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## REQUEST FOR QUOTATION

### PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 6 MONTHS

RFQ NUMBER:	RFQ NHC/2023/24/191
RFQ ISSUE DATE:	31 January 2024
CLOSING DATE AND TIME:	07 February 2024 @ 11:00
COMPULSORY SESSION	BRIEFING None

**SUPPLIERS ARE REQUESTED TO PLEASE SUBMIT A QUOTATION ON THE COMPANY LETTERHEAD FOR THE FOLLOWING:**

<u>No</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit of Measure</u>
4.1.	PROVISION OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 6 MONTHS		

ITEM DESCRIPTION	DETAILED INFORMATION
RFQ VALIDITY PERIOD	30 days (COMMENCING FROM THE RFQ CLOSING DATE)
COMPULSORY REQUIREMENT	<ul style="list-style-type: none"> <li>- Valid current Tax compliance status pin code for verification of tax compliance status with SARS.</li> <li>- Only suppliers registered on the Central Supplier Database (CSD) will be considered. Suppliers must include with their quotation / proposal their Master Registration number as proof of registration on CSD</li> <li>- Completed and signed Standard Bidding Documents (SBD) forms included with the bid document / RFQ.</li> </ul>
SUBMISSION OF QUOTES	e-mail to: <a href="mailto:procurement@nhc.org.za">procurement@nhc.org.za</a>

ITEM DESCRIPTION	DETAILED INFORMATION
CONTACT PERSON FOR ENQUIRIES	Ms. Mathabiso Chamane <a href="mailto:m.chamane@nhc.org.za">m.chamane@nhc.org.za</a> cc <a href="mailto:procurement@nhc.org.za">procurement@nhc.org.za</a>

## INTRODUCTION

### 1. PURPOSE OF THE REQUEST

NHC seeks to invite quotations for the procurement of goods and/or services as stated above.

### 2. NHC's TERMS AND CONDITIONS OF REQUEST FOR QUOTATION (RFQ)

- 2.1. NHC's conditions of purchase shall apply.
- 2.2. The validity period of the quotations must be clearly stated on the quotation.
- 2.3. Prices quoted shall be in South African Rand and inclusive of VAT as well as any associated costs such as delivery, insurance, taxes, etc.
- 2.4. No price adjustments or amendments will be considered by the NHC after closure of the RFQ.
- 2.5. The supplier accepts full responsibility for the proper execution and fulfilment of the goods or services quoted for.
- 2.6. NHC reserves the right to accept or reject any special terms and conditions that may qualify the goods or services to be provided.
- 2.7. The NHC reserves the right to accept or reject a proposal in whole or in part.
- 2.8. Where the NHC determines that it will be in the best interest of the project to appoint multiple suppliers, the NHC reserves the right to award the RFQ to multiple suppliers by indicating on the purchase order, the items applicable.
- 2.9. Quotations shall be submitted on an official letterhead and duly signed.
- 2.10. Goods or services shall be supplied / rendered upon receipt of an official purchase order from the NHC. No services must be rendered or goods delivered before an official NHC purchase order or service level agreement (SLA) signed.
- 2.11. The General Conditions of Contract (GCC) issued by National Treasury are applicable.
- 2.12. Only quotations from suppliers that complies with the specifications and indicate the date of delivery or expected date of service delivered, shall be evaluated and considered.
- 2.13. The NHC reserve the right to do due diligence on the quotations.
- 2.14. The NHC reserves the right to benchmark prices quoted.
- 2.15. Late and / or incomplete submissions will not be accepted.
- 2.16. NHC shall pay within 30 days after receipt of an invoice.
- 2.17. All invoices must be submitted to SCM via the email to [procurement@nhc.org.za](mailto:procurement@nhc.org.za).

### 3. EVALUATION CRITERIA

All quotations will be evaluated based on compliance with compulsory requirements, compliance with specifications / Terms of Reference and the 80/20 preference point system prescribed by the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations. The lowest acceptable price will score 80 points; the 20 points according to the specific goals will be allocated as indicated in the Standard Bidding Document (SBD) 6.1.

The breakdown of the scoring is included in the Standard Bidding Document (SBD) 6.1. Suppliers are required to complete the SBD 6.1 to indicate the points claimed as required. Where a supplier failed to claim points, the points allocated will default to zero. The points claimed will be verified against the Central Supplier Database (CSD) information for verification.

Your assistance and co-operation is appreciated.

Kind Regards

*Mr. Siphelele Skenjana  
Supply Chain Management Officer  
National Heritage Council of South Africa  
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**nhc**

**National Heritage Council**  
SOUTH AFRICA

**an agency of the**  
Department of Sport, Arts and Culture

## **NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA**

TERMS OF REFERENCE  
TENDER / REQUEST FOR QUOTATION NO: **RFQ NHC/2023/24/191**

### **INTERNAL AUDIT SERVICES FOR A PERIOD OF 6 MONTHS**

Bidder Name: \_\_\_\_\_

CSD Ref No: \_\_\_\_\_

THIS DOCUMENT ARE CONFIDENTIAL AND FOR CONSIDERATION AND RESPONSE BY THE RECORDED  
RECIPIENTS ONLY

## 1. BACKGROUND

The National Heritage Council of South Africa (NHC) requires the service of a suitably qualified and experienced internal audit service providers to carry out the internal audit of NHC and enter into a service level agreement for the period of six (6) months

## 2. SCOPE OF WORK: INTERNAL AUDIT SERVICES

The desired scope of work for internal audit services stems from the NHC's internal audit charter; a document that guides the organization's approach to the provision of internal audit services. The charter is periodically reviewed and approved by the Audit and Risk Committee (ARC). The charter, which is aligned to the requirements of the Institute of Internal Auditors (IIA), explains the purpose, mission and definition of internal audit which is outlined below – principles on which the scope of internal audit is built:

- 2.1. The purpose of internal audit (within the NHC) is aligned with the definition of internal audit, which is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.
- 2.2. The mission of internal audit is to enhance and protect organizational value by providing risk-based assurance, advice and insight. This internal audit charter defines the authority and independence, scope, responsibility and accountability of and within the Internal Audit Activity (IAA).
- 2.3. Internal audit helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 2.4. Accordingly, the scope of internal audit work entails, but is not limited to, the examination, evaluation and conclusion on the adequacy and effectiveness of the organization's governance, risk management, internal control processes and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated objectives.
- 2.5. The appointed internal audit service provider will be required to:
  - 2.5.1. Provide effective value adding internal audit services that are innovative and responsive to circumstances of the NHC and the environment it operates in.
  - 2.5.2. Review a rolling three-year strategic Internal Audit Plan based on assessment of key areas of risk for the NHC, having regard to its current operations.
  - 2.5.3. Assist in the improvement of operations proposed in the NHC's corporate or strategic plan and effectiveness of its risk management strategy through risk-based audits which are in line with IIA standards;
  - 2.5.4. Implementation of a 2023/2024 Internal Audit Plan including the following primary audits:
    - a) Audit of Pre-Determined Objectives/Performance information.
    - b) Living Heritage

- c) Resistance, Liberation, Heritage and Route (R&LHR)
- d) Human Resource Management
- e) Occupational Health and Safety
- f) Information Technology
- g) Grant Funding
- h) Records Management
- i) New Business development
- j) Supply Chain Management and Contract Management
- k) Internal Financial Controls Review
- l) Stakeholder Management
- m) Governance and Risk Management
- n) Review of the 2024/25 Annual Performance Plan
- o) Adhoc services as requested by Audit Committee including Financial Statement Reviews

2.6. The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the organization's systems of internal controls and to make recommendations where applicable. The controls subject to evaluation should encompass the following, but is not limited to:

- 2.6.1. Review of the effectiveness and efficiency of the risk management process.
- 2.6.2. Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.
- 2.6.3. Review internal controls to ensure that financial reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- 2.6.4. Review the systems established by management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether the entity is in compliance with PFMA No 1 of 1999 and other relevant legislation that governs the entity.
- 2.6.5. Ensure that the entity adheres to the corporate governance requirements as prescribed by the King IV report.
- 2.6.6. Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programs are carried out as planned.
- 2.6.7. Review a rolling three-year strategic and annual internal audit plan based on the results of the risk review and the execution of audits in accordance with these plans.
- 2.6.8. Transfer of Skills to the NHC internal audit function staff

- 2.6.9. The above-mentioned coordinated approach shall be used to maximize internal audit resourced and coverage and to ensure that the service provider provide greatest value to the NHC. Matters to be considered in reviewing the internal audit plans shall include:
  - 2.6.10. Significant areas of potential risk of fraud;
  - 2.6.11. The accuracy and completeness of financial reporting;
  - 2.6.12. Major changes in operations, organizational structures, systems and controls;
  - 2.6.13. Safeguarding of assets;
  - 2.6.14. Compliance with laws, contracts, policies and procedures;
  - 2.6.15. Risk areas identified by management;
  - 2.6.16. Results of previous audits;
  - 2.6.17. Significant areas of risk related to reliability and integrity of financial and operational information or negative reputation exposure;
  - 2.6.18. Liaise and cooperate with the external auditors (Auditor General of South Africa – the AGSA) to prevent duplication of work and share information.
- 2.6.19. Report on progress of the work against the approved Annual Internal Audit Plan to the Audit Committee
- 2.6.20. Review the Internal Audit Charter and make recommendations in order to be consistent with the Definition of Internal Audit, Internal Audit Code and Ethics.
- 2.6.21. Assist the development and review of the Audit and Risk Committee Charter.
- 2.6.22. Assist the Audit and Risk Committee with their performance reviews by providing a framework for a performance assessment criterion.
- 2.6.23. Perform ad hoc services requirements, as requested by Council or the Audit and Risk Committee.

2.7. Execution of audit assignments will be as follows:

- 2.7.1 Assignments are to be performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards).
- 2.7.2 The execution of each assignment shall be in accordance with the approved three year rolling Internal Audit Plan and Annual Internal Audit Plan.
- 2.7.3 The appointed service provider is expected to maintain independence and objectivity at all times when engaging on any activities within the NHC.
- 2.7.4 Timely liaise with the management team during the execution and reporting on its activities.

2.8. Attending Audit and Risk Committee meetings when necessary;

### **3. EXPERTISE AND CAPACITY**

The key criteria to be considered for the suitability of the service provider include the following: -

- 3.1. Have the necessary skills, knowledge, capacity and resources to meet the needs of the NHC and to carry out their obligations, including the availability of:
  - 3.1.1. Forensic audit skills and tools.
  - 3.1.2. Information technology audit skills and tools.
  - 3.1.3. Information technology security capabilities.
- 3.2. Have knowledge and a comprehensive understanding of the public sector; and an understanding of the NHC's enabling legislations.
- 3.3. The service provider must be able to demonstrate the ability to reach all South African regions within which the NHC operates.
- 3.4. Have a minimum of two (2) directors registered at CIPC including the engagement director. The engagement director must be directly involved in every engagement review undertaken at the NHC. The engagement director will play the role of the Chief Audit Executive ("CAE"), and the bidder needs to cite the experience that the proposed engagement director has in his role.
- 3.5. Have a quality control department responsible for ensuring the IIA standards are appropriately applied. Service providers are required to include the company profile with an organogram with an outline of the responsibilities of each department.
- 3.6. Demonstrate that they adhere to the IIA standards, particularly as they relate to:
  - 3.6.1. The application of a risk-based approach to auditing.
  - 3.6.2. The use of IT audit resources (including the appropriate tools).
  - 3.6.3. The availability of resources that perform risk management and governance reviews.

### **4. PROFESSIONAL MEMBERSHIP**

- 4.1. It is mandatory for the senior resources of the preferred service provider (i.e. directors, senior manager and specialists) to have the appropriate professional qualifications (s) enabling them to perform internal audit services. These must include, but is not limited to the following:
  - 4.1.1. Certified Internal Auditor (Certified by the Institute of Internal Auditors South Africa); or
  - 4.1.2. Chartered Accountant (SA) (Certified by the South African Institute of Chartered Accountants (SAICA)) and

4.1.3. Certified Information Systems Auditor (Certified by ICASA).

4.1.4. Certified Risk Management Practitioner (Certified by IRMSA)

All core members of the internal audit team belong to a professional body that regulates the services they offer. Proof of registration must be included with the quotation.

## 5. EXPECTED OUTCOMES AND DELIVERABLES

The service provider is expected to ensure that the following deliverables and outcomes are addressed in each assignment or project:

### 5.1. Expected deliverables

#### 5.1.1. Performing Audit assignments

- a) Pre-audit survey
- b) Audit planning memorandum
- c) Minutes of entrance meeting
- d) Risk assessment document
- e) System descriptions
- f) Audit programmes
- g) Sampling methodology
- h) Mechanisms for follow-up on matters previously reported and feedback to the Audit and Risk Committee.
- i) Mechanism to ensure that working papers are reviewed at the appropriate level
- j) Record of work performed
- k) Audit findings and recommendations, and follow-up
- l) Reporting (draft and final internal audit reports); and
- m) Value Added services, skills transfer, quality review, and succession planning.

#### 5.1.2. Reporting requirements

The structure of the report as a minimum is to be as follows:

- a) Introduction
- b) Audit objective and scope
- c) Background

- d) Executive summary highlighting significant findings; and
- e) Findings and management response (including recommendation implementation dates).

## 5.2. Achievable Outcomes

5.2.1. Improved control environment with the NHC

5.2.2. Improved effective risk management; and

5.2.3. Improved governance processes.

## 6. COMPULSORY REQUIREMENTS

No	Compulsory requirement	Comply (Yes / No)	Details to offer
6.2.1.	<p>The bidder must be able to commit at least two (2) directors to the NHC, including the engagement director, the two directors must be clearly indicated in the proposal. The engagement director responsible for the NHC's internal audit must be based in the Gauteng province.</p> <p>In the event of a joint internal audit proposal, both service providers must have sufficient directors to meet the minimum of two (2) directors.</p>		
6.2.2.	<p>The bidder must have relevant public sector internal audit experience, which it has conducted in the past three (3) years. The public sector internal audit experience must at least be more than 12 months. Bidders must be able to demonstrate the audits they have conducted and provide client references on at least three (3) written reference letters from the clients. References should attest to the provision of value-added services.</p>		

No	Compulsory requirement	Comply (Yes / No)	Details to offer
6.2.3.	The bidder must indicate if they have rendered services to the NHC in the past two (2) years. This includes services through contract work allocations. If yes, the bidder must provide a letter that includes an assessment of whether the services provided could impair the independence or objectivity of the bidder, in fact or appearance if any, and indicate any mitigations applied thereof. This letter must be signed off by the Chief Executive Officer / Managing Director of the bidder.		
6.2.4.	The bidder must have a quality control department responsible for ensuring the IIA standards are appropriately applied. Organizational structure in a diagram format must be included with a brief on each unit.		
6.2.5.	The bidder must have a resource plan that indicate the core team has the necessary skills, knowledge, capacity, and resources to meet the needs of the NHC (i.e. forensic audit skills and tools are well as the appropriate computer audit skills and tools). The resource plan must be included in the proposal.		
6.2.6.	Service providers shall include the CVs of the professional staff of the core management team proposed for the engagement and the authorized representative submitting the proposal. Key information should include the position of the individual in the company, the role that the individual will have in the engagement of the audits, the number of years of experience, all tertiary and professional qualifications, professional memberships, experience, and degree of responsibility held in various assignments during the last three (3) years.		
6.2.7.	Service providers are required to include a detailed project implementation plan with clearly defined milestones, deliverables and the methodology and approach to be followed.		

## **7. PROGRESS PAYMENT PLAN**

Service providers are required to include a proposed payment plan linked to the project plan stipulated in the document. The progress payment plan needs to be linked to the project plan as required in terms of 7.2.7.

## **8. PRICING**

8.1. Service Providers shall be required to submit pricing for a period of 6 months. The Proposed fee structure must be based on the following:

- Total hours for the duration of the contract (6 months)
- Average hourly rate
- Reimbursement costs such as telephone, travel, stationery, and printing

8.2. All prices will be fixed and in South African Rand. Provision shall be made for any price escalations during this period and no alterations or amendments will be accepted after closure of the RFQ.

8.3. Service providers shall submit a detailed quotation. Failure to submit a detailed quotation will result in the proposal to be considered as a non-responsive quotation.

8.4. The quotation must make provision for the following estimates on the company letterhead:

- 8.4.1. Audit of Pre-Determined Objectives/Performance information
- 8.4.2. Living Heritage
- 8.4.3. Resistance, Liberation, Heritage and Route (R & LHR)
- 8.4.4. Human Resource Management
- 8.4.5. Occupational Health and Safety
- 8.4.6. Information Technology
- 8.4.7. Grant Funding
- 8.4.8. Records Management
- 8.4.9. Supply Chain Management and Contract Management
- 8.4.10. Internal Financial Controls Review
- 8.4.11. Stakeholder Management
- 8.4.12. Governance and Risk Management
- 8.4.13. Review of the 2023/24 Annual Performance Plan
- 8.4.14. Financial Statement Review 2023/2024
- 8.4.15. Adhoc services as requested by the Audit Committee.

8.5. The estimated hours must be indicated and the applicable cost.

## **9. SERVICE LEVEL AGREEMENT**

The successful service provider will be required to sign a service level agreement for the duration of the contract. No service may be rendered unless an official purchase order was issued.

Enquiries should be directed by email to [m.chamane@nhc.org.za](mailto:m.chamane@nhc.org.za) or call 012 748 3949

## 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 interest<sup>1</sup> 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

<sup>1</sup> 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.

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:

.....  
.....

### **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. However, communication between partners in a joint venture or consortium<sup>1</sup> 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

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<sup>1</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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.

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).

**1.2 To be completed by the organ of state**

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) The **80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 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.

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

The maximum points for this tender are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>SPECIFIC GOALS</b>	20
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

1.5 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.

1.6 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:

$$Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt      =      Price of tender under consideration

P<sub>min</sub> = 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

$$Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

or

$$Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = 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 (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)																								
The promotion of entities that are B-BBEE compliant																												
<table border="1"> <thead> <tr> <th>B-BBEE</th> <th>Level of contribution</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Promotion of B-BBEE</td> <td>of</td> <td></td> </tr> <tr> <td>Level 1 = 5 points</td> <td></td> <td></td> </tr> <tr> <td>Level 2 - 3 = 4 points</td> <td></td> <td></td> </tr> <tr> <td>Level 4 - 5 = 3 points</td> <td></td> <td></td> </tr> <tr> <td>Level 5 - 6 = 2 points</td> <td></td> <td></td> </tr> <tr> <td>Level 7 - 8 = 1 point</td> <td></td> <td></td> </tr> <tr> <td>Non-compliant = 0 points</td> <td></td> <td></td> </tr> </tbody> </table>	B-BBEE	Level of contribution	Weight	Promotion of B-BBEE	of		Level 1 = 5 points			Level 2 - 3 = 4 points			Level 4 - 5 = 3 points			Level 5 - 6 = 2 points			Level 7 - 8 = 1 point			Non-compliant = 0 points				5		
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The promotion of youth owned enterprises		5																										
Promotion of Woman owned as per the percentage ownership		5																										
<b>Total achievable goals</b>		<b>20</b>																										

## 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 proprietor
- 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:** .....

.....

.....

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