ YES ☐
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? NO	☐ YES ☐
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? NO	☐ YES ☐
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:

.....

AUTHORITY TO SIGN A BID**(Complete the relevant form of the following options)****1. Sole Proprietor (Single Owner Business) and Natural Person**

1.1 I, , the undersigned, hereby confirm that I am the sole owner of the business trading as

OR

1.2 I, , the undersigned, hereby confirm that I am submitting this tender in my capacity as natural person.

SIGNATURE		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

2. Companies and Close Corporations

- 2.1 If a Bidder is a Company, a certified copy of the resolution by the board of directors, duly signed, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is, before the closing time and date of the bid.
- 2.2 In the case of a Close Corporation (CC) submitting a bid, a resolution by its members authorising a member or other official of the corporation to sign the documents on their behalf, shall be included with the bid.

Date Resolution was taken			
Resolution signed by (name and surname)			
Capacity			
Name and surname of delegated Authorised Signatory			
Capacity			
Specimen Signature			
Full name and surname of all Director(s) / Member (s)			
1.		2.	
3.		4.	
5.		6.	
7.		8.	
9.		10.	
Is a certified copy of the resolution attached?		YES	NO
SIGNED ON BEHALF OF COMPANY / CC		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

3. Partnership

We the undersigned partners in the business trading as
hereby authorise Mr/Mrs to sign
this bid as well as any contract resulting from the bid and any other documents and correspondence in
connection with this bid and/or contract for and on behalf of the above mentioned partnership.

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner		Signature	
SIGNED ON BEHALF OF PARTNERSHIP		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

4. Consortium

We the undersigned consortium partners, hereby authorise..... (Name of entity) to act as lead consortium partner and further authorise Mr/Msto sign this offer as well as any contract resulting from this tender and any other documents and correspondence in connection with this tender and / or contract for and on behalf of the consortium.

The following particulars in respect of each consortium member must be provided and signed by each member.

Full name of Consortium Member	Role of Consortium Member	% Participation	Signature
SIGNED ON BEHALF OF CONSORTIUM		DATE	
PRINT NAME			
WITNESS 1		WITNESS 2	

4. JOINT VENTURE

We, the undersigned, are submitting this bid offer in joint venture and hereby authorize Mr / Ms

.....
.....

Authorized signatory of the Company / Close Corporation / Partnership (name)

.....
.....

Acting in the capacity of lead partner, to sign all documents in connection with the bid offer and any contract resulting from it on our behalf.

LEAD PARTNER (Whom the Pikitup shall hold liable for the purpose of the tender)			
NAME OF FIRM			
ADDRESS			
		TEL. NO.	
SIGNATURE		DESIGNATION	

2nd PARTNER			
NAME OF FIRM			
ADDRESS			
		TEL. NO.	
SIGNATURE		DESIGNATION	

3rd PARTNER			
NAME OF FIRM			
ADDRESS:			
		TEL. NO.	
SIGNATURE		DESIGNATION	

4th PARTNER			
NAME OF FIRM			
ADDRESS:			
		TEL. NO.	
SIGNATURE		DESIGNATION	

NOTE: A copy of the Joint Venture Agreement indicating clearly the percentage contribution of each partner to the Joint Venture, is to be submitted with the bid.

A board resolution, authorising each signatory who signed above to do so, is to be submitted with the bid.

CERTIFICATE FOR PAYMENT OF MUNICIPAL SERVICES

DECLARATION IN TERMS OF MUNICIPAL SCM REGULATIONS 21(d) (ii)

I, (full name) and (ID no.), hereby acknowledge that the Pikitup may reject the tender of the tenderer if any municipal rates and taxes or municipal service charges owed by the bidder or any of its directors/members/partners to the City of Johannesburg, or to any other municipality or municipal entity, are in arrears for more than 3 (three) months.

I declare that I am duly authorised to act on behalf of (name of the firm) and hereby declare, that to the best of my personal knowledge, neither the firm nor any director/member/partner of said firm is in arrears on any of its municipal accounts with any municipality in the Republic of South Africa, for a period longer than 3 (three) months.

I further hereby certify that the information set out in this schedule and/or attachment(s) hereto is true and correct. The bidder acknowledges that failure to properly and truthfully complete this schedule may result in the tender being disqualified, and/or in the event that the tenderer is successful, the cancellation of the contract.

PHYSICAL BUSINESS ADDRESS(ES) OF THE TENDERER	MUNICIPAL ACCOUNT NUMBER

Further details of the bidder's director(s) / shareholder(s) / partner(s) / member(s), etc.:

Director / partner / member	Physical residential address of the director / partner / member	Municipal account number(s)

PLEASE NOTE:

1. Copies of all municipal accounts, not older than 3 months, to be submitted with the bid.
2. If the entity or any of its directors/shareholders/partners/members, etc. rents/leases premises a copy of the rental/lease agreement is to be submitted with this bid.

Signature	Position	Date

ANNEXURE 1.2

CONDITIONS OF TENDER

CONDITIONS OF TENDER

RETURN OF BIDS

This BID closes as indicated on the cover page of this tender document. Late bids will not be accepted or considered and bids delivered to any other address besides the address stated above will not be considered.

Neither PIKITUP nor any of its employees shall be liable in any way whatsoever for BIDS that are not placed in the bid box by the closing date and time.

No BID shall be considered unless it is accompanied by sufficient information to show that the goods offered comply with the specification.

Bidders must state the country of origin and the name of the manufacturer of the goods offered. Documentary proof must be produced, if required.

Bidding documents must be completed properly in permanent black ink, and no correction fluid (Tippex) may be used on the bid document. If the bidder wishes to make a change, the bidder must draw a line through the incorrect wording, write the correct wording next to the change, and also initial next to the change.

VALIDITY PERIOD

Your bid submission must remain valid for a period of **90 days** from the closing date of this bid. It will constitute an offer which remains open for acceptance during the validity period.

BRIEFING OR INFORMATION MEETING

Where the bid document indicates that a compulsory briefing meeting will be held as per the details provided on the cover page of the bid document, it is a requirement of the bid that the bidder's representative must attend the briefing session as important information pertaining to the bid will be discussed at the meeting. Bidders must attend the compulsory briefing session and ensure to sign the attendance register. Non-attendance to the compulsory briefing meeting will result in your bid being disqualified for further evaluation.

Where the bid document indicates that the information meeting is not compulsory, attendance of the meeting would be optional to accommodate questions relating to the bid.

Where the bid document indicates that no briefing or information meeting will be held. Questions relating the bid must be email to the contact person as indicated in the bid document.

EVALUATION OF BIDS

Bidders must fully comply with all the pre-compliance evaluation criteria and must meet the minimum functionality evaluation criteria threshold (if applicable) to be considered for further evaluation.

ADJUDICATION OF BIDS

Bids submitted in response to this invitation will be adjudicated by PIKITUP in terms of the Supply Chain Management Policy and Procedure Manual developed in accordance with the requirements of the Municipal Finance Management Act 56 of 2003, the Preferential Procurement Policy Framework Act # 5 of 2000, and the Preferential Procurement Regulations of 2022, and related legislative requirements.

Enquiries in respect of the policy should be addressed to PIKITUP's Acting General Manager: Supply Chain Management – salomemalebye@pikitup.co.za

CONTRACT

The terms of the proposed contract with PIKITUP are contained in the General Conditions of Contract, the Special Conditions of Contract and any of the sections of these bidding documents in which the bidder makes an undertaking as to its performance. You must read and understand the terms before you submit your BID as you will be bound by the Contract (as described) if your BID is successful.

ADMINISTRATIVE JUSTICE

In adjudicating bids, PIKITUP shall comply with the requirements of the Promotion of Administrative Justice Act 3 of 2000 and the Promotion of Access to Information Act 2 of 2000, to the extent that these Acts apply to the adjudication by a municipal entity of bids in response to a bid invitation.

INTERNAL APPEAL PROCESS

Following the evaluation of tender and selection of a preferred bidder, and provided that a procurement contract has not already entered into force, any bidder may submit a complaint in writing to the chairperson of the PIKITUP Board of Directors ("the Board") or the Managing Director that PIKITUP has not complied with the requirements of the PIKITUP Supply Chain Management Policy or the PIKITUP Code of Ethics, or has in any respect acted in a way that is irregular. The Chairperson of the Board or Managing Director shall not entertain a complaint unless it was submitted within 20 calendar days of when the supplier or contractor submitting it became aware of the circumstances giving rise to the complaint or of when that supplier or contractor should have become aware of those circumstances, whichever is earlier; or entertain a complaint after the procurement contract has entered into force.

Unless the complaint is resolved by mutual agreement of the bidder and the Chairperson of the Board or Managing Director, the Chairperson of the Board shall, within 30 calendar days after the submission of the complaint, issue a written decision. The decision shall state the reasons for the decision; and if the complaint is upheld in whole or in part, indicate the corrective measures that are to be taken.

The decision of the Chair of the Board shall, subject to the review powers of any competent court, be final.

PROVISO

In evaluating bids received and adjudicating the award of this tender, Pikitup Johannesburg (SOC) Limited will, in addition to the pre-compliance and functionality criteria included in the specifications and irrespective of the capital, pricing and black economic empowerment structures of the bidder, take into account as objective criteria (1) the desirability of rotating the work amongst service providers, (2) the past bidding practices of any bidder in relation to evidence and/or reports of combative practices including conduct reported, amongst others, in terms of the Prevention and Combatting of Corrupt Activities Act, 2004, (3) the past contractual performance of any bidder and (4) the nature and extent of disputes involving the bidder in relation to past and/or current contracts. Note that as a result of the application of these objective criteria, the highest scoring bidder(s) will not necessarily be selected as a preferred bidder(s).

I line with the provisions of Supply Chain Management Policy, Pikitup reserves the right to:

- request for a validity extension if necessary,
- apply pre-qualification criteria to advance designated groups in terms of the PPPFA of 2000, Preferential Procurement Regulations of 2022, and the Pikitup SCM Policy,
- award the bid in whole, or award the bid in parts, or not to award the bid at all,
- award the bid to one or more than one bidder(s)
- negotiate the bid price offered, and / or any other terms and conditions of this requirement with the preferred bidder(s), before the final award of the bid.

Pikitup further retain the right to:

- veto or conduct a due diligence on any bidder, and / or any of their sub-contractors or sub-service providers;
- request for samples, demonstrations, site visits or further information relating to the offered goods, services or works
- evaluate, review, test, inspect any of the products and / or staff offered for the tender, at Pikitup's sole discretion accept or reject such.

As per section 2(1)(f) of the PPPFA, one or more of the following "objective criteria" may be considered for final selection of bid(s):

- The spread of business amongst suppliers and / or rotation of contracts amongst suppliers,
- The protection of the environment or sustainability considerations,
- The geographical origin of resources utilised as inputs for the execution of the proposed contract,
- The development and / or impact on the local community,
- Considerations of after purchase costs, such as maintenance cost, operational costs, licence costs, or life cycle cost,
- Variants from the original scope of requirements,
- Financial stability and commercial status of the bidder(s),
- The receipt of an abnormally low bid amount, provided that the bidder in question is allowed an opportunity to justify its bid.

DECLARATION BY BIDDER:

I the undersigned, (Name and Surname),
being the duly authorised undersigned representative of the Bidder and its associates hereby grant Pikitup Johannesburg (SOC) Limited the required consent in terms of the Protection of Personal Information (POPI) Act, 2013 for the use of the personal information relating to the Bidder (i.e. the company, its owner(s), employees and/or any associated persons' BEE credentials, demographic / ownership profile, location etc.) for the legitimate purposes relating to this bid submission, its evaluation and adjudication.

I FURTHER DECLARE THAT I/WE HAVE READ THE CLAUSES SET OUT ABOVE IN THIS OF THE TENDER DOCUMENTS AND ACCEPT THEIR CONTENTS, SUBJECT TO ANY DECLARATION, WE HEREBY OFFER TO CONTRACT WITH PIKITUP ON THE TERMS SET OUT IN THE BID DOCUMENTS SHOULD WE BE APPOINTED AS THE SUCCESSFUL BIDDER.

AUTHORISED SIGNATURE :

CAPACITY OF SIGNATORY :

DATE :

ADDRESS :

WITNESSES: 1 WITNESSES: 2

ANNEXURE 2

SPECIFICATION OF REQUIREMENTS

**SPECIFICATIONS FOR
THE APPOINTMENT A PANEL OF
SERVICE PROVIDERS FOR THE
PROVISION OF INTERNAL AUDIT
SERVICES ON AN AS AND WHEN
REQUIRED BASIS FOR A PERIOD OF
36 MONTHS**

REFERENCE NUMBER: PU123/2020

1. INTRODUCTION

Pikitup Internal Audit is one of the key corporate governance functions that is there to support Pikitup to achieve its objectives and strategies. It does this by ensuring that risks are managed effectively; Pikitup consistently adheres to the regulatory environment as it implements programmes and strategies, and the internal control environment is reliable by conducting independent internal audits.

2. BACKGROUND

The Department focuses on maximising advisory and assurance services, and took leadership in the formalisation of an integrated and combined assurance and oversight. The audit functions have evolved and transformed by adopting a collaborative and integrated approach which now includes collaboration with the compliance monitoring and advisory function.

The core mandate of the Department is to promote a culture of risk governance and effective risk management, ensure adequate and effective control (compliance) systems and continuous improvements. Furthermore, the Department ensures compliance with applicable legislations, policies, procedures, circulars and directives

Internal Audit work will normally include (but not restricted to) review, appraisal of, and report on the following:

- i. Systems established by management to ensure compliance with policies, plans, procedures, laws and regulations which could have a significant impact on operations;
- ii. Operations or programs to ascertain whether results are consistent with established objectives and goals and whether operations or programs are being carried out as planned;
- iii. Reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- iv. Economy and efficiency with which company's resources are employed and identify opportunities to improve operating performance;

- v. Means of safeguarding assets and, as appropriate, verifying the existence of assets;
- vi. Risks are appropriately identified and managed;
- vii. Quality and continuous improvement are fostered in the organisation's control process;
- viii. Minimise fraud, corruption, theft and mal-administration.

Internal Audit provides a written assessment on the effectiveness of the company's system of internal controls, financial controls and risk management to the Audit and Risk Committee and the Board on quarterly and annual basis in line with relevant standards and norms.

Types of audits to be conducted by internal audit function will include:

- a) Audit of Information and Communication Technology (ICT)
- b) Performance Management and Information Audits
- c) Audit of Pre-determined Objectives
- d) Financial Audits
- e) Compliance Audits
- f) Operational Audits
- g) Probity Audits
- h) Combined Assurance
- i) Enterprise Risk Management
- j) Forensic Audits and Investigation Related Services
- k) Business Continuity Management
- l) Assurance on Ethics
- m) Adhoc/special audits

3. SCOPE OF WORK

The objectives of the panel of service providers is to ensure that Pikitup complies with Municipal Finance Management Act (MFMA), the Municipal Systems Act (MSA), Treasury Regulations, other relevant laws and regulations, King Code on Corporate

Governance (King IV), Board of Directors and the Audit and Risk Committee directives.

The scope of work will be determined based on the approved annual internal audit plan and adhoc audit requests.

4. DELIVERABLES

The panel of service providers will be contracted for provision of internal audit services on an as and when required basis for the period of 36 months for the following types of services in line with the approved internal audit plan and adhoc audit requests:

- a) Audit of Information and Communication Technology (ICT)
- b) Performance Management and Information Audits
- c) Audit of pre-determined objectives
- d) Financial Audits
- e) Compliance Audits
- f) Operational Audits
- g) Probity Audits
- h) Combined Assurance
- i) Enterprise Risk Management
- j) Business Continuity Management
- k) Forensic Audits and Investigation Related Services
- l) Assurance on Ethics
- m) Adhoc/special audits

Table 1: Service provider must select the type of internal audit service/s that they will offer

Internal Audit services	Select (X)
Audit of Information and Communication Technology (ICT)	
Performance Management and Information Audits	
Audit of pre-determined objectives	
Financial Audits	
Compliance Audits	

Operational Audits	
Probity Audits	
Combined Assurance	
Enterprise Risk Management	
Business Continuity Management	
Forensic Audits and Investigation Related Services	
Assurance on Ethics	
Adhoc/special audits	

5. PANEL REQUIREMENTS

Service providers are required to submit proposals that demonstrate an understanding, proven track record, knowledge and experience in internal auditing. Proposals should include the qualifications, contactable references, CVs of auditors, valid professional membership certificate and certified identity document (ID). The minimum requirements from service providers are as follows:

AUDIT FIRM EXPERIENCE

The service provider must have minimum of 4 years' relevant experience in internal auditing which provide services listed on section 4 above.

PROJECT TEAM QUALIFICATIONS AND EXPERIENCE

The **project manager/director** should have a minimum of 10 years' internal audit experience with either of the following professional qualifications:

- a Certified Internal Auditor (CIA) or
- Qualified Chartered Accountant (CA/SA)

The **project team** should consist auditors with a minimum qualification of a degree in auditing, internal auditing, accounting and finance.

The project team must consist of members with the following:

- 1 X Certified Internal Auditor (CIA)
- 1 x Qualified Chartered Accountant (CA/SA)
- 1x Certified Information System Auditor (CISA)

- 1x Certified Fraud Examiner (CFE)
- Minimum of 2 Auditors with a degree in auditing or internal auditing or accounting or finance.
- Each member of the team should have a minimum experience of 4 years.

Note: Service providers are expected to have adequate auditors depending on the nature and size of the audit.

PROJECT PLAN

A project plan outlining the processes map, activities, audit approach and how the methodology will meet stated deliverables (as indicated in section 4 above):

- Demonstrate by expanding on key deliverables, systematic project methodology aligned to relevant auditing standards and approach including final reporting phase.
- The plan should detail the key tasks to be performed, activities required and the milestones for each tasks to be undertaken. This must include a work programme
- The team must consist of a minimum of the following resources: director, audit manager and an auditors (aligned to the size and complexity of the project).
- The specific timeframes will be agreed upon with the appointed service providers based on the audit project undertaken.

ACTIVE PROFESSIONAL MEMBERSHIP/AFFILIATION

The audit firm should consist of members affiliated with the following professional bodies:

- At least 1 X Institute of Internal auditors (IIA)
- At least 1 X Independent Regulatory Board of Auditors (IRBA)
- At least 1 X South African Institute of Chartered Accountants (SAICA)
- At least 1 X Information System Audit and Control Association (ISACA)
- At least 1 X Association of Certified Fraud Examiners

NB: Note that a member with multiple affiliations will be evaluated as one member.

6. SPECIAL CONDITIONS

The successful service provider will be required to sign the security and confidentiality of all information provided by Pikitup through a non-disclosure agreement.

7. EVALUATION CRITERIA AND PROCESS

7.1. PRE- COMPLIANCE EVALUATION

The appointed Bid Evaluation Committee (BEC) will evaluate compliance with the pre-compliance criteria based on the compulsory returnable documents as mentioned below. Only bidders that meet all the pre-compliance criteria will be considered for further evaluation at the functionality evaluation stage.

Bidders will be eliminated for not submitting compulsory returnable documents as stated below.

Table 2: Compulsory Returnable Documents Required for Pre-Compliance Evaluation:

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
To enable Pikitup to verify the bidder's tax compliance status, the bidder must provide; A copy of their Tax Clearance Certificate (TCS); or a copy of their Central Supplier Database (CSD) registration; or indicate their Master Registration Number / CSD Number; or indicate their tax compliance status PIN. (Note: Refer to MDB 1)		TCS / CSD must be in the same business name as the bidding company? TCS / CSD must be valid? Tax status must be compliant?

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
b1) Confirmation that the bidding company's rates and taxes are up to date: • Original or copy of Municipal Account Statement of the <u>Bidder</u> (bidding company) not older than 3 months and account must not be in arrears for more than ninety (90) days; or • Letter or Statement or Affidavit from landlord confirming that the <u>Bidder</u> (bidding company) has no disputed account(s) and the account is not in arrears for more than ninety (90) days. Where possible, the landlord letter, landlord statement or landlord affidavit should be accompanied with a signed lease agreement.		Was a Municipal Account Statement or landlord letter provided for the bidding company? The name and / or addresses of the bidder's statement correspond with CIPC document? Are correspondence recent (not older than 3 months)? Are all payment(s) up to date (i.e. not in arrears for more than 90 days)?

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
b2) In addition to the above, confirmation that all the bidding company's <u>owners / members / directors / major shareholders</u>' rates and taxes are up to date: • Original or copy of Municipal Account Statement of all the South African based <u>owners / members / directors / major shareholders</u> not older than 3 months and the account/s may not be in arrears for more than ninety (90) days; or • Letter or Statement or Affidavit (correspondence should be dated and not older than 3 months) for all the South African based <u>owners / members / directors / major shareholders</u> from their respective landlord/s confirming that the <u>owners / members / directors / major shareholders of the bidding company</u> has no disputed account(s) and the account is not in arrears for more than ninety (90) days. Where possible, the landlord letter, landlord statement or landlord affidavit should be accompanied with a signed lease agreement.		Was a Municipal Account Statement(s) or landlord letter(s) provided for ALL the bidding company's (SA based) directors? The names and/or addresses of all directors on statement correspond with CIPC document? Are correspondence recent (not older than 3 months)? Are all payments up to date (i.e. not in arrears for more than 90 days)?
c) Duly Signed and completed MBD forms (MBD 1, 4, 8 and 9)		All documents fully completed (i.e. no blank spaces)?

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
The person signing the bid documentation must be authorised to sign on behalf of the bidder. Where the signatory is not a Director / Member / Owner / Shareholder of the company, an official letter of authorization or delegation of authority should be submitted with the bid document.		All documents fully signed? Signature authorised (any director / member / trustee as indicated on the CIPC document, alternatively a delegation of authority would be required? Documents completed in black ink (i.e. no "Tippex" corrections, no pencil, no other colour ink, will be considered)?
d) Joint Ventures (JV) – (Only applicable when the bidder tender as a joint venture) - Where the bidder bid as a Joint Ventures (JV), the required or relevant documents as per (a) to I above must be provided for all JV parties. - In addition to the above the bidder must submit a Joint Venture (JV) agreement signed by the relevant parties.		If applicable. JV agreement provided? JV agreement complete and relevant? Agreement

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
Note: It is a condition of this bid that the successful bidder will continue with same Joint Venture (JV) for the duration of the contract, unless prior approval is obtained from Pikitup.		signed by all parties? All required documents as per (i.e. a to e) must be provided for all partners of the JV.
The audit firm should consist of members affiliated with the following professional bodies: - At least 1 X Institute of Internal auditors (IIA) - At least 1 X Independent Regulatory Board of Auditors (IRBA) - At least 1 X Information System Audit and Control Association (ISACA) - At least 1 X Association of Certified Fraud Examiners		
The project manager/director should have a minimum of 8 years' internal audit experience with either of the following professional qualifications: - a Certified Internal Auditor (CIA) or - Qualified Chartered Accountant (CA/SA) The project team should consist of 8 or more auditors with a minimum qualification of a degree in auditing, internal auditing, accounting and finance. Each auditor should have a minimum experience of 7 years.		

Compulsory Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)	Checklist (Guide for Bidder and the Bid Evaluation Committee)
The team must consist of members with the following: • 1 X Certified Internal Auditor (CIA) • 1 x Qualified Chartered Accountant (CA/SA) • 1x Certified Information System Auditor (CISA) • 1x Certified Fraud Examiner (CFE) • Minimum of 2 x auditors with minimum qualification of a degree in auditing or internal auditing or accounting or finance.		

7.2. FUNCTIONALITY EVALUATION

7.2.1. The appointed Bid Evaluation Committee (BEC) will validate the list of other returnable documents as mentioned below.

Other Returnable Documentation Required for Functionality or Technical Evaluation:

The information contained in the OTHER RETURNABLE DOCUMENTS as indicated in the table above, will be used for scoring in the functionality evaluation purposes.

Table 2: Other Returnable Documentation required for further evaluation

Other Returnable Documentation (Submission of these are compulsory)	Submitted (YES or NO)
a) Proof of Company Registration (Latest version of company registration showing the company's physical address, all the current registered owners / members / directors / shareholders, and all the owners / members / directors / shareholders' physical addresses.	
b) Certified Copy of ID Documents of owners/members/directors/shareholders	
c) Company Profile	
d) Attach all supporting documents as required in the Technical / Functionality Evaluation criteria included herein	
e) CV's of project manager and audit team (minimum of 8 auditors) who would be working on the project.	
f) Certified qualifications of project manager and audit team (minimum of 8 auditors) who would be working on the project.	
g) Certified ID copies of project manager and audit team (minimum of 8 auditors) who would be working on the project.	
h) The project plan and methodology: The project plan should detail the key tasks to be performed, activities required and the milestones for each tasks to be undertaken. A work programme, including resources to be utilised. To be in line with changes above.	
i) List of contactable references (written and signed testimonials on company letterheads).	
j) The company track record/experience and list of projects successfully completed.	

8. EVALUATION CRITERIA

Bids will be evaluated and scored on the functionality elements. Only those bidders that meet the minimum threshold of 70% shall be considered for the subsequent stages of the evaluation process and all bidders who did not meet the minimum threshold shall not be considered for appointment.

The below indicate points will be used in for evaluation criteria.

The following criteria will be applicable and the maximum weights of each criterion will be as indicated.

Table 1: Functionality Criteria

CRITERIA	GUIDELINES (Scores are allocated from 0 to 5)	WEIGHTING
AUDIT METHODOLOGY	PROJECT PLAN A project plan outlining the processes map, activities, audit approach and how the methodology will meet the selected deliverables (as indicated in section 4 above): Demonstrate by expanding on key deliverables, systematic project methodology and approach including final reporting phase. The plan should detail the key tasks to be performed, activities required and the milestones for each tasks to be undertaken. This must include a work programme and resources to be utilised. ○ Demonstrated the above requirements fully (processes map, audit activities, audit methodology) = 5 ○ Insufficient demonstration of the above requirements = 0	15

CRITERIA	GUIDELINES (Scores are allocated from 0 to 5)	WEIGHTING
AUDIT FIRM EXPERIENCE	AUDIT FIRM EXPERIENCE The service provider (i.e. bidding organisation) must have minimum of 4 years' relevant experience in internal auditing which provide services listed on section 4 above. Track record (a schedule of projects undertaken that indicate the year each project was undertaken) ○ Less than 4 years = 0 ○ Above 4 years to 6 years = 3 ○ Above 6 years to 8 years = 4 ○ Above 8 years = 5	25
PROJECT MANAGER QUALIFICATIONS AND EXPERIENCE	PROJECT MANAGER/DIRECTOR QUALIFICATIONS AND EXPERIENCE The project manager/director should either be a Certified Internal Auditor (CIA) or qualified Chartered Accountant (CA/SA) with a minimum of 10 years' internal audit experience. CV, certified ID and professional qualification will be used as a means of verification. ○ Qualification, Certified ID and proof of minimum experience of Project Manager (CV) submitted = 5 ○ If any of the above is not submitted = 0	15
PROJECT TEAM	PROJECT TEAM QUALIFICATIONS AND EXPERIENCE The project team should consist of 6 or more auditors with a minimum qualification of a degree in auditing, internal auditing, accounting and finance. Each auditor should have a minimum experience of 4 years. The team must consist of members with the following:	15

CRITERIA	GUIDELINES (Scores are allocated from 0 to 5)	WEIGHTING
	• 1 X Certified Internal Auditor (CIA) • 1 x Qualified Chartered Accountant (CA/SA) • 1x Certified Information System Auditor (CISA) • 1x Certified Fraud Examiner (CFE) • Minimum of 2 auditors with minimum qualification of a degree in auditing or internal auditing or accounting or finance. CV, certified ID and professional qualification will be used as a means of verification. Qualification, certified ID and proof of minimum 4 years' experience of at least 6 auditors submitted = 5 Qualification, certified ID and proof of minimum 4 years' experience of at least 6 auditors not submitted = 0	
REFERENCES	CONTACTABLE REFERENCES PER PROJECT (attach written and signed testimonials on the respective company letterheads): • Less than 5 written references, on organization letter head and signed testimonials = 0 • Less than 3 written references, on organization letter head and signed testimonials = 0 • 3 to 5 written reference listed, on organization letter head and signed testimonials = 1 • 6 written reference listed, on organization letter head and signed testimonials = 2 • 7 written references listed, on organization letter head and signed testimonials = 3 • 8 written references listed, on organization letter head and signed testimonials = 4 Note that purchase orders and appointment letters are not considered as reference letters.	20

CRITERIA	GUIDELINES (Scores are allocated from 0 to 5)	WEIGHTING
LOCALITY	• Within the City of Johannesburg = 5 • Within Gauteng = 3 • Outside Gauteng = 1 • Outside South Africa = 0	10
TOTAL POINTS FOR FUNCTIONALITY		100

9. WORK ALLOCATION TO THE PANEL

- The successful service providers will be included on the panel of pre-selected service providers.
- The following criteria will be used to allocate projects to successful bidders:
 - The service providers on the panel will be requested to provide quotations.
 - Evaluation of the quotations will be based on 80/20 **(Calculations will be based on the conditions stated in no.10 below)**.
 - Service providers will be appointed on rotational basis (this implies that those service providers appointed for previous project will not be requested to quote for subsequent work within the cycle).
- Service provider will be expected to adhere to the terms as indicated in the engagement letter i.e timeliness.

11. COMPULSORY BRIEFING:

There will be no briefing session for this tender.

Tender related enquiries must be emailed to nomaswazilamola@pikitup.co.za.

12. EVALUATION AND AWARD PROCESS

Proposals will be evaluated in the following stages:

- The evaluation of bids for selection of the panel shall be based on pre-compliance and functionality.
- It must be noted that the panel will be limited to all service providers that meets the minimum functionality evaluation threshold of 70 points over a total of 100 points.
- Only the bidders who are successfully appointed on the panel of service providers will be requested to provide quotations on an as and when required basis during the validity of the contract.
- Price and BBBEE evaluation will be done if and when quotations are being requested from the appointed panel of service providers. The evaluation will be in accordance with circular 53 issued by National Treasury on the evaluation of bids and the revised Preferential Procurement Regulations, 2022 and its associated Regulations using the 80:20 evaluation principle. **(see no.13 below).**

13. GENERAL CONDITIONS

The general conditions are as follows:

- Copyright of information obtained through the course of the project is the property of Pikitup and may not be sold or reproduced by the service provider without prior permission from Pikitup.
- No presentations of the publications may be made without prior permission of Pikitup.
- The evaluation of proposals and the selection of the service provider will be at the discretion of Pikitup in accordance with its supply chain management procurement policy.

14. SPECIFIC GOAL FOR PRICE AND PREFERENCE EVALUATION THAT WILL BE APPLIED TO QUOTATIONS SOURCED

- Price and BBBEE evaluation will be done if and when quotations are being requested from the appointed panel of service providers. The evaluation will be in accordance with circular 53 issued by National Treasury on the evaluation of bids and the revised Preferential Procurement Regulations, 2022 and its associated Regulations using the 80:20 evaluation principle.

Bidders will be evaluated on the 80/20 Price and Preference Point System.

A maximum of 80 points will be allocated for price on the following basis:

80/20 formula

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

$P_{\min}$ = Comparative price of lowest acceptable bid

Therefore

Price Points	80
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Preference Points (<i>See Preference Points Table below</i>)	20
---	-----------

Total points for Price and Preference	100
--	------------

Preference Points table for 80/20 points system:

B-BBEE Status Level Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-Compliant Contributor	0

Note: The National Treasury General Conditions of Contract 2010 as well as specific conditions of contract for this bid. This is available on www.nationaltreasury.gov.za. Any additional terms and conditions will form part of special conditions of contract to be agreed and signed upon award of the bid. This will have to be signed by the successful bidder before the project begins. Further a service level agreement must be entered into by the awarded bidder and PIKITUP within 60 days of award of contract.

ANNEXURE 3

MBD 4

DECLARATION OF INTEREST

MBD 4

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, shareholder²):.....

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?
(Circle the applicable answer) 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?
(Circle the applicable answer)... 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?

(Circle the applicable answer) 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?

(Circle the applicable answer)...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?

(Circle the applicable answer)...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?

(Circle the applicable answer)...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?

(Circle the applicable answer)...YES / NO

3.14.1 If yes, furnish particulars:

.....
.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

ANNEXURE 4

CONTRACT FORM

MBD 7.2 – RENDERING OF SERVICES

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to **PIKITUP JOHANNESBURG SOC LTD** in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number **PU123/2022** at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

DATE:

CONTRACT FORM - RENDERING OF SERVICES**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

1. I in my capacity as accept your bid under reference number dated for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT:

NAME (PRINT):

SIGNATURE:

DATE:

Witness: 1.

Witness: 2.

ANNEXURE 5

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

MBD 8

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	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? (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). 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.	Yes ☐	No ☐
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 ☐	No ☐
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 ☐	No ☐
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 ☐	No ☐
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 ☐	No ☐
4.7.1	If so, furnish particulars:		

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM ARE
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

ANNEXURE 6

CERTIFICATION OF INDEPENDENT BID DETERMINATION

MBD 9

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 *per 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.

MBD 9
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 _____ (Name of Bidder)
that:

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.
10. 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

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

ANNEXURE 7

CORPORATE GOVERNANCE BREACH CLAUSE

CORPORATE GOVERNANCE BREACH CLAUSE

1. PIKITUP Johannesburg (SOC) LTD (“PIKITUP”) requires (“the Company”) to comply, *mutatis mutandis* with the Code contained in the King II Report and Code of Good Corporate Governance (below “the Code”) for the term of this Agreement and any extension thereof.
2. The Company irrevocably undertakes and agrees that it will, *mutatis mutandis*, comply with the Code for the term of this Agreement and any extensions thereof.
3. The Company acknowledges and agrees that:
 - 3.1 It is essential that the Company complies with the Code, in order to discharge all of its obligations under and in terms of the Agreement in a proper, efficient and professional manner, and
 - 3.2 PIKITUP will be prejudiced and may suffer damages in the event of the Company failing to comply with the Code.
4. The Company shall be required, within seven (7) days of the end of each calendar month during the term of this Agreement (and any extensions thereof), to furnish PIKITUP with a written certificate, signed by the directors of the Company **[alternatively members of the Close Corporation]**, certifying that the Company has complied with the provisions of the Code during the preceding months.
5. PIKITUP shall have the right, without assigning any reason therefore and at any time, to appoint either the Institute of Directors of South Africa or a firm of chartered accountants or attorneys, to conduct an audit of the business and affairs of the Company in order to ascertain whether the Company is indeed complying with the terms of the Code. To this end, the Company irrevocably undertakes and agrees to co-operate fully with the party conducting such investigation for and on behalf of PIKITUP and to make available to such party all such documentation and all such information as the investigation party may require to fully discharge its obligations under and in terms hereof and to report fully to PIKITUP.

In the event of it being found that the Company is not complying with the Code, then PIKITUP shall be entitled to (a) regard this as a breach of the agreement and (b) recover the costs of the investigation, on an attorney and client basis, from the Company. In the event of it being found that the Company is, in fact, discharging its obligations under and in terms of the Code, then PIKITUP shall bear the costs incurred in such investigation. In either of the foregoing events, the Company shall be entitled to receive a copy of the written report once same has been concluded by the investigating party.

6. In the event of the Code being replaced with another Code (or similar document), then such replacement document shall replace the Code and a reference to the Code shall be deemed to be a reference to such replacement document. The reference to the Code shall be deemed to include any statutory codification of directors' obligations and duties which may be enacted in the Republic of South Africa at any time in the future.
7. In entering into this Agreement, the Company represents and warrants to PIKITUP that it is familiar with the Code, that it fully understands and appreciates the rights, obligations and recommendations therein contained and agrees to be bound thereby as herein recorded.

ANNEXURE 11

The National Treasury General Conditions of Contract 2010 as well as specific conditions of contract for this bid will apply. The GCC is available on www.nationaltreasury.gov.za. Any additional terms and conditions will form part of special conditions of contract to be agreed and signed upon award of the bid. The contract will have to be signed by the successful bidder before the project commence. A service level agreement must be entered into by the awarded bidder and PIKITUP within 30 days of award of contract.

The following agreement is a draft agreement (indicating the specific conditions of contract) and will be concluded at bid award with the successful bidder/s.

SERVICE LEVEL AGREEMENT

between

PIKITUP JOHANNESBURG (SOC) LIMITED
("the Employer")

and

("the Service Provider")

PARTIES:

This Agreement is made between:

- (i) **PIKITUP JOHANNESBURG (SOC) LIMITED** a wholly owned municipal entity of the City of Johannesburg incorporated under the Companies Act No.71 of 2008, read with the Municipal Systems Act No. 32 of 2000, with registration number 2000/029899/07 (the “**Employer**”); and
- (ii)a company registered in accordance with the laws of the Republic of South Africa with registration number (the “**Service Provider**”).

WHEREAS

- A. The Employer is a wholly owned municipal entity that is mandated to provide municipal waste management services in the Johannesburg Metropolitan area.
- B. The Service Provider has expertise in the business of, *inter alia*, internal audit Services.
- C. In reliance on the Service Provider’s expertise, the Employer wishes to procure the services in its business operations.
- D. the Service Provider is willing and able to provide services to the Employer, the parties wish to enter into this Agreement to regulate their relationship and matters ancillary thereto.

(1)

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

For the purposes of this Agreement and the preamble above, unless the context requires otherwise:

1.1.1 Agreement means this agreement, as amended, replaced or re-stated from time to time, and the schedules and annexures hereto, if any.

1.1.2 Applicable Law means any of the following, from time to time, to the extent it applies to a Party or the Services (including, the performance, delivery, receipt or use of the Services, as applicable and wherever occurring): (a) any statute, regulation, policy, by-law, ordinance or subordinate legislation (including treaties, multinational conventions and the like having the force of law); (b) the common law; (c) any binding court order, judgment or decree; (d) any applicable industry code, policy or standard enforceable by law; or (e) any applicable direction, policy or order that is given by a regulator;

1.1.3 Business Day means a calendar day, other than a Saturday, Sunday, or public holiday in South Africa;

1.1.4 Charges means the charges and fees payable by the Employer to the Service Provider as consideration for the performance of the Services, which charges are set out in Annexure C;

1.1.5 Commencement date means

1.1.6 Commercially Reasonable Efforts means taking such steps and performing in such a manner as a well-managed company would undertake where such company was acting in a prudent and reasonable manner to achieve the particular result for its own benefit provided always that such steps are within the reasonable control of the Party;

- 1.1.7 **Confidential Information** means all information relating to the Services and the Employer (including all information relating to the Employer's business, products, services, affairs and/or finances which is not readily available, in the ordinary course of business, to third parties) and any other information which, by its nature, would reasonably be considered to be confidential;
- 1.1.8 **Employer's Representative** means the Employer's Representative or any replacement appointed in writing by the Employer and may be an individual or the holder of particular office in the employ of the Employer;
- 1.1.9 **Force Majeure Event** shall have the meaning ascribed thereto in clause 17;
- 1.1.10 **Insolvency Event** means, in relation to either Party, the occurrence of any of the following events or circumstances:
- 1.1.10.1 an order or declaration is made or a resolution is passed for the administration, custodianship, curatorship, bankruptcy, liquidation, winding-up, any form of compromise, business rescue or dissolution, (and whether provisional or final) of it or its estate;
- 1.1.10.2 a Party is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or proposes or seeks to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness;
- 1.1.10.3 any receiver, administrative receiver, any form of administrator, compulsory manager, curator, trustee in bankruptcy, liquidator, business rescue practitioner or the like (whether provisional or

final) is appointed in respect of it or any material part of a Party's assets or it requests any such appointment; or

1.1.10.4 an order is made placing a Party under supervision for business rescue proceedings as contemplated in section 131(1) of the Companies Act No. 71 of 2008;

1.1.11 **Parties** means the Service Provider and the Employer and **Party** shall mean either of them as the context requires;

1.1.12 **Performance Standards** means the performance and service levels, as set out in Annexure B and as may be amended by agreement between the Parties from time to time;

1.1.13 **Services** means the Services set out in Annexure A;

1.1.14 **Term** shall have the meaning ascribed thereto in clause 4; and

1.1.15 **VAT** means value-added tax as may be levied in terms of the Value-Added Tax Act No. 89 of 1991, to the extent applicable;

1.2 Interpretation

1.2.1 In addition to the definitions in clause 1.1, unless the context requires otherwise:

1.2.1.1 the singular shall include the plural and vice versa;

1.2.1.2 a reference to any one gender, whether masculine, feminine or neuter, includes the other two;

1.2.1.3 all the headings and sub-headings in this Agreement are for convenience only and are not to be taken into account for the purposes of interpreting it;

1.2.1.4 when any number of days is prescribed in this Agreement,
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INTERNAL AUDIT SERVICES ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD OF 36 MONTHS

same shall be reckoned exclusively of the first and inclusively of the last day unless the last day is not a Business Day, in which case the last day shall be the next succeeding day which is a Business Day;

1.2.1.5 expressions defined in this Agreement shall bear the same meanings in the schedules and annexures to this Agreement which do not themselves contain their own conflicting definitions;

1.2.1.6 if any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this interpretation clause;

1.2.1.7 the rule of construction that a contract shall be interpreted against the Party responsible for the drafting or preparation of the contract, shall not apply; and

1.2.1.8 the words “include”, “including” and “in particular” shall be construed as being by way of example or emphasis only and shall not be construed, nor shall they take effect, as limiting the generality of any preceding word/s.

2. APPOINTMENT

The Employer hereby appoints the Service Provider to provide the Services to the Employer on a non-exclusive basis, and the Service Provider hereby accepts such appointment on the terms and conditions set out herein.

3. RELATIONSHIP OF THE PARTIES

- 3.1 For the avoidance of any doubt, the Parties record and agree that, pursuant to the implementation of this Agreement, they shall at all times act as independent contractors to one another. Neither Party is an agent of the other or has any authority to represent the other as to any matters, except as expressly authorised in this Agreement.
- 3.2 Nothing contained in this Agreement shall be construed as creating a company, close corporation, joint venture, partnership or association of any kind between the Parties; nor is anything contained in this Agreement to be construed as creating or requiring any continuing relationship or commitment on a Party's or its affiliates' behalf with regard to the other Party and its affiliates other than as specifically set out herein.
- 3.3 Unless expressly authorised by this Agreement, neither of the Parties (nor their respective agents) shall have the authority or right, nor shall any Party hold itself out as having the authority or right, to assume, create or undertake any obligation of any kind whatsoever, express or implied, on behalf of or in the name of the other Party.

4. COMMENCEMENT AND DURATION

- 4.1 Subject to clause 4.2 below, this Agreement shall be deemed to have commenced on the
Signature Date and shall endure for a period of thirty -six **(36) Months** (the "**Term**") until
when it shall terminate automatically.
- 4.2 Notwithstanding the provisions of clause 4.1 above, this Agreement may be terminated at
any time during the Term or any period extended by the Employer.

5. THE SERVICES

- 5.1 The Service Provider agrees to provide the Services to the Employer as defined in Annexure A [*Services*].
- 5.2 The Service Provider shall be responsible for performing the Services in accordance with this Agreement and the Performance Standards detailed in Annexure B [*Performance Standards*]. The Service Provider undertakes that, in providing the Services, it will employ the necessary diligence, skill and expertise to comply with such Performance Standards.
- 5.3 The Service Provider shall participate in all meetings and service review sessions reasonably requested by the Employer upon reasonable notice to address performance issues related to this Agreement.

6. GENERAL OBLIGATIONS OF THE EMPLOYER

- 6.1 The Employer shall, for the duration of this Agreement, provide to the Service Provider such information and documentation as reasonably requested by the Service Provider so as to allow the Service Provider to fulfil its obligations in terms of this Agreement.
- 6.2 The Employer's use of the Services shall comply with all material Applicable Law.
- 6.3 In addition, and without derogating from the generality of this clause 6, the Employer shall for the duration of the Term (and during any extension of such Term, if applicable):
- 6.3.1 co-operate with the Service Provider in all matters relating to the Services; and
- 6.3.2 provide, in a timely manner, such input and other information as the Service Provider may reasonably require, and ensure that it is accurate in all material respects.

- 6.4 In addition, the Employer shall be responsible for and undertakes to pay the Charges as set out in Annexure C hereto.

7. GENERAL OBLIGATIONS OF THE SERVICE PROVIDER

- 7.1 The Service Provider shall:

- 7.1.1 Perform the Services with due care, skill, professionalism, and diligence as would be expected of a reasonable service provider in the position of the Service Provider;
- 7.1.2 co-operate with the Employer in all matters relating to the Services;
- 7.1.3 provide the Services in accordance with the Performance Standards ;
- 7.1.4 strictly and punctually comply with all reasonable requests submitted by the Employer in relation to the Services at any time;
- 7.1.5 work with the Employer to integrate its Services with other service providers, so appointed by the Employer, in order to achieve the main business objects as set out in the Employer's Memorandum of Incorporation;
- 7.1.6 comply with all Applicable Laws in relation to the provision of the Services conduct itself in a courteous and business-like manner always considering the image and reputation of the Employer; and
- 7.1.7 subject to clause 11 respect the confidentiality of the Employer.

8. CHARGES

- 8.1 As consideration for the provision of the Services, the Service Provider shall be entitled to the Charges in accordance with Annexure C.
- 8.2 The Service Provider shall use Commercially Reasonable Efforts to procure the services of any third party that it elects to use at reasonable rates, bearing in mind criterion such as quality of service, synergies and reliability.

- 8.3 Within 10 (ten) Business Days after the end of each calendar month, the Service Provider shall deliver its invoices in respect of the Charges to the Employer, which invoices shall set out in sufficient detail what services were provided in any given month and the amount charged for each. Within 30 (thirty) days of receipt of such invoice, the Employer shall make payment of the amount specified therein to the Service Provider into a bank account nominated in writing by the Service Provider from time to time.

9. SERVICE PROVIDERS WARRANTY ON ADHERENCE TO APPLICABLE LAW RELATED TO ANTI-BRIBERY AND SANCTIONS

- 9.1 No Party to this Agreement shall engage in any activities in relation to the Services, which would be in contravention of any Applicable Law relating to anti-fraud and corruption.
- 9.2 The Service Provider hereby warrants that, for the duration of this Agreement, it will comply (and will procure that all its employees, directors, officers or agents comply) with all laws, regulations or policies relating to economic sanctions, trade sanctions and/or export controls and the prevention and combating of bribery, corruption and money laundering, to which it or the Employer is subject.
- 9.3 The Service Provider further warrants that it has, and will for the duration of this Agreement have, an adequate anti-corruption programme in place to enable compliance with the Anti-Corruption and Sanctions Regulations.
- 9.4 The Service Provider undertakes not to, and will procure that all its members/employees, directors, officers or agents, do not:
- 9.4.1 pay, promise to pay or offer to pay, or authorise the payment of any commission, success fee, bribe, pay off or kickback related to the performance of its obligations that violates any Anti-Corruption and Sanctions Regulations or enter into any agreement pursuant to which any such commission, success fee, bribe, pay off or kickback may or will at any time be paid; or

9.4.2 offer, promise or give any undue pecuniary or other advantage, whether directly or indirectly to any public official, with the intent of influencing the actions or decisions of such official in performance of his/her official duties, with the purpose of obtaining or retaining business or other improper benefit or advantage.

9.5 Any breach by the Service Provider of the provisions of this clause will be a material breach of this Agreement and entitle the Employer to cancel this Agreement immediately on notice to the Service Provider.

10. **PENALTIES**

If the Service Provider fails to achieve the Performance Standards or complete an activity by a date specified in the Performance Standards or purchase order then, the Employer shall, without prejudice to its other remedies under this Contract impose a penalty of 10% of the invoice price which shall be deducted on each invoice submitted from the date the Service Provider failed to achieve or complete an activity until the contract is terminated.

11. **CONFIDENTIALITY**

11.1 The Service Provider agrees and undertakes to use the Confidential Information only for the purpose of rendering the Services in terms of this Agreement and for no other purpose whatsoever and not to disclose such Confidential Information to any third party without the consent of the Employer. To this end the Service Provider shall be entitled to disclose the Confidential Information to its employees, directors or subcontractors to the extent necessary for the performance of the Services, provided such persons are subject to confidentiality undertakings which are no less stringent than those applicable to the Service Provider under this Agreement.

11.2 The rights and obligations contained in this clause 10 shall endure for the duration of this Agreement and after the Termination.

12. WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

12.1 Each Party hereby warrants and represents to the other that, as at the Signature Date:

12.1.1 it shall use its Commercially Reasonable Efforts to avoid any material conflict between its interests and those of the other Party and, where such conflict is unavoidable, will disclose the details of such conflict to the other Party;

12.1.2 it has the necessary power and legal capacity to enter into and perform its obligations under this Agreement and all matters contemplated herein;

12.1.3 it has taken all necessary corporate and/or internal action to authorise the execution and performance of this Agreement;

12.1.4 it has the capacity and power to provide the representations, warranties and undertakings contained in this Agreement;

12.1.5 the execution of this Agreement and performance of its obligations hereunder does not and shall not, to the best of its knowledge:

12.1.5.1 contravene any Applicable Law; or

12.1.5.2 contravene any provision of its constitutional documents, so as to prevent it from performing its obligations under this Agreement.

13. MATERIALITY OF WARRANTIES AND REPRESENTATIONS

13.1 Each of the warranties and representations given by the Parties in terms of clause 12 and this clause 13 (or elsewhere in this Agreement) shall:

13.1.1 be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other word/s in this Agreement;

- 13.1.2 continue and remain in force notwithstanding the completion of the transactions contemplated in the Agreement; and
- 13.1.3 be deemed to be material and to be a material representation inducing the Parties to enter into this Agreement.
- 13.2 It is recorded and agreed that each Party has entered into this Agreement on the strength of the warranties and undertakings it has received from the other Party and on the basis that such warranties and undertaking will, unless otherwise specifically stated, be correct on the Signature Date.
- 13.3 A breach by either Party of any warranty, representation or other provision of clause 12 and this clause 13 or of any express or implied warranty or representation contained elsewhere in this Agreement, shall be a material breach of this Agreement which shall confer on the other Party the right, in its sole discretion, to utilise any remedy it may have in law or created in this Agreement for the enforcement of its rights, including termination in terms of clause 20.

14. COMPLIANCE WITH POPI ACT, No. 4 OF 2013

- 14.1 The Parties acknowledge their respective obligations to comply with the substantive provisions of the Protection of Personal Information Act, No. 4 of 2013 (POPI Act), which in essence comprises of both Parties allowing the other Party access to records on the condition that the identifiable person (or his or her guardian or curator) to whom the records relates has furnished prior written consent for the disclosure of the records.
- 14.2 Each Party understands and acknowledges that the restrictions and obligations accepted by that other Party pursuant to this Agreement are reasonable and necessary in order to protect the interests of the other Party, its employees and claimants and that party's failure to comply with this Agreement in any respect could cause irreparable harm to the other Party, its employees and claimants for which there may be no adequate legal remedy.

14.3 Each Party therefore understands and agrees, notwithstanding any contrary provision in any other agreement between the Parties, that each Party retains its full rights to pursue legal or equitable remedies in the event of any breach or threatened breach of this Agreement, and may prevent the other Party, any of its agents or subcontractors, or any third party who has received records from that Party from violating this Agreement by any legal means available. Each Party further understands that violation of this Agreement may subject that Party to applicable legal penalties, including those provided under POPI Act and termination of any agreements entered into between the Parties.

14.4 Within thirty (30) days after the termination of this Agreement, for whatever reason, the receiving Party of either party's personal information shall return same or at the discretion of the disclosing Party of such personal information, destroy such personal information, and shall not retain copies, samples or excerpts thereof.

14.5. In cases where the disclosing Party has elected for the personal information to be destroyed, as provided for in clause 14.4 above, the receiving Party shall, within ten (10) days of receiving the instruction to destroy the personal information, send an affidavit confirming the destruction of personal information.

15. LIMITATION OF LIABILITY

15.1 Nothing in this Agreement shall limit or exclude a Party's liability:

15.1.1 for death or personal injury of any person or physical loss or damage to any property caused by its negligence, or the negligence of its employees, agents or subcontractors; and

15.1.2 for deliberate default, fraud, fraudulent misrepresentation or reckless misconduct.

15.2 Subject to clause 15.1, under no circumstances shall a Party be liable to the other for any of the following, whether in contract, delict (including negligence) or otherwise:

15.2.1 loss of revenue or anticipated revenue;

15.2.2 loss of savings or anticipated savings;

15.2.3 loss of business opportunity;

15.2.4 loss of profits or anticipated profits;

15.2.5 wasted expenditure; or

15.2.6 any indirect or consequential losses.

15.3 Subject to clause 15.1, the Service Provider's maximum aggregate liability in contract, delict (including negligence) or otherwise, however arising, under or in connection with this Agreement shall be limited to the amount of twice the Charges paid under or pursuant to this Agreement (the "**Cap**").

16. PERFORMANCE REVIEWS

The Parties record that:

16.1 On a quarterly or on an as and when agreed basis, they shall convene a meeting to review in addition to any other issue pertaining to this agreement, levels of Service and performance of their obligations provided in this agreement;

16.2 The outcome of the reviews purported under clause 16.1 shall be documented and kept on file by each Party.

17. **FORCE MAJEURE**

- 17.1 Neither Party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent that a Force Majeure Event occurs. In such event, subject to the provisions of this clause the non-performing Party is excused from further performance for as long as such circumstances prevail and the Party continues to use its Commercially Reasonable Efforts to mitigate the effect of the Force Majeure Event and recommence performance of the Services, as soon as possible.
- 17.2 A **Force Majeure Event** is any event or circumstance or combination of events and circumstances which fulfils all of the following 3 (three) criteria:
- 17.2.1 is beyond the reasonable control of the Party affected by that event or circumstance or both;
- 17.2.2 wholly or partially prevents the performance by the affected Party of any of its obligations under this Agreement; and
- 17.2.3 cannot be prevented, overcome or remedied by the exercise by the affected Party of a standard of care and diligence consistent with that of a service provider experienced in projects or activities of a similar nature to the Services (as the case may be).
- 17.3 If a Force Majeure Event occurs, in relation to the Service Provider's obligations to provide the Services, the Service Provider must immediately notify the Employer in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the Agreement.

18. INDEPENDENT AUDIT

- 18.1 The Service Provider shall maintain up-to-date records which clearly identify relevant time and expense and shall make these available to the Employer on reasonable request.

19. DISPUTE RESOLUTION

19.1 General Dispute Resolution

- 19.1.1 Any dispute (“**a dispute**”) between the Parties arising in connection with this Agreement or the subject matter hereof shall be submitted to and determined by binding arbitration in terms of this clause 19. For the purpose hereof the term “dispute” shall be interpreted in the widest sense and shall include any dispute or difference in connection with or in respect of the conclusion or existence of this Agreement, the carrying into effect of this Agreement, the interpretation or application of the provisions of this Agreement, the Parties’ respective rights and/or obligations in terms of and/or arising out of this Agreement and/or the validity, enforceability, rectification, termination or cancellation, whether in whole or in part, of this Agreement.

- 19.1.2 The Parties shall use Commercially Reasonable Efforts to resolve amicably by direct informal negotiation any disagreement or dispute arising between them out of or in connection with this Agreement.

If, after 10 (ten) days from the commencement of such informal negotiation, the Parties have been unable amicably to resolve any disagreement or dispute arising out of or in connection with this Agreement, including any question regarding its existence or validity, either Party (the “**Referring Party**”) shall be entitled, by notice in writing to the other Party, to refer a dispute to arbitration in accordance with the rules of the Association of Arbitrators (Southern Africa). Such arbitration shall be held in [Johannesburg].

- 19.1.3 The number of arbitrators in respect of a dispute shall be 1 (one) and the appointment of the arbitrator shall be agreed upon between the Parties, but failing agreement between the Parties, the appointment shall be made by the Chairman of the Association of Arbitrators at the time of referral.
- 19.1.4 The arbitrator shall have the powers conferred upon an arbitrator under the Arbitration Act, 1965, as amended, or re-enacted in some other form from time to time, but shall not be obliged to follow the procedures described in that Act and shall be entitled to decide on such procedures as he may consider desirable for the speedy determination of the dispute, and in particular he shall have the sole and absolute discretion to determine whether and to what extent it shall be necessary to file pleadings, make discovery of documents or hear oral evidence.
- 19.1.5 The decision of the arbitrator shall be final and binding on the Parties.
- 19.1.6 The language of the arbitration shall be English.
- 19.1.7 Nothing in this clause 19 shall preclude either Party from obtaining urgent or interim relief from the High Court of South Africa or any other competent organ of state created for the specific purpose of regulating the business or industry activities in which the Parties are engaged. To this end, the Parties submit to the non-exclusive jurisdiction of the Gauteng Local Division, Johannesburg, of the High Court.

20. TERMINATION

- 20.1 The Parties acknowledge that, in relation to the Services, time is of the essence and if a Party commits a material breach of this Agreement and/or fails to comply with any of the provisions hereof (the “**Defaulting Party**”), then the other Party/s (the “**Innocent Party**”) shall be entitled to give the Defaulting Party 15 (fifteen) Business Days’ notice in writing, or such shorter period as is reasonable if time is of the essence, to remedy such breach and/or failure and if the Defaulting Party fails to comply with such notice, then

the Innocent Party shall forthwith be entitled but not obliged, without prejudice to any other rights or remedies which the Innocent Party may have in law, including the right to claim damages:

20.1.1 to cancel this Agreement; or

20.1.2 to claim immediate performance of the provisions of this Agreement.

20.2 Either Party may, by giving 14 (fourteen) days' written notice to the other Party, terminate this Agreement, in whole or in part, immediately if any Insolvency Event occurs in relation to the other Party, in which case such termination shall be deemed to have occurred 1 (one) day prior to the occurrence of the Insolvency Event.

20.3 Notwithstanding any other provision contained in the Agreement the Employer may, due to changes on operation requirement, terminate the Agreement by giving at least thirty (30) days' notice in writing to the Service Provider at any time.

21. NOTICES

21.1 The Parties choose as their *domicilia citandi et executandi* for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature, the following addresses:

21.1.1 Employer: Pikitup Johannesburg SOC Limited

Physical: 66 Jorissen Street

Jorissen Place

Braamfontein

2001

E-mail:

Attention:

21.1.2 Service Provider:

Physical:

E-mail:

Attention:

- 21.2 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing but it shall be competent to give notice by email.
- 21.3 Any Party may by notice to the other Party change the physical address chosen as its *domicilium citandi et executandi vis-à-vis* that Party to another physical address the relevant jurisdiction or its email address, provided that the change shall become effective *vis-à-vis* that addressee on the 10th (tenth) Business Day from the receipt of the notice by the addressee.
- 21.4 Any notice to a Party:
- 21.4.1 sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at an address chosen as its *domicilium* to which post is delivered shall be deemed to have been received on the 10th (tenth) Business Day after posting (unless the contrary is proved); or
- 21.4.2 delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery.
- 21.5 Notwithstanding anything to the contrary herein contained a written notice or communication (including by email) actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

22. SUBCONTRACTING, CESSION AND ASSIGNMENT

- 22.1 The Service Provider shall not be entitled to sub-contract or assign more than 25% of its rights and obligations under this Agreement to a third party unless:
- 22.1.1 the Service Provider has obtained the prior written consent of the Employer;
- 22.1.2 the third party is qualified to provide the Services; and

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- 22.1.3 the Service Provider remains responsible for the performance of the Services in accordance with the provisions of this Agreement.

23. GOVERNING LAW AND SUBMISSION TO JURISDICTION

- 23.1 This Agreement is governed by, and all disputes, claims, controversies, or disagreements of whatever nature arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, termination or enforceability, shall be resolved in accordance with the laws of South Africa.
- 23.2 Subject to clause 21, the Parties hereby consent to the non-exclusive jurisdiction of the Gauteng Local Division, Johannesburg of the High Court of South Africa in respect of all matters and proceedings arising out of, pursuant to or in connection with this Agreement.

24. WHOLE AGREEMENT, NO AMENDMENT

- 24.1 No amendment or consensual cancellation of this Agreement or any provision or term thereof or of any agreement or other document issued or executed pursuant to or in terms of this Agreement and no settlement of any disputes arising under this Agreement and no extension of time, waiver, or relaxation or suspension of or agreement not to enforce or to suspend or postpone the enforcement of any of the provisions or terms of this Agreement or of any agreement or other document issued pursuant to or in terms of this Agreement shall be binding unless recorded in a written document signed by the Parties (or in the case of an extension of time, waiver, relaxation or suspension, signed by the Party granting such extension, waiver, relaxation or suspension). Any such extension, waiver, relaxation or suspension which is so given or made shall be construed strictly as relating only to the matter in respect whereof it was made or given.
- 24.2 No oral *pactum de non petendo* shall be of any force or effect.

24.3 No extension of time or waiver or relaxation of any of the provisions or terms of this Agreement or any agreement, or other document issued or executed pursuant to or in terms of this Agreement, shall operate as an estoppel against any Party in respect of its rights under this Agreement, nor shall it operate so as to preclude such Party thereafter from exercising its rights strictly in accordance with this Agreement.

24.4 To the extent permissible under Applicable Law, no Party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the contract and/or whether it was negligent or not.

25. **SEVERABILITY**

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated *pro non scripto* and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

26. **STIPULATIO ALTERI**

No part of this Agreement shall constitute a *stipulatio alteri* in favour of any person who is not a Party to the Agreement unless the provision in question expressly provides that it does constitute a *stipulatio alteri*.

27. **EXECUTION IN COUNTERPARTS**

This Agreement may be executed in two counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement as at the date of signature of the Party that signs its counterpart last in time.

28. **COSTS**

Each Party will bear its own costs in relation to the drafting and finalisation of this Agreement (including but not limited to attorneys' fees, financial advisers' fees, expenses, etc.) and attendances incidental thereto.

SIGNED at _____ on this the _____ day of _____ 2023.

For and on behalf of

**PIKITUP JOHANNESBURG (SOC)
LIMITED**

Signatory:

Capacity:

Who warrants his authority hereto

SIGNED at _____ on this the _____ day of _____ 2023

For and on behalf of the Service Provider

Signatory:

Capacity:

Who warrants his/her authority hereto

ANNEXURE A

THE SERVICES

1. The Employer requires the Service Provider to conduct internal audit services on the following categories:

- n) Audit of Information and Communication Technology (ICT)
- o) Performance Management and Information Audits
- p) Audit of pre-determined objectives
- q) Financial Audits
- r) Compliance Audits
- s) Operational Audits
- t) Probity Audits
- u) Combined Assurance
- v) Enterprise Risk Management
- w) Business Continuity Management
- x) Forensic Audits and Fraud Related Services
- y) Assurance on Ethics

2. The Service Provider shall provide the Employer with the project manager and project team to conduct the service.

2.1 The project manager/director should have a minimum of 10 years' internal audit experience with either of the following professional qualifications:

- Certified Internal Auditor (CIA) or
- Qualified Chartered Accountant (CA/SA)

2.2 Each auditor should have a minimum experience of 4 years. The team must consist of members with the following qualifications:

- 1 X Certified Internal Auditor (CIA)
- 1 x Qualified Chartered Accountant (CA/SA)

- 1x Certified Information System Auditor (CISA)
- 1x Certified Fraud Examiner (CFE)
- Minimum of 2 Auditors with a degree in auditing or internal auditing or accounting or finance.
- Each member of the team should have a minimum experience of 4 years

3. PROJECT PLAN

3.1 The Service Provider should:

- 3.1.1 Submit a project plan outlining the processes map, activities, audit approach and how the methodology will meet stated deliverable;
- 3.1.2 Demonstrate by expanding on key deliverables, systematic project methodology and approach including final reporting phase. The plan should detail the key tasks to be performed, activities required and the milestones for each tasks to be undertaken. This must include a work programme and resources to be utilised.
- 3.1.3 provide specific timeframes which will be agreed upon with the appointed based on the audit project undertaken.

4. ACTIVE PROFESSIONAL MEMBERSHIP/AFFILIATION

4.1 The Service Provider or audit firm should consist of members affiliated with the following professional bodies:

- 4.1.1 At least 1 X Institute of Internal auditors (IIA)
- 4.1.2 At least 1 X Independent Regulatory Board of Auditors (IRBA)
- 4.1.3 At least 1 X South African Institute of Chartered Accountants (SAICA)
- 4.1.4 At least 1 X Information System Audit and Control Association (ISACA)
- 4.1.5 At least 1 X Association of Certified Fraud Examiners

5. SPECIAL CONDITIONS

- 5.1 The service provider will be required to sign the security and confidentiality of all information provided by Pikitup through a non-disclosure agreement.

ANNEXURE B

PERFORMANCE STANDARDS

The Service Provider must within 90 days of the receipt of the purchase order review, appraisal of, and report to the Employer's Representative on the following:

1. Systems established by management to ensure compliance with policies, plans, procedures, laws and regulations which could have a significant impact on operations;
2. Operations or programs to ascertain whether results are consistent with established objectives and goals and whether operations or programs are being carried out as planned;
3. Reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
4. Economy and efficiency with which company's resources are employed and identify opportunities to improve operating performance;
5. Means of safeguarding assets and, as appropriate, verifying the existence of assets;
6. Risks are appropriately identified and managed; and
7. Quality and continuous improvement are fostered in the organisation's control process; Internal Audit provides a written assessment on the effectiveness of the company's system of internal controls, financial controls and risk management to the Audit and Risk Committee and the Board on quarterly and annual basis in line with relevant standards and norms.

ANNEXURE C

PRICING SCHEDULE

Your company will be required to provide quotation together with other service providers on the panel for that specific audit requirement.

ANNEXURE 9

**ALL COMPULSORY RETURNABLE DOCUMENTS
AND OTHER RETURNABLE DOCUMENTS TO BE
ATTACHED**