



South African Airways ('SAA')

RFQ GSM017/2025

**Request for Quotation for
Irregular Expenditure Project**

Written Quote Form
RFQ NUMBER: GSM017/25
ISSUE DATE: 14 April 2025
CLOSING DATE: 22 April 2025 at 12:00pm
VALIDITY OF RFQ: 90 days

RFQ DOCUMENTS TO BE E-MAILED TO: angelinelekabe@flysaa.com - limit 2MB (send in part or via downloadable link)

Vendors should ensure that quotations are returned before the closing date and time.
If the quotation is late, it will not be accepted for consideration.

SAA requests your quotation on the goods and/or services listed on the attached form.
Please furnish all information as requested and return your quote on/before the date stipulated.
Late and incomplete submissions may invalidate the quote submitted.

NAME	OF	VENDOR:
.....		
POSTAL		ADDRESS:
.....		
TELEPHONE		NO.:
.....		
CELL		NO:
.....		
E	MAIL	ADDRESS:
.....		
CONTACT		PERSON:
.....		

This RFQ will be evaluated on pricing, BEE and functionality.
Required Documentation to be attached.

- 1. SAA Vendor Document. Refer to Annexure 1
- 2. SBD 1 Document. Refer to Annexure 2
- 3. SBD 2 Document. Refer to Annexure 3
- 4. SBD 4 Document. Refer to Annexure 4
- 5. General Conditions of Contract. Refer to Annexure 5
- 6. Pricing Schedule. Refer to Annexure 6

CONDITIONS

- All goods or services purchased will be subject to SAA General Conditions of Contract. A copy of the said conditions is available from the local Procurement office.
- It is the responsibility of the Vendor to ensure that SAA is in possession of a valid Original Tax Clearance Certificate.
- The onus therefore rests on the vendor to ensure SAA receives a valid Tax Clearance Certificate, as soon as the validity of the said certificate expires.

- Where SAA does not have a valid Tax Clearance Certificate, an Original Tax Clearance Certificate must be submitted with this RFQ. Failure to do so may invalidate the quote submitted in terms of the RFQ.
- All purchases will be made through an official purchase order. Therefore, no goods must be delivered, or services rendered before an official order/contract has been received.
- I certify that the information supplied is correct and I have read and understand SAA General Conditions of Contract and accept SAA General Conditions of Contract.
- further certify that all the required information has been furnished, and the relevant forms completed and are herewith submitted as part of the bid.

SIGNATURE OF VENDOR: _____ CAPACITY:

RFQ NUMBER GSM017/2025

SAA Business Unit: Irregular Expenditure Project

1. BACKGROUND

The SAA is seeking the services of competent service provider to provide services in clearing the audit findings and revisiting the population in order to ensure that all spend is in line with the PFMA and the PPPFA. The service provider is required to provide financial audit services, investigation as well as transfer skills to the internal SAA staff members. To this end, the service provider will be amongst others, check whether the Auditor General's (AG) recommendations have been implemented, and whether the irregularities picked up by the office of the AG have been rectified.

This will mean providing financial and SCM governance/compliance audit services as well as transfer of skills to the internal SAA Compliance and SCM employees. Given the complexity of the assignment the service provider is expected to be a qualified, competent and experienced service provider with a depth of resources and should possess the following key strengths:

- the added value that we will bring through dedicated team of professionals to service SAA,
- the expertise and experience of the team,
- clear methodology with timelines,
- knowledge of the AGSA practices and engagement of assignments from AGSA directly or indirectly,
- understanding of the client business,
- available capacity,
- understanding the PFMA,
- proven track record of having performed similar function/project,
- understanding of PPPFA,
- proven track record to meet deadlines,
- availability to provide SCM training,
- implementation of SCM process
- provision of quality irregular spend audit services and,
- guaranteed partner availability to service SAA demands.

2. SCOPE OF WORK

Proposals are requested from service providers with the requisite experience and qualifications to undertake activities that will result in assessing whether 2023/24 Annual

Financial Statements (AFS) Irregular Spend population is in line with the Preferential Procurement Policy Act (PPPFA) and the Public Finance Management Act (PFMA, including any interpretations and directives issued by the National Treasury.

The service provider is meant to assist SAA in clearing irregular spend as per the current register and SCM (Supply Chain Management) findings based on the 2023/24 FY AFS and Management Audit Report in order for SAA to have a clean audit in the following year.

Any auditing firm that has previously audited SAA's AFS (as an External Auditor) shall not be eligible to participate in this tender. Preference for award will be given to Black Owned companies.

The outcome of the project should result in the following:

- Detailed report confirming that the entire SAA AFS Irregular Spend Population is in line with the PPPFA and PFMA
- Ensure that findings on irregular spend and SCM are corrected by assisting to put controls in place
- Prepare National Treasury/ Board of Directors condonement application;
- Ensure that the SAA irregular spend report or population is accompanied by a disclosure checklist and supported by evidence
- Report confirming that the SCM policy is in line with the PPPFA/PFMA and should be accompanied by a disclosure checklist
- Facilitate for the irregular spend revised population to be reported and condoned/written-off
- Ensuring that the SCM implemented process is supported by evidence in line with checklist
- Recommendations relating to improvement of financial controls and SCM compliance controls
- A project management plan to be presented in terms of the planning phase, execution and reporting timeframe
- Provide assistance for putting controls in place and supplying resources for SCM process to speed up the process or regularizing the spend.
- 6x SCM consultants and 5X Irregular spend verification consultants

3. Implementation Schedule:

- The Project Manager for the project is the SAA Senior Manager: Risk and Compliance. On conclusion of the project, service provider is expected to have transferred skill to the key SAA staff including the SAA Internal Audit staff and SCM staff.
- Bidders will be expected to submit a schedule detailing how they will implement the project. The duration of the assignment should be between 3 to 12 months.
- The service provider is expected to commence the assignment immediately after appointment.
- The service provider is expected to provide monthly reports to monitor progress.
- It must be noted that final report will be required within the agreed period as per the acceptable period and proposal that is line with the evaluation criteria.

In order to complete this assignment, the following expertise and competencies will be mandatory:

- Knowledge and professional competence in auditing, financial accounting, and annual financial statement reporting.
- Considerable experience in financial auditing is required, with emphasis on Auditor General of South Africa briefing and government of South Africa in general.
- Extensive knowledge of PPPFA and PFMA implementation.
- An adequate number of appropriately skilled/qualified staff members to carry out the assignment.
- Qualification as Chartered Accountants and related qualifications e.g. CIMA, etc. for key management.

4. **EVALUATION PROCESS & CRITERIA**

Responses will be evaluated on the Critical criteria, where after qualifying responses will be evaluated on the functional criteria, where after qualifying responses will be evaluated on the Price and Preference Points:

Please Note: Bidders should clearly demonstrate that they meet the abovementioned criteria as they will be used to determine Critical and Functionality scoring

4.1 **EVALUATION PROCESS**

4.1.1 **COMPLIANCE WITH MINIMUM REQUIREMENTS**

All quotations duly lodged will be examined to determine compliance with bidding requirements and conditions. Quotations with obvious deviations from the requirements/conditions will be eliminated from further adjudication.

4.1.2 **EVALUATION OF QUOTATION**

The contract shall be awarded at the sole and absolute discretion of SAA.

SAA hereby represents that it is not obliged to award this quotation to any bidder. SAA is entitled to **retract** this quotation at any time as from the date of issue.

SAA shall not be obliged to accept the lowest of any quotation, offer or proposal.

All quotation will be evaluated according to the criteria, weightings and threshold scores as Indicated in 4.2 below:

4.2 **EVALUATION CRITERIA**

The criteria and weights referred to in paragraph 4.1 above are as follows:

Critical Criteria Phase 01

CRITICAL CRITERIA: None Weighted, Mandatory requirements to be met, for the Bidder's submission to qualify further evaluation. Proof of information	COMPLY (attach proof)
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below to be provided. A bidder who fails to meet this requirement will be disqualified.	YES	NO
Certified proof of educational qualification(s) for the team - at least 2 members to possess CA-SA, CIMA/ACCA and CFE	<input type="checkbox"/>	<input type="checkbox"/>
Client reference letter or formal letter indicating contactable references from previous client(s) – 4 (four) as a minimum in indicating work done in irregular expenditure and loss control. This should have been done in the recent 3 years i.e. from 2024 going backwards	<input type="checkbox"/>	<input type="checkbox"/>
Reference letter from previous or current client /formal letter with contactable references showing SCM training and irregular spend training done at an airline. This should have been done in the recent 3 years i.e. from 2024 going backwards	<input type="checkbox"/>	<input type="checkbox"/>
Company providing an affidavit indicating that they have never audited SAA's Annual Financial Statements previously, i.e. an external auditor	<input type="checkbox"/>	<input type="checkbox"/>
Bidders must comply with the outcome of specification or scope of work	<input type="checkbox"/>	<input type="checkbox"/>

Functional Criteria – Phase 02

	PHASE 2: FUNCTIONAL CRITERIA	WEIGHTINGS
1	Experience in similar projects in public entities in irregular spend verification <ul style="list-style-type: none"> ➤ More than Five (5) years of experience=30 Points ➤ Less than Five (5) years of experience=20 Points ➤ One (1) or two (2) years of experience=10 Points 	30
2	Expertise of the team in SCM support (including forensic experience) with at least 5 years' experience <ul style="list-style-type: none"> ➤ More than three (3) projects (provide proof of reference letters) covering SCM and Forensic =20 ➤ Less than three (3) projects (provide proof of reference letters) covering SCM and Forensic =15 ➤ One (1) or two (2) projects (provide proof of reference letters) covering SCM and Forensic =10 	20
3	Experience of team member(s) – minimum One (1) member (provide CVs and a project team): <ul style="list-style-type: none"> ➤ 5 years' experience and above in PFMA =7.5 	20

	<ul style="list-style-type: none"> ➤ 5 years' experience and above in SCM/PPPFA =7.5 ➤ 5 years' experience and above in Forensic investigation=5 	
4	Methodology <ul style="list-style-type: none"> ➤ Methodology fully in line with Specification or Output (this should demonstrate how the bidder will save money for SAA, implementation of controls for irregular spend, training of SAA staff and comply with the scope) = 30 ➤ Methodology partly in line with Specification or Output (i.e. not covering all scope requirements) =20 ➤ Methodology not included or not in line with Specification or Output (not covering the scope requirements) =10 	30
	<i>Each bidder who passed the mandatory criteria is expected to provide a presentation on the methodology for it to be scored</i>	
	Total	100
	Threshold	80

Threshold: The minimum qualifying score for Functionality is 80 points. All tenders that do not comply with all the Mandatory Requirements for Functionality and that fail to achieve the minimum qualifying score of 80 points on Functionality shall not be considered for further evaluation against Price and BBBEE.

PHASE 3: PRICE AND BBBEE

All tenders that comply with the mandatory requirements for Functionality and that have achieved the minimum qualifying score of 80% (Acceptable bids) will be evaluated further in terms of the applicable preference point system as follows:

Details	Points
Price	80
Specific Goals	20
Note to bidders: The bidders must indicate how they claim points for each preference point system.)	

PHASE 3: PRICE AND SPECIFIC GOALS	Allocation of Points (80/20)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Price	80	
Special goals	20	
Total	100	

SPECIFIC GOAL	ACHIEVEMENT SCORE		20
Persons historically disadvantaged based on race	100% ownership	Black	20
	75% - 99%		10
	Black ownership		
	50% - 74%		5
	Black ownership		
	Below 50% ownership	Black	0
TOTAL - PRICE & SPECIFIC GOALS			100

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.

SAA reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim regarding preferences, in any manner required by SAA.

Bidders should take note of the above technical (quality) evaluation criteria.

1. All the necessary documentation must be submitted for the Evaluation Panel to make an informed evaluation. Evaluation of the Technical (Quality) Requirements will be based on the information provided by the bidder.
 - a) Experience – CVs must be provided. Only list projects of a similar nature undertaken.
 - b) Expertise – The qualifications and experience of the company/team to undertake the work must be provided for evaluation purposes.
 - c) Methodology – The bidder must clearly demonstrate how the contract will be managed, detailing a work plan with timeframes and clearly explaining how the project will be implemented.
2. Bids that do not meet a minimum of 80 points in total for the criteria listed above will not be considered further.
3. SAA will pay rates aligned with the Department of Public Service and Administration (DPSA) on consulting services. Any rates below will lead to disqualification

5. STANDARD CONDITIONS FOR REQUEST FOR QUOTATION

Conditions:

- 5.1 All prices quoted must be exclusive of Value Added Tax (VAT).
- 5.2 All goods/services purchased will be subject to SAA Conditions of Contract and Order, available when requested.
- 5.3 All prices submitted must be firm. "Firm" prices are deemed to be fixed prices, which are only subject to the following statutory changes, namely VAT.
- 5.4 Note: Although SAA would prefer to award this contract to one service provider, it remains at our discretion to award the functions of the manufacturing of this product to the company that will provide us with excellent & prompt service. SAA is thus not

obligated to award this quote to any bidder. SAA is entitled to retract this quote at any time as from date of issue, without any refunds whatsoever. SAA is not obligated to award this quote to the bidder that quotes the lowest.

- 5.5 Service, pricing and availability will be taken into consideration.
- 5.6 Pricing should be given based on individual component that would make up the solution based on technical and functional requirements.

THE FOLLOWING MUST ACCOMPANY YOUR QUOTE

- ☐ SAA Vendor application and supporting documents. Refer to Annexure 1
- ☐ SBD 1 Document. Refer to Annexure 2
- ☐ SBD 2 Document. Refer to Annexure 3
- ☐ SBD 4 Document. Refer to Annexure 4
- ☐ Pricing Schedule. Refer to Annexure 5.

IF NOT QUOTING, INDICATE SO AND RETURN EMAIL TO THE RELEVANT PROCUREMENT OFFICIAL