



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

BID DOCUMENT

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF INTERNAL AUDIT SERVICES TO THE PRESIDENCY FOR COMPLETION OF THREE (3) INTERNAL AUDIT OPERATIONAL YEARS

BID NUMBER: PO 2024/25:007
CLOSING DATE: 17 May 2024
TIME: 11:00
VALIDITY PERIOD: 120 days

Kindly take note of the following attached documentations:

Section 1: Standard Bidding Documents

Section 2: Special Conditions (Terms of Reference)

Section 3: General Conditions

Standard Bidding Documents (SBD) forms MUST be completed in full, in black ink (whether handwritten or typed). Any changes on the SBD form must be countersigned by the bidder. The use of Tippex or any similar material is not permitted.

Bidders must submit the original bid document and completed SBD forms. In addition, bidders must submit two additional copies of the bid document, (that is, one hard copy (photocopy) and one soft copy in a PDF format, in a suitable electronic medium, e.g. flash drive or portable hard drive etc. Failure to do so may result in the bid/proposal being disqualified. All three bid documents must be submitted in a sealed envelope.

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	PO 2024/25:007	CLOSING DATE:	17 May 2024	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF INTERNAL AUDIT SERVICES TO THE PRESIDENCY FOR COMPLETION OF THREE (3) INTERNAL AUDIT OPERATIONAL YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Union Buildings					
Government Avenue					
Pretoria					
Arcadia					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	SCM: Acquisition Management		CONTACT PERSON	Elna Erasmus	
TELEPHONE NUMBER	N/A		TELEPHONE NUMBER	N/A	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	tenders@presidency.gov.za		E-MAIL ADDRESS	internalaudit@presidency.gov.za	
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					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</p>
2. TAX COMPLIANCE REQUIREMENTS
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p> <p>2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."</p>

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

PRICING SCHEDULE
(Professional Services)

Name of bidder.....	Bid number PO 2024/25:007
Closing Time 11:00	Closing date: 17 May 2024

OFFER TO BE VALID FOR **120** DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project **N/A refer to Annexure E**

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4.	AVERAGE RATE PER HOUR - AS PER ANNEXURE E	HOURLY RATE
	Average rate per hour for year 1	R _____
	Average rate per hour for year 2	R _____
	Average rate per hour for year 3	R _____

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

5.1 Travel expenses (specify, for example rate/km and total km, class of air travel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____

**** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.**

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____
_____	_____	_____	R _____

TOTAL: R.....

- 6. Period required for commencement with project after acceptance of bid
.....
- 7. Estimated man-days for completion of project.....
- 8. Are the rates quoted firm for the full period of contract? *YES/NO
- 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....

Any enquiries regarding bidding procedures may be directed to the –

Department: The Presidency

Contact Person: SCM: Acquisition Management

E-mail address: tenders@presidency.gov.za

Or for technical information –

Contact Person: Elna Erasmus

E-mail address: internalaudit@presidency.gov.za

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state?

YES/NO

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution?

YES/NO

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES/NO

2.3.1 If so, furnish particulars:

.....

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

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF

PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY

CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

a) The applicable preference point system for this tender is the 80/20 preference point system.

1.2 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.3 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

DESCRIPTION	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.4 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.5 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or 90/10

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or 90/10

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Women	20	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[Tick applicable box]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

 SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:
DATE:
ADDRESS:



**THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA
SUPPLY CHAIN MANAGEMENT**

APPOINTMENT OF SERVICE PROVIDER FOR PROVISION OF INTERNAL AUDIT SERVICES TO THE PRESIDENCY FOR COMPLETION OF THREE (3) INTERNAL AUDIT OPERATIONAL YEARS

1. THE PURPOSE OF TERMS OF REFERENCE

The purpose of this terms of reference is to invite bidders to submit bid responses/proposals for the appointment of **suitable service provider/s**, for provision of internal audit services to The Presidency for completion of three (3) internal audit operational years.

2. BACKGROUND

The mandate of Internal Audit is defined in National Treasury Regulations. In terms of *Treasury Regulations 3.2.11*, an Internal Audit function must assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The controls subject to evaluation should encompass the following-

- (a) The information system environment;
- (b) The reliability and integrity of financial and operational information;
- (c) The effectiveness of operations;
- (d) Safeguarding of assets; and
- (e) Compliance with laws; regulations and controls

The Presidency Internal Audit Services is required to provide assurance and consulting services to Management and Audit Committee that all systems of internal controls, governance and risk management are working as intended and also report where improvements are required in order for the organization to achieve its goals and objectives as outlined in the Department's Strategic Plan.

The Presidency has Internal Audit services in place which was established in terms of section 38 (1) (a) (ii) of the Public Finance Management Act and operating in terms of the IIA (Institute of Internal Audit) Standards. The current in-house capacity of three (3) officials is not sufficient to deliver on the Internal Audit Mandate.

The Internal Audits will be rendered at the **Union Building**, located in Pretoria and the following areas when required:

- a) Durban
- b) Cape Town

3. SCOPE OF WORK

Appointed service provider will assist The Presidency to conduct reviews in terms of the Professional Standards of Internal Auditors and Global Internal Audit Standards (when implemented) as prescribed by Public Finance Management Act of 1999; and Treasury Regulations 3.2.11

It is the responsibility of Internal Audit to provide management with advice as to whether the controls in place are working as intended, and further providing some consulting/advisory services where there is a need.

The following services are also required to ensure the effectiveness of Internal Audit:

- Review and improvement of the Unit Methodology, Policies and Procedures taken into account the Global Internal Audit Standards to be introduced from 9 January 2025
- Compilation of Three year rolling plan an annual operation plan
- Assist with the improvement of Combined Assurance Framework, plans and reporting
- Perform value added data analytics through computer assisted audit techniques (CAATS) to increase audit scope and efficiencies in the audit process

4. REQUIREMENT FOR THE PROJECT

The suitable service provider will have the necessary capacity, skill and experience to perform quality work.

4.1 Qualifications and Experience required

- Bidders must demonstrate adequate staff with knowledge and experience in Internal Audit.
- Team members must practice Internal Auditing at a senior level that demonstrates a working knowledge and application of the International Professional Practice Framework (IPPF) and Global Internal Audit Standards still to be implemented
- Team members must have technical skills in Internal Audit covering areas such as information technology, risk management, governance and strategic management, internal auditing and audit management.
- **Annexure A: Team details** must be used to summarise experience and details about projects worked on including roles and duration. The information in Annexure A should reconcile with Information on the CV's and supporting documents.

The following **minimum requirement** for qualification and experience are required from senior team members to ensure proper supervision.

Roles	Qualifications	Experience
Partner/Director	Minimum: Post graduate degree (NQF Level 8) Certified Internal Auditor (CIA)/	Minimum: At least fifteen(15) years' experience in the auditing field of which: <ul style="list-style-type: none">• Ten (10) years experience in the practice of Internal

Roles	Qualifications	Experience
	Chartered Accountant CA (SA) Member of the IIA SA	Auditing at a senior level that demonstrates a working knowledge and application of the IPPF. <ul style="list-style-type: none"> • Ten (10) years' experience in the public sector.
Senior manager	Minimum: Post graduate degree (NQF Level 8); Certified Internal Auditor (CIA) Member of the IIA SA	Minimum: At least ten (10) years' experience in the practice of Internal Auditing at a senior level that demonstrates a working knowledge and application of the IPPF. Seven (7) years' experience in the public sector
Manager	Minimum: Bachelor's degree (NQF Level 7); Certified Internal Auditor (CIA) Member of the IIA SA	Minimum: At least ten (10) years' experience in the practice of Internal Auditing of which: <ul style="list-style-type: none"> • Eight (8) years are at a manager level that demonstrates a working knowledge and application of the IPPF. • Five (5) years' experience in the public sector
Manager: IT	Minimum: Bachelor's degree (NQF Level 7); Certified Information System Auditor (CISA)	Minimum: At least ten years' experience in the practice of Information Systems Auditing, of which eight years are a manager level
Quality reviewer	Minimum: Bachelor's degree (NQF Level 7) Member of the IIA SA; Certified Internal Auditor (CIA); Certified/Accredited Quality Assessor	Minimum: At least five years' experience, in the External Quality Assessment field.

Service providers must ensure that junior staff, who will be part of the team possess the necessary and relevant skills, experience and qualifications.

Service providers are required to submit proposed team members detailing qualifications and experience (Curriculum Vitae). All certificates (academic and professional) must be certified as true copies of the originals. Certification should not be older than six (6) months.

4.2 Past performance

The past performance of bidders in executing similar projects will be evaluated by using the information on **Annexure B: Summary of IA contracts in the Public Sector**, **Annexure D: Summary of IT experience** and the references supplied by bidders as well as any other information available to the panel. For the contactable references **Annexure C** to be completed.

4.2.1 Bidder's experience of performing Internal Audit in the Public Sector (Annexure B to be completed)

The Presidency is a National Government department and governed by the Public Finance Management Act, National Treasury Regulations, Public Service Act and Public Service Regulations. The Presidency is required to adhere to Modified Cash basis of accounting. The bidder should have the necessary experience and knowledge to perform Internal Audit function in a national and/or provincial government department. The **minimum years** of internal audit experience in the public sector is **ten (10) years**

4.2.2 Experience in Information Technology Audits (Annexure D to be completed)

The bidder should be able to perform IT Governance reviews, general control reviews, application control reviews and IT security reviews.

At a **minimum** the bidders should have performed at least 3 of the mentioned types of IT reviews

4.2.3 Quality of Work (Annexure C to be completed)

The bidder must submit **three (3)** references of similar/related work undertaken previously by the bidding entity in the last 3-5 years (2019 to 2023). The feedback required from the contactable client references on following areas:

- Adherence to budget and timelines
- Value add recommendations for enhancement or improvement of processes
- Value add to the operations of Internal Audit by providing new innovative ways of auditing
- Sufficient quality assurance approach to ensure a robust internal review prior to presenting the product to the CAE
- Consistent level of service rendered for the duration of the contract
- Audit team adequate for the various assignments in the rendering of internal audit services
- Team's adaptability to changing environment to still provide quality work
- Successfully implementation of data analytics techniques

A **minimum requirement** for this area is a client feedback rating of GOOD (70% - 80%)

4.3 Tools - Utilisation of Computer Assisted Audit Techniques/ Data Analytics (CAATS) (Annexure C & D to be completed)

Demonstrate experience and expertise of utilisation of CAATS to ensure audit efficiencies

Minimum requirement: Data analytic tools available and in use

5. SPECIAL CONDITIONS OF PROJECT/CONTRACT

The Presidency will pay for resources utilised on a time and cost basis, using the published Tariffs for Audits done on behalf of the Auditor-General (as amended from time to time) plus VAT, **as a maximum**.

The value of the service will depend on the annual IA Plan as approved by the Audit Committee and the allocation of work as indicated above.

Copies of time sheets must be attached to the invoice and will be payable after the final relevant report and signed off/ quality checked files for the project have been received.

The Presidency undertakes to payout in full within 30 (thirty) days from receipt date of original invoice all valid claims for work

done to its satisfaction. No payment will be made where there is outstanding information/work not submitted by the appointed or contracted Service Provider. Payment will only be processed after receipt of outstanding information.

6. SECURITY REQUIREMENTS

The successful bidder(s) including their staff assigned to the project will be subjected to security clearance by the Presidency. In the event that security clearance outcome is negative, the successful bidder(s) will be disqualified.

7. DURATION OF CONTRACT

The contract period will be for the completion of three (3) Internal Audit Operational Plans. No extension of the duration of the contract is expected.

8. MONITORING AND EVALUATION OF THE PROJECT

The Presidency requires access to working paper files. Such files shall remain the property of The Presidency. At the conclusion of every assignment such files will be handed over to the Chief Audit Executive (CAE) with evidence of review by a person in the capacity of a partner.

The auditor shall ensure that all work conforms to the IIA Standards for Professional Practice. Such work may further be subjected to external quality assurance.

On completion of each assignment, the auditor shall distribute the reports to the CAE and the Audit Committee.

On a quarterly basis, a report on progress against the plan, significant findings and administrative matters will be presented to the CAE and the Audit Committee.

9. LEGISLATIONS APPLICABLE TO THE BID

Public Finance Management Act, Act No 1 of 1999

National Treasury Regulations

Bids will be subject to the Supply Chain Management conditions as follows:

The Preferential Procurement Policy Framework Act, Act No. 05 of 2000 and regulations issued in 2022. In accordance with the PPPFA, submissions will be adjudicated on the 80/20 points system and the specific goals (women). Price will make up the total of 80 points, and the specific goals (women) will be allocated the remaining 20 points.

10. SPECIAL CONDITIONS AND REQUIREMENTS OF THE BID

- a. Bidders are requested to submit means of verification for specific goals (women), e.g. ID documents and verification from the CSD), failing which the points for specific goals claimed will be forfeited.
- b. A service level agreement/contract shall be signed with the preferred bidder.
- c. The Presidency reserves the right to conduct site inspections at the supplier's facilities prior to the conclusion or awarding of contracts to the shortlisted bidders **where necessary**.
- d. Completed bid documents must be deposited in the bid/tender box, as indicated in par 15 below. Telegraphic, telefax, emails or late tenders/bids will not be accepted and will be disqualified.

- e. The pricing schedule must be attached as a separate Annexure (per items to be provided), marked PRICING SCHEDULE within the bid document envelope.
- f. Bidders shall ONLY use a black pen for completion of Standard Bidding Documents (SBD) forms.
- g. All corrections made in the bid document must be initialled or signed off by the bidder to obviate unnecessary delays resulting from the need to require the bidder to give written confirmation before finalisation of evaluation.
- h. Bidders shall submit:
 - I. Original bid documents (mandatory),
 - II. a hard copy of the original documents, and,
 - III. one soft copy (digital / electronic) in a PDF format, in a suitable electronic medium, e.g. flash drive or portable hard drive etc. The onus is on the bidder to ensure that the electronic PDF copies of the documents are indeed saved on the electronic device submitted.

All proposals received will be evaluated in accordance with the **80/20** point system as prescribed in the Preferential Procurement Regulation of 2022. A three (3) phases approach will be followed during the evaluation process.

11. EVALUATION PROCESS

FIRST PHASE: MANDATORY AND ADMINISTRATIVE COMPLIANCE

During this phase, screening will be conducted to ensure compliance with the mandatory submission of documents as listed below. **Bidders who have not complied with the mandatory submission of ALL the documents shall be disqualified at this stage of the evaluation and will not be considered in the next phase.**

Note that all the required documentation must be signed by a duly authorised representative, where a signature is required.

MANDATORY DOCUMENTATION

- a) Completed and signed Invitation to bid document (SBD 1)
- b) Completed and signed Applicable Price Schedule (VAT and all other applicable costs inclusive): SBD 3.3: professional services.

ADMINISTRATIVE COMPLIANCE

- a) Completed and signed Bidders' disclosure form (SBD 4)
- b) Completed and Signed Preference points claim form (SBD 6.1)
- c) Names and certified ID copies of employees to be assigned to this project.
- d) Certified ID copies of owner(s)
- e) Copy of Bidder's company registration document with CIPC.
- f) SARS Tax pin of the Bidder.
- g) Copy of proof of registration with CSD.

SECOND PHASE: FUNCTIONAL/TECHNICAL EVALUATION

The following weighting and scoring system will be applied to the evaluation of all functional criteria:

Weight allocation	Scoring system
Team Qualifications and Experience: 40	1 – Does not comply with the requirements
Company Past Experience: 50	2 – Partial compliance with requirements
Tools utilised: 10	3 – Full compliance with requirements
Total weight : 100	4 – Exceeds requirements

The following formula for functionality will be used to convert the total score to percentage: $Ps = So / Ms) \times 100$

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score (400)

Only bids that obtained an overall score of at least 75% for functional evaluation, will proceed to Price/Special goal evaluation.

	Functional Evaluation Criteria: Qualifications and Experience required. Annexure A		Total Weight: 40
1.1	1	Director/Partner (par 4.1. of ToR): The Director/Partner does not meet the minimum requirements for either experience or qualifications.	5
	2	The Director/Partner partially meets the minimum requirements for either experience or qualifications	
	3	The Director/Partner meets all of the minimum experience and qualifications requirements.	
	4	The Director/Partner exceeds the minimum experience or qualifications requirements.	
1.2	1	Senior Manager (par 4.1 of ToR): The Senior Manager does not meet the minimum requirements for either experience or qualifications.	10
	2	The Senior Management partially meets the minimum requirements for either experience or qualifications	
	3	The Senior Manager meets all the minimum experience and qualifications requirements	
	4	The Senior Manager exceeds the minimum experience or qualifications requirements.	
1.3	1	Manager (par 4.1 of ToR): The Manager does not meet the minimum requirements for either experience or qualifications.	10
	2	The Manager partially meets the minimum requirements for either experience or qualifications	
	3	The Manager meets all the minimum experience and qualifications requirements.	
	4	The Manager(s) exceed(s) the minimum experience or qualifications requirements.	
1.4	1	Manager IT (par 4.1 of ToR): The Manager does not meet the minimum requirements for either experience or qualifications.	10
	2	The Manager partially meets the minimum requirements for either experience or qualifications	
	3	The Manager meet all the minimum experience and qualifications requirements.	
	4	The Manager exceeds the minimum experience or qualifications requirements.	

	Functional Evaluation Criteria: Qualifications and Experience required. Annexure A		Total Weight: 40
1.5	1	Quality reviewer (par 4.1 of ToR): The Quality reviewer does not meet the minimum requirements for either experience or qualifications	5
	2	The Quality reviewer partially meets the minimum requirements for either experience or qualifications	
	3	The Quality reviewer meets all the minimum experience and qualifications requirements.	
	4	The Quality reviewer exceeds the minimum experience or qualifications requirements.	
	Functional Evaluation Criteria: Past performance –Annexure B, C & D		Total Weight 50
2.1	1	Experience of performing Internal Audit in the Public Sector (par 4.2.1 of ToR): Company/Bidder does not meet the minimum requirements for experience (Less than 4 years).	20
	2	Company/Bidder partially meets the minimum requirements for experience (4 to 9 years)	
	3	Company/Bidder meets the minimum experience requirements. (10 years' experience)	
	4	Company/Bidder exceeds the minimum experience requirements. (More than 10 years)	
2.2	1	Experience in Information Technology Audits (par 4.2.2 of ToR): Company/Bidder does not meet the minimum requirements for experience (Less than 2 areas of IT projects).	20
	2	Company/Bidder partially meets the minimum requirements for experience (Less than 3 areas of IT projects).	
	3	Company/Bidder meets the minimum requirements for experience (3 areas of IT projects).	
	4	Company/Bidder exceeds the minimum requirements for experience (more than 3 areas of IT projects).	
2.3	1	Quality of work ** (par 4.2.3 of ToR): Company/Bidder does not meet the minimum requirements of contactable reference scores (less than 50%).	10
	2	Company/Bidder partially meets the minimum requirements of contactable reference scores (between 50% and 69%)	
	3	Company/Bidder does not meet the minimum requirements of contactable reference scores (between 70% and 80%).	
	4	Company/Bidder exceeds the minimum requirements of contactable reference scores (above 80%).	
	Functional Evaluation Criteria: Tools Annexure C & D		Total Weight 10
3.1	1	Utilisation of Computer Assisted Audit Techniques/ Data Analytics (CAAT's) (par 4.3 of ToR): Company/Bidder does not meet the minimum requirements for utilisation of CAAT's (No CAAT's).	10
	2	Company/Bidder partially meets the minimum requirements for utilisation of CAAT's (CAAT's tool but limited evidence of implementation)	
	3	Company/Bidder meets the minimum requirements for utilisation of CAAT's (CAAT's software in use and information where it was successfully implemented)	
	4	Company/Bidder meets the minimum requirements for utilisation of CAAT's (CAAT's software in use, examples of successful implementation as well as proposed implementation for this project. Information of scripting of audit tests provided)	

THIRD PHASE: PRICE AND SPECIFIC GOALS

The bid will be awarded to the bidder/s who scored the highest points in terms of price and specific goals.

In accordance with the PPPFA, the submission will be adjudicated on the 80/20 points system. Price will make up the total of 80 points, and specific goals will be allocated the remaining 20 points. The evaluation criterion for this phase is as set below:

Criteria applicable	Weight
Price	80
Specific goals	20
Total	100

In terms of **PRICE**, for the Financial Proposal the following are applicable:

- a) Bidders will be evaluated on pricing as per template provided. **Annexure E**
- b) The bid price (based on hourly rates) must be quoted in South African currency and must include value added tax.
- c) Tariffs for Audits done on behalf of the Auditor-General (as amended from time to time) plus VAT, **as a maximum**.
- d) The breakdown of the hourly tariff **inclusive** of value added tax (VAT) must also be provided for the following levels of staff:
 - Engagement Partner
 - Senior Manager
 - Manager
 - Quality reviewer
 - Other staff

The average rate (vat and other costs inclusive) should be the same with the price indicated on SBD 3.3.

As an example, the points for Specific Goals could be distributed as follows:

Specific goals	Means of Verification	Points
Women	ID docs + CSD verification	20

Bidders are requested to submit means of verification for specific goals (women, youth and the person with disabilities, e.g. ID documents and verification from the CSD), failing which the points for specific goals claimed will be forfeited.

12. CONFIDENTIALITY

No communication will be undertaken with any bidder until the winning bidder has been informed of his winning bid.

Information relating to the evaluation of proposals and recommendations concerning an award shall not be disclosed to neither the bidder who submitted the proposals nor to other persons not officially involved or concerned with the process. The Presidency necessarily operates under the conditions of the PAIA provisions. No material or information derived from the procurement and provision of the service under this contract may be used for any purposes other than those of The Presidency, except where authorised in writing to do so.

13. ACCEPTANCE OF THE SPECIAL CONDITIONS AND GENERAL CONDITIONS OF CONTRACT

THE BIDDER MUST COMPLETE BELOW.

I _____ in my capacity as the duly authorized representative of the bidder, hereby certify that I take note and accept the above-mentioned Special Conditions of the Contract.

SIGNATURE.....

CAPACITY.....

Alternative Name and Contact details of service provider (optional): _____

14. DISCLAIMER

All intellectual property rights relating to any work produced by the service provider in relation to the performance of this Contract shall belong to The Presidency and may not be used for any other purpose by the service provider. The service provider shall give The Presidency all assistance in protecting such intellectual property rights. All material, in paper, electronic or any recorded format produced by the service provider in the performance of this Contract shall remain the property of The Presidency and must be handed over to The Presidency on termination of the contract.

All service providers undertake not to infringe the intellectual property of third parties. Should any action or claim be instituted against The Presidency emanating from an infringement of intellectual property or an alleged infringement of intellectual property, the service providers hereby indemnify The Presidency against such claims or actions as well as all costs (including legal costs on an attorney and client scale)

15. SUBMISSION OF PROPOSALS

Completed bid documents should be sealed, clearly marked as follows:

The Presidency

Bid Number: **PO 2024/25:007**

Completed bid documents must be deposited in the official bid/tender box of The Presidency located at the public entrance of the Union Buildings on Government Avenue, Pretoria on or before **17 May 2024 @11:00**.

Bidders must ensure that they received all pages of this document.

Bid Enquiries:

Technical Enquiries:

1. Tenders@presidency.gov.za

internalaudit@presidency.gov.za

NB: All enquiries should be made at least 10 days before the closing date

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ANNEXURE A _ TEAM DETAILS

In this section Bidders must provide details of the full team.

The Bidders must provide a summary chart containing all the people to be used for each type of review to be performed

<u>Position in team</u>	<u>Name</u>	<u>Qualification</u>	<u>Years of experience</u>	<u>Years of experience on management level</u>	<u>Years of Public sector experience</u>	<u>Specific areas of Assurance and Consulting/Advisory</u>
Engagement Partner/Director						
Senior Manager						
Manager						
Manager IT						
Quality reviewer						
Assistant Manager/Supervisor						
Auditor						
Auditor						
Auditor						
Auditor						

ANNEXURE B - SUMMARY OF PREVIOUS INTERNAL AUDIT CONTRACTS

Please note that this is a compulsory returnable schedule and will be used for evaluation purposes

Summary of Internal Audit Contracts in the public sector				
Client	From (Date)	To (Date)	Total Rand Value	Contact Details**

** Ensure accuracy of contact details, since independent reference checks will be obtained

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ANNEXURE C – CONTACTABLE CLIENT REFERENCE

CONTACTABLE CLIENT REFERENCE NUMBER: _____			
SECTION 1: GENERAL INFORMATION			
Name:			
Contact Person:			
Designation/ Position:			
Contact Details: E-mail address:..... Telephone: Cellular Number:			
Description of Service Rendered as follows:		Value of work (i.e. the service provided):	
<u>Type of Audit</u>	<u>Years applicable</u>	<u>Hours</u>	<u>Cost (incl VAT)</u>
SECTION 2: TO BE COMPLETED BY CONTACTABLE CLIENT REFERENCE			
Assess the Performance of the bidder by answering the stated questions. Scores must also be assessed in terms of below levels:			
<ul style="list-style-type: none"> • 0-49% = POOR • 50 – 69% = SATISFACTORY • 70 – 80% = GOOD • 81- 100% = VERY GOOD 			

QUESTIONS	ANSWERS	SCORING
1. Did the bidder adhere to the budget and timelines as stipulated within the engagement letters		
2. Did the audit team add any value by developing recommendations for enhancement or improvement of processes ?		
3. Did the audit team add value to the operations of Internal Audit by providing new innovative ways of auditing		
4. Was the audit team as proposed by the bidder adequate for the various assignments in the rendering of internal audit services?		
5. How was the level of service as rendered by the bidder for the duration of the contract ?		
6. How did the bidder adopted to the “new normal” of working remotely . Was the bidder able to still deliver a good product on time ?		
7. Was the bidder’s quality assurance approach sufficient to ensure a robust internal review prior to presenting the product to the CAE?		
8. Did the audit team applied data analytics techniques in the project? Was it successfully implemented?		
General/ Final comment		(Average of the above)

The undersigned who warrants that he/ she is duly authorised to do so on behalf of the enterprise, confirms that the contents of this schedule are within his/ her personal knowledge and are to the best of his/ her belief true and correct.

SIGNATURE: DATE:

ENTERPRISE STAMP OF CONTACTABLE CLIENT REFERENCE NUMBER _____	

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ANNEXURE D - SUMMARY OF PREVIOUS INFORMATION TECHNOLOGY REVIEWS

Please note that this is a compulsory returnable schedule and will be used for evaluation purposes

Summary of IT Contracts						
Client	Contact details of client	General controls review – provide details	Application controls review – provide details	IT Governance – provide details	IT security review – provide details	CAATS performed

** Ensure accuracy of contact details, since independent reference checks will be obtained

THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

ANNEXURE E - PRICING SCHEDULE

Internal Audit services for three operational years

The fees for Internal Audit services will be the fees as stipulated in The South African Institute of Chartered Accountants Circular 1/2021 Guideline on Fees for Audits Done on behalf of the Auditor-General South Africa (AGSA). These rates apply from 1 April 2024 to 31 March 2025 and will escalate on 1 April annually in line with the circular from The South African Institute of Chartered Accountants (SAICA).

The Service Provider is to provide the following:

The breakdown of the hourly tariff **inclusive** of value added tax (VAT) must also be provided for the following levels of staff:

- Engagement Partner
- Senior Manager
- Manager
- Quality reviewer
- Other staff

The Presidency provided estimated hours below. **These estimated hours are merely for evaluation purposes of this tender and shall not be construed by the Tendered as fixed hours nor as to having any right to claim work and/or payment for the estimated hours.**

1. Average rate per hour

Staff Level	% time spend	Number of hours per year	Hourly Rate in Rand excluding VAT (Not to exceed SAICA rates)	Total Cost in Rand Excluding VAT	Cost including VAT
Engagement Partner			R	R	R
Senior Manager			R	R	R
Manager			R	R	R
Assistant manager			R	R	R
Other staff			R	R	R
TOTAL:	100%	3 000		R	R
Average hourly rate for year 1 Total cost/3000 hours					R
Anticipated escalation/increase for year 2					R
Anticipated escalation/increase for year 3					R

2. DISBURSEMENTS: TRAVEL EXPENSES TO COVER ALL PHASES OF PROJECTS (SPECIFY RATE/KM AND TOTAL KM, CLASS OF TRAVEL). ONLY ACTUAL COSTS ARE RECOVERABLE.

Type of expense	Rates	Other info	Total cost – Vat inclusive

THE NATIONAL TREASURY

Republic of South Africa



**GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT**

July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
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15. Warranty
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18. Contract amendments
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20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
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25. Force Majeure
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27. Settlement of disputes
28. Limitation of liability
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31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

1. Definitions

1 The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of Bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

1.12 “Force majeure” means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 “GCC” means the General Conditions of Contract.

1.15 “Goods” means all of the equipment, machinery, and/or other materials that the supplier is

required to supply to the purchaser under the contract.

1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 “Project site,” where applicable, means the place indicated in bidding documents.

1.21 “Purchaser” means the organisation purchasing the goods.

1.22 “Republic” means the Republic of South Africa.

1.23 “SCC” means the Special Conditions of Contract.

1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2 Application

2.1 These general conditions are applicable to all Bids, contracts and orders including Bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, SCC are also laid down to cover specific supplies, services or works.

2.3 Where such SCC are in conflict with these general conditions, the special conditions shall apply.

3 General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer,

4 Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

14 Use of contract documents and information; inspection

5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6 Patent rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7 Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organisation acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9 Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10 Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11 Insurance

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12 Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13 Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14 Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to

permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15 Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16 Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in rand unless otherwise stipulated in SCC.

17 Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorised in SCC or in the purchaser's request for bid validity extension, as the case may be.

18 Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19 Assignment

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20 Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21 Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22 Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the

delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23 Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (a) the name and address of the supplier and / or person restricted by the purchaser;
- (b) the date of commencement of the restriction
- (c) the period of restriction; and
- (d) the reasons for the restriction.

23.7 These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.8 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24 Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25 Force majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26 Termination for insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27 Settlement of disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

(b) the purchaser shall pay the supplier any monies due the supplier.

28 Limitation of liability

28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;

(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29 Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30 Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31 Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32 Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33 National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.