

REQUEST FOR QUOTATION

APPOINTMENT OF A SERVICE PROVIDER TO ADVISE ON AND DEVELOP A BESPOKE DIGITAL TRANSFORMATION STRATEGY AND IMPLEMENTATION PLAN FOR THE IRBA

RFQ NO: IRBA/RFQ/EXECUTIVE/DIGITALTRANSFORMATIONSTRATEGY/12/2023

CLOSING DATE & TIME: 31 JANUARY 2024 AT 11H00AM (SOUTH AFRICAN TIME)

RFQ VALIDITY PERIOD: 60 working days (from the RFQ closing date)

RFQ DESCRIPTION: The IRBA seeks to appoint a suitable service provider to advise on and develop a bespoke digital transformation strategy and implementation plan.

1. Bidders are hereby invited to submit their proposals for the supply of the abovementioned services, according to the Terms of Reference and conditions that are outlined in this document.
2. This request for quotation is subject to the General Conditions of Contract and, where applicable, any other special conditions of contract.
3. Kindly note that the quotation should be submitted as follows:
 - Proposals should be sent via electronic submission and emailed to pmualusi@irba.co.za on or before the RFQ closing date. Email sizes have been restricted to 15MB per email.
 - Responses sent to any other email address, other than the one specified herein, will be disqualified, and not considered for an evaluation. Therefore, it is the bidder's responsibility to ensure that the proposal is sent to the correct and dedicated RFQ email address and received by the IRBA before the closing date and time.
 - All questions must be emailed to pmualusi@irba.co.za on or before **24 January 2024**.
4. No bids will be considered from any entity or person that is regulated by the IRBA, including network firms, as defined in the IRBA Code of Professional Conduct for Registered Auditors.
5. Late quotations will not be accepted.

www.irba.co.za

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■ Postal PO Box 8237 Greenstone 1616 Johannesburg South Africa
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Established in terms of Auditing Profession Act 26 of 2005 (as amended)

TERMS OF REFERENCE

APPOINTMENT OF A SERVICE PROVIDER TO ADVISE ON AND DEVELOP A BESPOKE DIGITAL TRANSFORMATION STRATEGY AND IMPLEMENTATION PLAN FOR THE IRBA

1. BACKGROUND OF THE IRBA

A. Statutory Mandate

The IRBA was established in terms of Section 3 of the Auditing Profession Act, No. 26 of 2005, as amended (the Act), which had an effective date of 1 April 2006. The objectives of the Act, as set out in Section 2, are as follows:

- a) To protect the public in the Republic by regulating audits performed by registered auditors (Ras).
- b) To provide for the establishment of an Independent Regulatory Board for Auditors (IRBA).
- c) To improve the development and maintenance of internationally comparable ethical standards and auditing standards for auditors that promote investment and as a consequence employment in the Republic.
- d) To set out measures to advance the implementation of appropriate standards of competence and good ethics in the auditing profession.
- e) To provide for procedures for disciplinary action in respect of improper conduct.

B. Operations

The audit enhances the trust in the financial results prepared and published by companies in South Africa. There are approximately 3,555 individual RA's and 1,197 registered auditing firms in South Africa. Ras operate across all industries which means they are constantly improving their own skills and adapting / modernising the audit process to respond to the technological developments at the companies that they audit. To this end, the IRBA regulates a profession that is highly skilled and technologically advanced, and constantly changing. To enable the IRBA to fulfil its statutory mandate, it needs to be adaptable and responsive to the changes in this professional environment, including technological advancements.

To operationalise its legal mandate, the IRBA has established seven departments, with a total of approximately 102 staff members, that carry out the following activities:

The Executive Department:

Responsible for overall direction of the IRBA operations, governance, stakeholder relationship management, strategic communication, as well as research and data analysis within the profession.

The Standards department:

Responsible for the development and maintenance of internationally comparable Ethics and Auditing Standards for Auditors.

The Inspections Department:

Responsible for inspecting or reviewing the practice of a RA who performs the audit of public interest companies.

The Education Department:

Responsible for functions relating to the development and maintenance of the competence required to become an RA, as well as to raise awareness and transform the auditing profession. This includes the accreditation and monitoring of professional bodies, the audit development programme and CPD monitoring.

The Investigations Department:

Responsible for the investigating allegations of improper conduct against Ras.

The Legal Department:

Responsible for the registration of auditors, pursuing disciplinary action against Ras suspected of improper conduct, administration of reportable irregularities, litigation, general legal support and compliance.

The Operations Department:

Provides support to the organisation in terms of Financial Management, Risk Management, Supply Chain Management, Facilities, Information and Communication Technology, Knowledge Management, Language and Communications and Human Resources Management.

Refer to [IRBA Annual Report 2023.pdf](#) for further organisational background.

2. DIGITAL TRANSFORMATION GOALS

- a) To enable the IRBA to stay relevant in a fast-paced and ever-changing professional environment, through our people, processes and technological platforms.
- b) To equip the IRBA with the agility needed to adapt and respond to opportunities and threats presented by technological advancements in the professional environment it regulates, by instilling the right culture and competencies into the organisation.
- c) To position the IRBA as a pro-active and an innovative regulator.

3. SERVICE OBJECTIVES

- a) A bespoke digital transformation strategy and implementation plan for IRBA.
- b) A strategy that is not academic, but practical and tailored specifically for IRBA's needs.
- c) To integrate the digital transformation strategy into IRBA's next five-year strategy (2025-2030)
- d) To leverage technological advancements to enhance operational efficiency, decision-making, and overall adaptability.

- e) To have a clear, actionable digital transformation plan with milestones for short, medium, and long-term goals for the IRBA as a whole and for each of the IRBA's internal departments.
- f) To ensure that the strategy covers all dimensions of digital transformation but is prioritised based on IRBA's specific needs and environment.
- g) To ensure that the strategy includes an iterative approach with ongoing consultation and feedback.

4. SCOPE OF SERVICE REQUIREMENTS

Scope of services may include but are not limited to:

4.1. Status Quo Assessment:

- a) To conduct a realistic status quo assessment of IRBA's current digital transformation state, including conducting a comprehensive assessment of the current technological landscape, processes, and regulatory requirements.

4.2. Benchmarking:

- a) Benchmarking our current state against local and international industry peers, including international audit regulators.

4.3. Defining the IRBA's Future State including but not limited to:

- a) Investment in Technology
- b) Data Utilisation and Analytics
- c) Process Optimisation
- d) Process Automation (Robotic Process Automation (RPA) and Artificial Intelligence (AI))

4.4. Gap analysis:

- a) Identify the relevant gaps between the Status Quo and Future State and related actions to address these gaps.

4.5. Developing a Digital Transformation Strategy and Implementation Plan.

4.6. Strategic Alignment

- a) Align the proposed Digital Transformation Strategy with the IRBA's new five-year strategy, emphasising enhanced efficiency, transparency, and improved oversight.

4.7. Leadership Actions (Change Management Plan):

- a) To drive the digital transformation initiative.
- b) To foster a culture of innovation and adaptability.
- c) Promote continuous learning within the IRBA (training and skills development).
- d) Stakeholder engagement and communication.

4.8. Measurement and Continuous Improvement Plan:

- a) Define key performance indicators (KPIs) to measure the impact of digital transformation on regulatory processes and stakeholder satisfaction.
- b) Continuously evaluate, adjust, and improve the digital transformation strategy based on measured outcomes and feedback.

5. PRICING STRUCTURE

Service provider(s) are required to submit an all-inclusive quote on an official company letterhead using the Pricing Schedule (Table 1) below. The Pricing Schedule covers the cost breakdown for all items, as per the scope of work and the expected deliverables for the duration of the contract. Service provider(s) must submit price quotations that are **inclusive** of Valued-Added Tax (VAT).

The Pricing Schedule (Table 1) is compulsory, and service providers must ensure that it is completed without changing the structure. Failure to complete same in the prescribed manner as per the Table 1 below and without authenticated alterations may result in disqualification of the bid during the financial evaluation process.

Pricing must be Fixed & Firm for the duration of the contract.

Table 1: Pricing Schedule

Activities as per the scope work as detailed in this RFQ document					
No	Activity/Milestone	Duration in hours	Rate per hour	Total cost (excl. VAT)	Expected Deliverables
1.	Conduct a realistic status quo assessment of IRBA's current digital transformation state				Status Quo Assessment
2.	Benchmarking IRBA's current state against local and international industry peers				Benchmark results
3.	Defining the IRBA's future digital transformation state and Gap Analysis				"To-Be" Digital Transformation state and Gap Analysis
4.	Develop the Digital Transformation Strategy and Implementation Plan				Digital Transformation Strategy & Implementation Plan
5.	Develop the Change Management Plan				Change Management Plan
6.	Develop the Measurement and Continuous Improvement Plan				Performance Management Plan

Activities as per the scope work as detailed in this RFQ document					
No	Activity/Milestone	Duration in hours	Rate per hour	Total cost (excl. VAT)	Expected Deliverables
7.	Any other services relevant to deliver on the scope of work (please specify)				(Please specify)
TOTAL AMOUNT (EXCL. VAT)					R
VAT (15%)					R
TOTAL AMOUNT (INCL. VAT)					R

6. EVALUATION CRITERIA

6.1. First stage evaluation: Eligibility Criteria/Mandatory Requirements

Service Provider Minimum Requirements

The first stage of the evaluation will be to assess compliance with the submission of the following mandatory documents/information. Only proposals that are 100% compliant with the first stage evaluation process will be evaluated further on the second stage evaluation.

- a) **National Treasury – Central Supplier Database (CSD):** Service providers must submit confirmation of their company or individual registration on the Central Supplier Database (CSD). The IRBA will not award any bid to a service provider that is not registered as a prospective supplier on the CSD, as required in terms of National Treasury Circular No. 3 of 2015/2016 and National Treasury SCM Instruction Note 4 of 2016/2017. The CSD registration requirement applies to all companies/individuals.
- b) Service providers must submit price quotations that are **inclusive of VAT** (if applicable) with their proposals.
- c) Service providers must be fully compliant with the IRBA specifications as per scope of work; failure will result in disqualification.
- d) The IRBA maintains independence from the registered auditors it regulates. As such, no bids will be considered from any entity or person that is regulated by the IRBA, including network firms, as defined in the IRBA Code of Professional Conduct for Registered Auditors. In view of this, bidders must be free from any relationship that could result in any undue influence from auditors and audit firms regulated by the IRBA. Consequently, bidders are required to submit an affidavit confirming that they are independent of the auditing profession in that:
 - They are not employed by an audit firm and/or a network firm; and

- They do not share, directly or indirectly, in any profits or interests of a registered auditor, an audit firm and/or any person related to a registered auditor and/or an audit firm.
- e) Submission of completed SBD 4 and 6.1 forms.

6.2. Second stage evaluation: Functionality

The submitted tenders will be evaluated based on the list of criteria defined below and in the specific sequence. A proposal that fails to meet any one criterion will be disqualified and not be considered in the next evaluation stage (Stage 3: Pricing & Specific Goals).

The functional evaluation will be based on a threshold of 80 points, where bidders who fail to achieve an overall minimum of 80 points on the functional evaluation stage will not be considered further in the evaluation. It should be further noted that a minimum qualifying score per criteria must be met as set out in the evaluation criteria. Failure to achieve any of the minimum score will result in disqualification for further consideration even if the overall minimum total score has been achieved.

No.	Functionality Criteria	Points	Maximum Points Attainable
(i)	<u>Related Work Experience</u> Bidders to provide a minimum of three (3) signed Contactable Reference letters from their clients within the Public Sector or Corporate Business of similar projects where they have consulted and developed a digital transformation strategy and implementation plan, and each project must have a minimum contract value of R100 000 and must have been completed within the past three (3) years. The reference letters must be on the client's official letterhead and must contain the contact person details and phone numbers/email addresses. IRBA reserves the right to verify the information provided.	<ul style="list-style-type: none"> • Less than three (3) reference letters provided = 0 • Three (3) similar project reference letters = 30 • Four (4) or more similar project reference letters = 40 	40
(ii)	<u>Company Resource</u> Profile of the project leader, including the member's curriculum vitae and qualifications, with experience relating to consulting in the development of a digital transformation strategy and implementation plan. Submit these with contactable references.	<ul style="list-style-type: none"> • Less than three (3) years post-qualification experience and no minimum qualifications = 0 • Three (3) or more years and less than five (5) years' post-qualification 	40

No.	Functionality Criteria	Points	Maximum Points Attainable
	<p>The Project Leader must have a minimum of three (3) years post qualification experience in consulting with clients in the Public Sector or Corporate Business to develop a digital transformation strategy and implementation plan,</p> <p>and</p> <p>minimum of a degree/NQF7 in IT/Commerce/Business Management/Risk Management or equivalent.</p> <p>Valid certificates must be provided, failure to do so will lead to no score.</p>	<p>experience with minimum qualifications = 30</p> <ul style="list-style-type: none"> • Five (5) or more years post-qualification experience with minimum qualifications = 40 	
(iii)	<p><u>Project Plan and Methodology</u></p> <p>This must include the proposed project approach and methodology, logistical arrangements, detailed tasks, timelines, resource allocation project management, control and oversight.</p> <p><u>Project Plan/Timelines</u></p> <ul style="list-style-type: none"> • Project plan must be aligned with the scope and must be completed within the required timeframe of six (6) months. <p><u>Methodology</u></p> <ul style="list-style-type: none"> • Methodology is specific and tailored to suit the scope of work with clear deliverables, milestones, and detailed tasks. 	<p><u>Project Plan/Timelines</u></p> <ul style="list-style-type: none"> • Project plan is not aligned to the scope of works OR timeframe exceeds six (6) months = 0 • Project plan aligned to scope of work and the timeframe does not exceed six (6) months = 10 <p><u>Methodology</u></p> <ul style="list-style-type: none"> • Methodology does not adequately deal with the scope of work and/or is too generic = 0 • Methodology is specific and tailored to suit the scope of work with clear deliverables, milestones, and detailed tasks = 10 	20
	Total Points Awarded		100

6.3. Third stage evaluation: Pricing & Specific Goals

Proposals that are compliant with the first and second stage evaluation will be evaluated further in terms of 80/20 preference point systems. The IRBA is committed to achieving Government's transformation.

A Maximum of 80 Points is allocated for price on the following basis:

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

P_{min}

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

Points awarded for Special Goals Requirement

In terms of Regulation 3.(1) An organ of state must, in the tender documents, stipulate— (a) the applicable preference point system as envisaged in regulations 4, 5, 6 or 7; (b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goals in accordance with the table below:

Table 3: Specified Goals for Preferential Point System	Points Allocation Specified Goals
Enterprise with ownership of 51% or more by person/s who are black	10
Enterprise with ownership of 51% or more by person/s who are women	5
Enterprise with ownership of 51% or more by person/s who are youth	3
Enterprise with ownership of 51% or more by person/s with disability	2
Total Points	20

In order to qualify for preference points the bidder must submit the following proof documents together with the proposals for 80/20 evaluation criteria. Failure to submit supporting proof of documents will not disqualify the bidder, however it will result to allocation of zero (0) points.

Procurement Requirement	Proof Documents
Black people /Ownership	CSD Report / BEE Certificates/Affidavit
Women	CSD Report/ BEE Certificates
Disabled (living with disability)	CSD Report, Medical Certificate / Report
Youth	CSD Report
CSD Report will be used for verification of ownership percentage	

7. DURATION OF CONTRACT

The contract shall not exceed a period of six (6) months. A Service Level Agreement will be entered into between the successful Service Provider and the IRBA to manage and track the quality of services to be rendered.

8. CANCELLATION OF CONTRACT

- 8.1. Notwithstanding anything to the contrary, the IRBA shall be entitled to summarily terminate the service provider's appointment in the event of a material breach of their obligations under the SLA or any terms of appointment contained in an appointment letter, including but not limited to –
- i) Failure to deliver services to the satisfaction of the IRBA.
 - ii) Failure to render services and/or regular updates timeously to the IRBA.
 - iii) Any involvement in a corrupt activity including but limited to offering a gift or remuneration to any officer or employee of the IRBA in connection with securing an appointment or executing a contract.
 - iv) Acting in bad faith or otherwise fraudulently in securing appointment or in the execution of the contract.
 - v) Wrongfully and/or unlawfully influencing or attempted to influence the awarding of the IRBA's RFQ process.
 - vi) Engaging in any anti-competitive behaviour, including entering into any agreement or arrangement, with any other person to refrain from quoting for this contract, or relating to the RFQ price to be submitted by either party.
 - vii) Disclosing to any other person any information relating to this RFQ, except where disclosure in confidence was necessary to obtain quotations required for the preparation of the RFQ
- 8.2. Any obligations imposed by the terms of the service providers appointment, including the service level agreement, shall be applicable to any person with which service provider is associated in rendering services to the IRBA.

- 8.3. The IRBA reserves the right to unilaterally terminate the contract with the successful Service Provider on one month's notice, in the event of circumstances beyond its control and that render continuation with the contract undesirable or unnecessary, without compensation to the Service Provider.

9. CONTRACTUAL ASPECTS

- 9.1. The contents of this document shall be deemed to constitute the Special Conditions of Contract applicable to this bid and shall be read together with the General Conditions of Contract issued in accordance with Chapter 16A of the Treasury Regulations.
- 9.2. Where, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the Special Conditions of Contract shall prevail.
- 9.3. The bid document, together with the specifications contained in this document, shall constitute part of the Contract.
- 9.4. Bidders shall not perform any work or render any services in terms of the Contract, unless they are in receipt of a written instruction to that effect from the IRBA.
- 9.5. The successful bidder may not assign his/her own obligations.
- 9.6. The successful bidder must advise the IRBA immediately when it seems like unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to the IRBA, including project team changes that may affect the quality of the service.

10. DISCLAIMER

- 10.1. Service providers must make and rely on their own investigations and satisfy themselves as to the correctness of any and all aspects of the quotation. The IRBA will not be liable for any incorrect or potentially misleading information in relation to any part of this document and any accompanying quotation documents.
- 10.2. The IRBA reserves the right to not appoint any particular service providers that does not comply with the conditions of this terms of reference, or if information that could put the IRBA at risk is obtained by the IRBA about a service provider.
- 10.3. The IRBA reserves the right to cancel these terms of reference should the budget to cover the full quote of this terms of reference not be available at the time of awarding the quotation or if the need does not exist anymore or the specifications have changed.

11. ABSENCE OF OBLIGATION

No legal or other obligation shall arise between service provider and the IRBA, unless and until the formal appointment documentation has been signed. The IRBA is not obliged to proceed with any service provider's proposals. The IRBA reserves the right to request changes to any proposed consortia.

12. QUOTATION SUBMISSION REQUIREMENTS

12.1. The IRBA requires only one (1) submission of the complete quotation documentation supporting the criteria as stated above to be emailed to pmualusi@irba.co.za.

12.2. All the documentation submitted in response to this Request for Quotation (RFQ) must be in English.

- a) RFQ validity 60 Working days from closing date.
- b) The service provider is responsible for all the costs that it shall incur related to the preparation and submission of the quotation document.
- c) The service provider should check the numbering of the pages of its quotation to satisfy itself that none are missing or duplicated. No liability will be accepted by the IRBA in regard to anything arising from the fact that pages of a quotation are missing or duplicated.
- d) The IRBA will not award any bid to a service provider that is not registered as a prospective supplier on the CSD, as required in terms of National Treasury Circular No. 3 of 2015/2016 and National Treasury SCM Instruction Note 4 of 2016/2017. The CSD registration requirement applies to all companies/individuals, including joint ventures and sub-contracted companies.
- e) The IRBA may elect to engage in detailed discussions with any one or more service provider, with a view to maximising the benefits of this RFQ as measured against the evaluation criteria and in fully understanding a service provider's offer.
- f) In its absolute discretion, the IRBA may invite some or all service providers to give a presentation to the IRBA in relation to their submissions, that may include a demonstration of software, programs or unique methodologies proposed, if applicable.
- g) In addition to presentations and discussions, the IRBA may request some or all service providers to:
 - a) Conduct a site visit, if applicable;
 - b) provide references or additional information; and/or
 - c) make themselves available for panel interviews.

13. ENQUIRIES

Enquiries may be directed as follows:

SCM Enquiries

Phyllis Mualusi

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Specification Enquiries

Marius Fourie

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COMPLIANCE WITH PERSONAL INFORMATION PROCESSING LAWS

The Protection of Personal Information Act 4 of 2013 (POPIA) restricts the processing of personal information to circumstances that are lawful, legitimate, responsible and comply with the provisions of POPIA.

The IRBA will have to process certain personal information, which is owned or held by Bidders; and thus, in order to comply with POPIA, the IRBA must provide Bidders, whose personal information is processed, with a number of details pertaining to such processing, prior to the information being processed, which details are housed under the IRBA Procurement Processing Notice found on the IRBA website: <https://www.irba.co.za/library/popii-act>. You are requested to download and read the Notice. Please note that most of your personal information, which we will be processing, is required for lawful purposes and, as a result, your consent to process will not be required. Where we do, however, require your consent, which is indicated in the Notice, the handing over of such personal information to the IRBA will be viewed as consent to the IRBA's processing of such personal information.

Where the IRBA's personal information is provided for processing, the IRBA consents to the processing thereof, provided that you or any other recipient who processes it undertakes to process all and any such personal information strictly in compliance with POPIA, and subject further that where the IRBA's personal information is not processed in accordance with POPIA, then the person handing such information indemnifies and holds the IRBA and/or any third parties who may be or will be affected by such non-compliance harmless against all and any liabilities, loss or damages, including pecuniary, non-pecuniary and/or aggravated damages, which the IRBA or any data subject or other person may incur in consequence of such non-compliance, such person (who is processing the personal information) agreeing to pay to the IRBA and/or any affected data subject/s or third party/ies all and any such damages which they may have incurred as a result of such non-compliance, on demand, and **no limitation of liability clauses** housed under this document or elsewhere **will under any circumstances limit the abovementioned damages**.

Where the IRBA provides personal information to you in terms of this document and you are tasked with processing it on behalf of the IRBA in your capacity as an "Operator", as defined under POPIA, then in such case, the provisions set out under the IRBA standard **"Operator Agreement/Addendum"** found on the IRBA website will apply to such processing, which terms will be incorporated into and read together with this document.