

# INVITATION TO TENDER

**Tender Name:** The Provision of Internal Audit Services to PPECB

**Tender Number:**  
RFP/FIN/IAS/2022/10



<b>Date of Issue</b>	08 March 2023
<b>Online Briefing Session</b>	Not Applicable
<b>Closing Date &amp; Time</b>	30 March 2023
<b>Bid Validity Period from date of Closure</b>	150 Days
<b>Method of Submission</b>	Tender box: PPECB Head Office, 45 Silwerboom Ave, Platteklouf, Cape Town, 7506 and An electronic submission, that must be stored via Microsoft OneDrive
<b>Tender Enquiries</b>	Mphumzi Mehlomakulu E-mail: <a href="mailto:Mphumzim@ppecb.com">Mphumzim@ppecb.com</a> Tel: +27 21 930 1134
<b>PPECB business hours</b>	08:15 – 16:45
<b>Category</b>	Internal Audit

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## CONFIDENTIALITY AND PROPRIETARY NOTICE

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## 1 Invitation to Tender

Bidders are invited to tender for the appointment of a service provider to provide Internal Audit Services to the PPECB. The successful bidder will enter into a contract agreement with the PPECB for a period of five (5) years.

All information submitted as part of this bid shall be kept confidential and will only be used for the purpose of evaluating this tender. The PPECB shall not share this information with any unauthorised third party and shall take all reasonable steps to ensure the security of the information submitted.

Bidders must comply with the instructions of all the requirements of this Invitation to Tender. Non-compliance may lead to a tender not being considered by the PPECB.

The bid and accompanying documents must be carefully parcelled, sealed, and delivered to the Procurement tender box in the reception area of PPECB Head Office by no later than **30 March 2023 at 11:00am**

## 2 PPECB Background

The PPECB is a Schedule 3A national public entity that is constituted and mandated in terms of the PPEC Act, No. 9, of 1983 to perform cold chain services. The PPECB also delivers inspection and food safety services as mandated by the Department of Agriculture, Land Reform and Rural Development under the APS Act, No.119 of 1990.

The PPECB's Executive Authority is the Minister of the Department of Agriculture, Land Reform and Rural Development who appoints the board members. The board comprises of representatives from the perishable product industries.

The PPECB employs ± 1 200 people, who deal with more than 200 products and 500 varieties. There are more than 50 service types, over 30 offices in 13 production regions, at more than 1,500 locations. A large percentage of staff are inspectors and therefore not office bound. In addition to these offices the PPECB also has several sub offices that operate on a seasonal or ad-hoc basis.

The PPECB, mandated by the Minister of the Department of Agriculture, Land Reform and Rural Development has been delivering end-point inspection services on perishable products destined for export since 1991. Inspectors stationed across the country; deliver inspection services on 200 product types at more than 1500 locations.

The PPECB is responsible for South Africa's cold chain management and ensures that products for export are handled, stored and transported at specific temperatures and optimum conditions.

Please visit the PPECB's website on [www.ppecb.com](http://www.ppecb.com) for more information on the PPECB.

## 3 Conditions of Tender and Tender Instructions

### 3.1 Central Supplier Database

Bidder(s) are required to register on the Central Supplier Database ([Welcome - Central Supplier Database Application \(csd.gov.za\)](http://Welcome-Central-Supplier-Database-Application-csd.gov.za)) and to include their Master Registration Number (Supplier MAAA Number) in SBD1 in order to enable the PPECB to verify the supplier's tax status, company registration, bank details, directors and shareholders.

### 3.2 Cost of proposal preparation

The PPECB is not liable for any costs incurred by a Bidder(s) in the process of responding to this invitation, including post submission tender activities, such as responding to clarification questions, preparing for, and conducting presentations and demonstration, responding to PPECB due diligence requirements.

### **3.3 Questions from Bidder(s) & additional tender information**

Each Bidder(s) must ensure that they are familiar with the Tender Documents and understand the obligations that will apply if the Tender is accepted by the PPECB.

Should the Bidder(s) wish to clarify aspects of this Tender or the acquisition process, they must contact, via email, the officials listed on the Tender cover page. The Bidder(s) must ensure that they use the Tender Number and Name as reference in any communication with the PPECB.

Any queries relating to the Tender Documents must be sent no later than **ten (10) days** before the closing date of Tender. No questions will be responded to after the deadline for submission of questions.

### **3.4 Changes to the specification**

Should it be necessary to revise any part of this specification document, an addendum setting out such revisions will be published on the E-Tenders and the PPECB website.

Any amendment or change of any nature made to this Tender Documents shall only be of force and effect if it is in writing, signed by a PPECB authorized signatory and added to this Tender as an addendum.

### **3.5 Clarification from Bidder(s) following tender submission**

PPECB may request written clarification, documentary evidence or further information regarding any aspect of this Bidder(s) tender submission. The Bidder(s) must supply the requested information in writing within the time frames stipulated by the PPECB, otherwise the proposal may be disqualified.

### **3.6 Declarations of Interest**

Bidder(s) must make full disclosure where interest exists or may exist between parties under the proposed contract. In the event that a conflict of interest exists between the most advantageous Bidder(s) and the PPECB, and this was not disclosed, the said Bidder(s) bid will not be accepted. The next most advantageous Bidder(s) will be awarded the contract.

### **3.7 Tender Award**

The award of the tender is subject to receiving approval from the Bid Adjudication Committee and, where necessary, the Board of the PPECB.

### **3.8 Bidder(s) Acceptance of Tender Conditions**

By submitting a proposal in response to this Tender, the Bidder(s) acknowledges and accepts all the terms and conditions herein and the evaluation process and criteria.

### **3.9 Document Ownership**

This document and the information contained within it are for vendor use only, for the purposes of preparing a response to this Tender. The document is not to be duplicated and distributed, nor is its information to be disclosed to any third party without PPECB's written permission.

### 3.10 Briefing Sessions

- 3.10.1 The briefing session will be conducted online via Microsoft Teams unless a physical site meeting is required.
- 3.10.2 Should the Bidder intend to attend the briefing session, please **RSVP** to [Mphumzim@ppecb.com](mailto:Mphumzim@ppecb.com) at least two days before the session using the Tender Number and Name as the Reference.

### 3.11 Bidder(s) Authorised Signatory

Proposals submitted by companies must be signed by a person or persons duly authorised thereto. The Bidder(s) must provide proof of authority to sign this bid (e.g., resolution of board of directors).

### 3.12 Joint Ventures, Consortium or Trusts

Bidder(s) must submit proof of the existence of joint ventures and/or consortium arrangements. PPECB will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement. In the B-BBEE Codes, these are referred to as incorporated joint ventures or unincorporated joint ventures (such as a consortium).

The joint venture and/or consortium agreements must clearly set out the names and roles and responsibilities of the Lead Partner in the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, with the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement. In addition, provide the following information:

- Entity(ies) that will be guaranteeing contract performance;
- Date of Joint Venture formation, if applicable; and
- Details regarding the nature of the agreement between the Joint Venture Partners including the proposed percentage division of work between the constituent members. Each party to the Tender, if that party is a subsidiary company, is required to give details of the extent to which the holding company and related subsidiaries and associates are prepared to provide guarantees.

#### 3.12.1 Preference Points for Joint Ventures, Consortiums or Trusts

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, if the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

### 3.13 Proposal Withdrawal

Should the Bidder(s) withdraw the proposal before the proposal validity period expires, PPECB reserves the right to recover any additional expense incurred by PPECB having to accept any less favourable proposal or the additional expenditure incurred by PPECB in the preparation of a new Tender and by the subsequent acceptance of any less favourable proposal.

### 3.14 Extension of Proposal Validity Period

Should the evaluation of the proposals not be completed within the validity period, PPECB has discretion to extend the validity period. Upon receipt of the request to extend the validity period of the bid, the Bidder(s) must respond within the required timeframes and in writing on whether or not it agrees to hold its original proposal responses valid under the same terms and conditions for a further period.

### **3.15 Reference Checks**

In the evaluation of proposal, PPECB reserves the right to conduct independent reference checks.

### **3.16 Additional Information**

PPECB reserves the right to obtain additional information from the Bidder(s) after the bid closing date to clarify aspects of the Bidder(s) proposal.

Should such a request be made, the Bidder(s) must respond within the timeframe specified in the request. Should a Bidder(s) fail to respond or respond after the specified deadline, the Bidder(s) proposal may no longer be considered for further evaluation.

### **3.17 Rejection of proposal**

3.17.1 PPECB reserves the right to reject any proposal found to be inadequate or non-compliant to the Scope of the Terms of Reference.

3.17.2 PPECB may reject a bid if doesn't comply with the instruction of submission of the proposal referred to above

3.17.3 No tender will be awarded if the proposed solution does not meet the technical compliance criterion as set out in the tender documents.

### **3.18 Data Protection**

Any personal information and Confidential Information of the PPECB which may be provided during the bidding process may only be processed by the bidder for the purposes of this bid.

### **3.19 Disclaimer**

This specification document is an invitation for tender only and not an offer document; answers to it must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of its tender response, Bidder(s) shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this Tender. The PPECB makes no representation, warranty, assurance, guarantee or endorsements to Bidder(s) concerning the tender, whether with regard to its accuracy, completeness or otherwise and the PPECB shall have no liability towards the Bidder(s) or any other party in connection therewith.

### **3.20 Confidentiality**

Some of the information contained in the Tender Documents may be of a confidential nature and must only be used for purposes of responding to this Tender. This confidentiality clause extends to Bidder(s) partners or consortium members whom you may decide to involve in preparing a response to this Tender.

For purposes of this process, the term "Confidential Information" shall include all technical and business information, including, without limiting the generality of the foregoing, all secret knowledge and information (including any and all financial, commercial, market, technical, functional and

scientific information, and information relating to a party's strategic objectives and planning and its past, present and future research and development), technical, functional and scientific requirements and specifications, data concerning business relationships, demonstrations, processes, machinery, know-how, architectural information, information contained in a party's software and associated material and documentation, plans, designs and drawings and all material of whatever description, whether subject to or protected by copyright, patent or trademark, registered or un-registered, or otherwise disclosed or communicated before or after the date of this process.

The receiving party shall not, during the period of validity of this process, or at any time thereafter, use or disclose, directly or indirectly, the confidential information of PPECB (even if received before the date of this process) to any person whether in the employment of the receiving party or not, who does not take part in the performance of this process.

The receiving party shall take all such steps as may be reasonably necessary to prevent PPECB's confidential information coming into the possession of unauthorized third parties. In protecting the receiving party's confidential information, PPECB shall use the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use or disclosure of the confidential information as the receiving party uses to protect its own confidential information.

Any documentation, software or records relating to confidential information of PPECB, which comes into the possession of the receiving party during the period of validity of this process or at any time thereafter or which has so come into its possession before the period of validity of this process:

- shall be deemed to form part of the confidential information of PPECB,
- shall be deemed to be the property of PPECB;
- shall not be copied, reproduced, published or circulated by the receiving party unless and to the extent that such copying is necessary for the performance of this process and all other processes as contemplated in; and shall be surrendered to PPECB on demand, and in any event on the termination of the investigations and negotiations, and the receiving party shall not retain any extracts thereof.

### **3.21 General legal conditions**

The preparation of response will be made without obligation to acquire any of the items included in any Bidder(s) proposal or to select any proposal, or to discuss the reasons why such Bidder(s) or any other proposal was accepted or rejected.

While information in this Tender document has been prepared in good faith, it does not purport to be totally comprehensive, nor to have been independently verified. PPECB does not accept any liability for its adequacy, accuracy, or completeness, nor does it make representation or warranties with respect to information contained in it, or upon which the Tender is based.

Prior to submitting the proposal, Bidder(s) should satisfy themselves of the accuracy and completeness of all the information submitted. Bidder(s) should be confident that the pricing submitted is sufficient for the company to meet all its obligations in terms of this Tender document and any contract that may result from this Tender process. Failure to do so may lead to disqualification.

### **3.22 Tender submissions**

Bidder(s) are required to submit detailed proposals to demonstrate their ability to provide the services they will deliver on this Tender. A detailed specification of the services required by PPECB is contained herein.

For further tender instructions, refer to Tender submission instructions, refer to Section 6.

#### **4 Scope of Terms of Reference**

These terms of reference are intended to provide a scope of work and deliverables to Internal Auditors in terms of section 38 (1) (a) (i) and (ii) of the PFMA (Public Finance Management Act) and in terms of section 3.2 of the Treasury Regulations for the provision of Internal Audit Services to PPECB.

The term of the contract is intended to cover the provision of internal audit services for a period of five (5) years. The duration of the assignment will be determined by annual performance.

##### **4.1 The Objectives of the Internal Audit Function**

The objective of this bid is to appoint a suitable, independent service provider that can provide an appropriate internal audit service for the Accounting Authority and Management of the PPECB. In terms of the Public Finance Management Act (PFMA), the PPECB should have an effective internal audit function, which should also comply with the Institute of Internal Auditors (IIA) standards.

The internal audit function should assist the PPECB to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, the internal control environment and governance processes. The Risk Management Strategy and Strategic Risk Register, including the Fraud Prevention Plan, must be used to direct the internal audit effort. One of the objectives of the internal audit function is to assist the Audit Committee, and through it the Accounting Authority and Management, in the effective discharge of their responsibilities. This must be done through furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities that have been reviewed as well as regular follow-ups.

Other objectives of the audit function are to review the following:

- The effectiveness and efficiency of the internal control environment;
- The information systems environment;
- The reliability and integrity of financial and operational information;
- The effectiveness of operations of the PPECB;
- Compliance with relevant legislation, regulations, policies, contracts, and controls;
- The safeguarding of assets;
- The effective and efficient use of resources;
- The achievement of established operational goals and objectives.

##### **4.2 The Scope of the Internal Audit Function**

The scope of the internal audit function includes the points listed below. However, should any other function be regarded as imperative by the tenderer, it should be added and clearly defined.

The internal audit function must, in consultation with PPECB Management, prepare:

- a) A rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for the PPECB, having taken into consideration the current operations, the operations proposed in its corporate or strategic plan and its risk management strategy.
- b) An annual Internal Audit Plan indicating the scope, cost, and timelines of each audit.

- c) Audit reports directed to the Audit Committee and Management detailing its performance against the plan to allow effective monitoring and intervention, when necessary.
- d) The Internal Audit Function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and minimal duplication of effort.
- e) The internal audit function must assist the Accounting Authority and Management in maintaining effective controls by evaluating those controls and developing recommendations for enhancement or improvement.
- f) It must assist the Accounting Authority and Management in achieving the objectives of the PPECB by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
  - Objectives and values are established and communicated;
  - The accomplishment of objectives is monitored;
  - Accountability is ensured;
  - Corporate values are preserved;
  - The adequacy and effectiveness of the system of internal control are reviewed and appraised;
  - The relevance, reliability and integrity of management, financial and operating data and reports are appraised;
  - Systems established to ensure compliance with policies, plans, procedures, statutory requirements, and regulations, which could have a significant impact on operations, are reviewed;
  - The means of safeguarding assets are reviewed and deemed as appropriate in verifying the existence of such assets;
  - The efficiency and effectiveness with which resources are employed are appraised;
  - The results of operations or programmes are reviewed to ascertain whether they are consistent with the PPECB's established objectives and goals and whether the operations or programmes are being carried out as planned; and
  - The adequacy of established systems and procedures are assessed.
- g) The audits that will need to be taken into account at the PPECB are, among others:
  - Financial and operational audits.
  - Information and Communications Technology (ICT) audits.
  - Conducting special assignments and investigations, on behalf of the Accounting Authority and/or Management, into any matter or activity affecting the integrity, interest, and operating efficiency of the PPECB.
  - Audits designed to detect fraud.
- h) The firm will be required to perform annual risk workshops throughout the duration of the contract.
- i) The ICT auditor assigned by the firm will be required to attend relevant management meetings for ICT related projects.

### 4.3 Fraud and Irregularities

In planning and conducting its work, the internal auditor should seek to identify serious defects in internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Chief Executive Officer (CEO) and/or the Accounting Authority without

disclosing these to any other staff. This also applies to instances where serious fraud and irregularities have been uncovered.

#### 4.4 Quality Assurance reviews of Audit work

The Firm shall ensure that all work conforms to the IIA Standards for Professional Practice. Such work may further be subjected to external quality assurance, as may be considered necessary.

#### 4.5 Monitoring the progress of Engagements

On completion of each assignment, the auditor shall distribute the reports to Management. On a quarterly basis, a report on progress against the plan, significant findings and administrative matters will have to be presented to the Audit Committee.

The Engagement Partner and/or Associate Director / Senior Manager must attend all Audit Committee meetings.

#### 4.6 Independence and Objectivity of Staff

In carrying out the work, the auditor must ensure that their staff members maintain objectivity by remaining independent of the activities they audit.

### 5 Instructions for Submitting Tender Response

#### 5.1 General Submission Instructions

5.1.1 The tender must be submitted in **dual** format:

5.1.1.1 A **hard copy** submission, which must be delivered to the designated PPECB Tender Box (refer section 5.3 for physical submission instructions); and

5.1.1.2 An **electronic** submission, which must be stored via Microsoft OneDrive and shared with the email address specified in section 5.4 (refer to section 5.4 for further instructions on the electronic submission)

5.1.2 The hardcopy submission (in the tender box) and the electronic submission (via email) must be delivered to the designated addresses **before** the tender closing date and time.

5.1.3 No late bid responses will be considered.

5.1.4 The tender must be submitted on the Forms of Tender incorporated herein. The forms must be duly signed by each Bidder(s) and submitted in the sequence listed in paragraph 5.2

5.1.5 Envelope submission: Two Envelopes

5.1.6 Proposals must consist of two parts, each of which is submitted in a separate package clearly marked:

5.1.7 **Envelop 1 – Technical Proposal: RFP/FIN/IAS/2022/10 - Provision of Internal Audit Services for the PPECB (No Pricing in this envelope)**

Bidder(s) must submit one (1) signed, completed original of the Technical Proposal, together with one (1) electronic copy (in PDF format) via Microsoft One Drive (unencrypted). The envelope must contain all information and documentation relating to the tender. Refer to Structure of the Proposal below.

5.1.7.1 **No pricing** information must be included in Envelope One (Non-compliance will result in automatic disqualification).

5.1.8 **Envelope 2 – Pricing Proposal: RFP/FIN/IAS/2022/10 - Provision of Internal Audit Services for the PPECB**

**5.2 Bidder(s) must submit one (1) signed, completed original Price Proposal (pricing schedule/schedule of rates as applicable), together with one (1) electronic copy (in MS-Excel format) via One Drive (unencrypted). No technical information must be included in Envelope Two. Structure of the Proposal**

**Envelope 1: Technical Proposal –**

1.	Bidder(s) Cover letter on Company Letterhead
2.	Table of Contents Page
3.	Bidder(s) written technical proposal, providing evidence/support for technical evaluation
4.	Specification document, with the declaration section on page 31, completed and signed by the Bidder(s)
5.	SBD 1 – Invitation to Submit Proposal
6.	SBD 4 – Bidder(s) Declaration
7.	SBD 6.1 - Preference Point Claim Form
8.	Valid B-BBEE Certificate ** For a Joint Venture or Consortium, the consolidated B-BBEE certificate of the joint venture or consortium must be submitted (refer paragraph 3.12.1.).
9.	Non-Disclosure Agreement – (Annexure C)
10.	Tax Compliance Pin / Tax Clearance Certificate
11.	In case of a proposal from a joint venture, consortium or subcontracting, the following must be submitted: <ul style="list-style-type: none"> <li>• Joint Venture Agreement including split of work and rand value signed by both parties;</li> <li>• The Tax Clearance Certificate / Proof Tax Compliance of each joint venture member;</li> <li>• Proof of ownership/shareholder certificates/copies of Identity document; and</li> <li>• Company registration certificates</li> </ul>

**Envelope 2: Pricing Proposal**

1.	<ul style="list-style-type: none"> <li>• SBD 3.3 – Pricing Schedule</li> <li>• Annexure A Pricing Schedule (attached)</li> </ul>
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**5.3 Physical Submission - Tender Packaging and Delivery**

5.3.1 The Technical and Pricing Proposal must be split into two separate envelopes, both sealed, which must then be placed together in an outer envelope or parcel, which must also be sealed.

5.3.2 The outer envelope or packaging must be sealed and marked with the following information:

5.3.3 **Tender: RFP/FIN/IAS/2022/10 - Provision of Internal Audit Services for the PPECB**

**Venue:**

THE PERISHABLE PRODUCTS EXPORT CONTROL BOARD (PPECB)  
45 Silwerboom Avenue  
Platteklouf, Cape Town, 7500

- 5.3.4 The sealed Tender submission documents must be placed in the Tender Box in the main reception area at the PPECB Head Office no later than the closing date and time stipulated in the Tender Summary Information (refer cover page).
- 5.3.5 Failure to comply with these instructions may result in the tender being considered ineligible.

#### **5.4 Electronic Submission**

- 5.4.1 An electronic copy must be submitted online via Microsoft OneDrive and shared with email address [mphumzim@ppecb.com](mailto:mphumzim@ppecb.com).
- 5.4.2 The electronic submission must be structured in the same sequence as the physical submission (Individually filed in folders and named accordingly)
- 5.4.3 The electronic copy must be in PDF format with all the relevant documents signed as per hard copy original, but the electronic version must also have the completed pricing matrix in EXCEL format, unencrypted.

### **6 Evaluation Process and Criteria.**

The tender evaluation process will be conducted in compliance with the relevant Supply Chain acts (including, the Public Finance Management Act of 1999, Preferential Procurement Policy Framework Act of 2000), its associated Regulations, and PPECB's Procurement and Preferential Procurement Policies.

The bids will be evaluated based on the following stages and further described below:

- Stage 1 – Administrative Evaluation;
- Stage 2 – Pre-Qualification;
- Stage 3 – Functional / Technical Evaluation;
- Stage 4 – Price and Specific Goals; and
- Stage 5 – Objective Criteria (Risk) Evaluation.

Should a Bidder(s) fail on any of the previous stages, they will be disqualified and not be considered for any of the follow-on stages. These different stages are further described below.

#### **6.1 Stage 1 – Administrative Evaluation**

The Bidder(s) will be evaluated on the returnable documents for administrative compliance and to confirm if the Bidder(s) meets all the terms and conditions of bid as referenced in this document, including all Annexures.

#### **6.2 Stage 2 – Pre-Qualification**

The Bidder(s) must meet the following mandatory competency requirements as **Pre-qualification**:

#### **6.3 Stage 3 - Functional / Technical Evaluation**

**This bid will be evaluated on functionality. The functional / technical evaluation is further sub- divided in the following sub-stages.**

Mandatory Technical Evaluation Criteria.

##### **6.3.1 Mandatory Technical Evaluation Criteria**

In their responses, Bidder(s) must state whether (or not) they comply with the below requirements and provide proof.

If a Bidder(s) does not comply with any requirement in the table below, they will be disqualified and not be considered for further evaluation.

No.	Pre-qualification/Mandatory Evaluation Criterion	Reference page	Requirement Met: (YES / NO)
1.	The Firm must be independent from the PPECB and its Board Members and be able to maintain its independence throughout the engagement. A detailed statement must be provided confirming independence of the engagement partner and the audit team.		
2.	The Firm must disclose all past, current, or pending ethical, governance or criminal investigations and/or judgments against their Organisation and/or its directors, partners, board members in the last 3 years. If the Firm has nothing to disclose a statement to this effect must be included.		
3.	The Firm must perform internal audits in accordance with the International Professional Practices Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). The Firm must provide evidence of a satisfactory result on their External Quality Assurance review performed within at least the last five (5) years.		

### 6.3.2 Weighted/Rated Technical Evaluation

Bidders will be evaluated based on the following Weighted/Rated Technical/Functional Evaluation Criteria.

No.	Technical Evaluation Criteria	Min Points	Max Points	Bidder to clearly indicate response page
1	<b>Registration with Professional Bodies</b> The Firm <b>must</b> be registered with the Institute of Internal Auditors.  <b>Scoring</b> Evidence of Registration to be provided. <ul style="list-style-type: none"> <li>The Firm must be registered with the Institute of Internal Auditors and must provide evidence of this registration <b>(20 points)</b></li> <li>The Firm is also registered as a public auditor in public practice with the Independent Regulatory Board of Auditors (IRBA) <b>(10 points)</b>.</li> </ul>	20	30	
2	<b>Experience in the audit of Public Entities</b> <ul style="list-style-type: none"> <li>Advanced understanding of and sufficient exposure to the Public Finance Management Act of 1999 and the Protocol on Corporate Governance for Public Entities.</li> <li>Experience in the auditing of public entities, with reference letters.</li> <li>External references, the size of audits and the size of the client base.</li> </ul> <b>Scoring</b> Provide written and contactable references of at least three (3) prior internal audit assignments, <b>at least two</b> must be a Public Entity, not older than 3 years. Include the contact details of the references. References received from: <ul style="list-style-type: none"> <li>Public Entities: <b>10 points</b> for each entity with total income above R300 million</li> <li>Private Entities: <b>10 points</b> for each entity or entities within a group with total income above R300 million</li> <li>Entities with turnover below R300 million: 0 points</li> </ul>	20	30	
3	<b>Organogram</b> Organogram of the proposed Internal Audit Team allocated to this assignment and the location of each Internal Audit Team Member.  <b>Scoring</b> <ul style="list-style-type: none"> <li>Organogram of the proposed Internal Audit Team provided: <b>10 points.</b></li> <li>Organogram not provided: 0 points.</li> <li>Proposed Internal Audit Team based in Cape Town: <b>10 points.</b></li> </ul>		20	

No.	Technical Evaluation Criteria	Min Points	Max Points	Bidder to clearly indicate response page
	<ul style="list-style-type: none"> <li>Proposed Internal Audit Team not based in Cape Town but can commute to Cape Town at the Firms cost: <b>5 points</b></li> </ul>			
<b>4</b>	<p><b>Qualifications and Experience of Team Members</b></p> <ul style="list-style-type: none"> <li>Key Audit Team Members (e.g., the Engagement Partner, Associate Director, Senior Manager, Manager and Senior Internal Auditors) must be Associate Members with the Institute of Internal Auditors (IIA). At least one Senior Member of the Audit Team must be a Certified Internal Auditor (CIA) and one Senior Member of the Audit Team responsible for ICT audits must be a Certified Information Systems Auditor (CISA).</li> <li>Detailed Curriculum Vitae of the auditor/s who will be responsible for managing the internal audits and the person who will be signing the audit plan and reports.</li> </ul> <p><b>Scoring</b> Membership and Qualification Certificates and Curriculum Vitae of proposed key audit team members which supports relevant experience.</p> <ul style="list-style-type: none"> <li>Proof (certificate to be provided) that at least one Senior Audit Team Member is a Certified Internal Auditor: <b>15 points.</b></li> <li>Proof (certificate to be provided) that at least one Senior Audit Team Member is a Certified Information Systems Auditor (CISA): <b>15 points</b></li> <li>Proof of membership certificates to the Institute of Internal Auditors for the key audit team members: <b>5 points</b></li> <li>Curriculum Vitae for the Engagement Partner and one other key audit team member with more than five years' experience in the Public Sector:               <ul style="list-style-type: none"> <li>Engagement Partner – <b>10 points</b></li> <li>Key audit team member – <b>5 points</b></li> </ul> </li> <li>Proof of membership, qualification certificates and curriculum vitae not provided – <b>0 points</b></li> </ul>	40	50	
<b>5</b>	<p><b>Ability to provide specialised skills and expertise primarily in the field of Information Technology (IT)</b></p> <ul style="list-style-type: none"> <li>The Firm should have dedicated in-house qualified Information Technology auditors, with at least five years' experience in the auditing of IT general and application controls, IT Infrastructure and Cybersecurity as well as large scale IT projects. IT Auditors to have knowledge and experience with the review of the controls relating to design, development, and implementation of operational and financial systems (e.g., ERP, Human Capital Management, Payroll).</li> <li>Specialised skills, expertise, and value-added services in the field of internal audit, with an emphasis on best practice methodology, tools and technology used (e.g., use of Computer-aided audit tools) to ensure that they can analyse large volumes of data to identify anomalies.</li> </ul> <p><b>Scoring</b> Proof that The Firm has an in-house IT Audit Engagement Partner and IT Auditors with more than five years' experience in the auditing of IT general and application controls, IT Infrastructure and Cybersecurity as well as large scale IT projects. IT Auditors to have knowledge and experience with the review of the controls relating to design, development, and implementation of operational and financial systems (e.g., ERP, Human Capital Management, Payroll).</p>	40	60	

No.	Technical Evaluation Criteria	Min Points	Max Points	Bidder to clearly indicate response page
	<p>The Firm must attach the following in support of the above requirements:</p> <ul style="list-style-type: none"> <li>Skills Matrix of the IT Audit Team: <b>10 points</b></li> <li>Curriculum Vitae of the proposed IT Audit Engagement Partner with more than 5 years' experience: <b>10 points</b></li> <li>Curriculum Vitae of the proposed IT Auditors more than 5 years' experience: <ul style="list-style-type: none"> <li><b>3 or more IT Auditors: 15 points</b></li> <li><b>2 IT Auditors: 10 points</b></li> <li><b>1 IT Auditor: 5 points</b></li> </ul> </li> <li>Case Study, testimonials or references of IT audits projects completed within the last 5 years. These documents must be accompanied by contactable references: <ul style="list-style-type: none"> <li>Three (3) case studies, testimonials or references of IT audits projects completed within the last 5 years: <b>15 points</b></li> <li>Two (2) case studies, testimonials or references of IT audits projects completed within the last 5 years: <b>10 points</b></li> <li>One (1) case study, testimonial or reference of IT audits projects completed within the last 5 years: <b>5 points</b></li> <li>Computer-aided audit tools (CAATS) (e.g., IDEA or ACL) used for data analytics: <b>10 points (10 points minimum)</b></li> </ul> </li> </ul>			
<b>6</b>	<p><b>Reliance on PPECB's Fees. Latest audited financial statements to be provided.</b></p> <p>Firm to confirm in writing that it will not be over-reliant on the PPECB's audit fee as income for the firm. Latest audited financial statements to be provided.</p> <p><b>Scoring</b></p> <ul style="list-style-type: none"> <li>PPECB Fees to be less than 10% of total income: <b>10 points.</b></li> <li>PPECB Fees will amount to / constitute between 10%-30% of total income: <b>5 points.</b></li> <li>PPECB Fees will amount to / constitute more than 30% of total income: <b>0 points</b></li> </ul>		20	
<b>7</b>	<p><b>Insurance</b></p> <p>The Firm's professional indemnity insurance including names of insurer, policy numbers, expiry date and limits of any one incident.</p> <p><b>Scoring</b></p> <ul style="list-style-type: none"> <li>Provide valid insurance certificate/policy schedule: <b>10 points.</b></li> <li>No or expired insurance certificate/policy schedule provided: <b>0 points</b></li> </ul>		10	
	<b>Total Points</b>		<b>220</b>	

### Functional Threshold

The minimum functional threshold is **170 Points**. Bidders who score less than this threshold will be disqualified and not be considered for any further evaluation. In addition to the overall score, the bidders must also score higher than the individual sub-minimum points per criteria, where applicable.

### VERY IMPORTANT:

- Technical documents must be arranged in sequence of the above criteria in a pack with clearly marked sections according to the headings listed above.**
- Complete the "Bidder page reference and page number" in the table above to ensure that your responses to the technical evaluation can be located.**

#### 6.4 Stage 4 – Price and Specific Goals Evaluation

All Bidder(s) that pass all previous stage of evaluation (acceptable Bidder(s)) will qualify to be further evaluated on Price and Specific Goals (80/20).

Description	Points
Price	80
Specific Goals	20
Total Points for Price and Specific Goals	100

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

*(Note to tenderers: The tenderer must indicate how they claim points for each specific goal stipulated below and provide supporting evidence.)*

No	Specific Goal	Supporting Evidence	Preference Points	Number of points claimed. (To be completed by the bidder)
1	Black-owned enterprises	Proof of B-BBEE status level of contributor, specifically in line with the respective Sector Codes which the company operates - SANAS Approved certificate or Commissioned affidavit or Shareholding certificate	<b>Total Points: 10</b> % Shareholding and Points allocation out of total of 10 points. 70% to 100% = 10 50% to 69% = 5 Below 50% = 1	
2	Women-owned enterprises;	Proof of B-BBEE status level of contributor, specifically in line with the respective Sector Codes which the company operates - SANAS Approved certificate or Commissioned affidavit or Shareholding certificate	<b>Total Points: 10</b> % Shareholding and Points allocation out of total of 10 points. 70% to 100% = 10 51% to 69% = 6 30% to 50% = 4 Below 30% = 0	
	<b>Total Points for Specific Goals</b>		<b>20</b>	

#### 6.5 Stage 5 - Objective Criteria

In terms of Preferential Procurement Regulation 11 and section 2(1)(f) of the Preferential Procurement Policy Framework Act, the PPECB may consider the following objective criteria in the bid award:

- 1) The risk of fruitless and wasteful expenditure to the PPECB;
- 2) The risk of an abnormally low bid;
- 3) The risk of a material irregularity;
- 4) The PPECB reserve the right not to consider bids from Bidder(s) who are currently in litigation with the PPECB; and
- 5) The PPECB further reserve the right not to award this tender to any Bidder(s) based on the proven poor record of accomplishment of the Bidder(s) in previous projects within the PPECB and the referee submitted by the Bidder(s).

## 7 Financial Proposal

### Points awarded for price

**Note: Respondents are required to complete and return Annexure A-Pricing Schedule. The Bidder(s) Proposal must set out all pricing assumptions, including the applicable foreign currency exchange rates, applicable indices, and the like.**

Only firm prices will be accepted. Non-firm prices (including prices subject to rates of exchange variations) will not be considered.

All prices must be inclusive of VAT. No variation, to the accepted quote, will be allowed unless the Bidder(s) has obtained prior written approval from PPECB.

**The agreement will be based on variation-based agreement i.e., fixed unit costs will apply throughout the agreement lifecycle.**

A cost estimate for the contract period of each financial year, which must include related assumptions and details that make up a duration of five years.

It is understood that internal audits are based on hourly rates and that budgets are compiled once the appointed auditor has assessed the likely extent of the work and therefore, should we require additional audit assignment hours, proposals will be compared based on hourly rates. Firms are required to submit a table of hourly rates on Annexure A.

Rates should be inclusive of overheads and VAT. If a particular category does not exist for the firm, it can be omitted. The cost quoted excludes costs that relate to travelling and accommodation. Commitment, however, is required to follow National Treasury Guidelines that are also applicable to service providers of public entities.

Please refer to Annexure A for a list of Audit Engagements that would need to be performed during the duration of the contract. Some Audit Engagements are performed annually, and others are performed over a three-year audit cycle (for example: an Engagement may be performed in year one of the contract and then again in year four of the contract considering the three-year rolling audit plan approach).

It should be noted that the list of tabled Audit Engagements is not an exhaustive list, and this can change based on the Organisation's Risk Profile and/or Projects that are undertaken by the Organisation. However, the prospective Bidders must provide as accurately as possible the estimated audit hours for the duration of the contract.

### 7.1 Notes on Quantities and Pricing

- a) To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this pricing schedule (Annexure A) and not utilise a different format. Deviation from this pricing schedule will result in a bid being declared non-responsive.
- b) Please note that should you have offered a discounted price(s), PPECB will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.
- c) Suppliers must provide firm prices in their proposals. For the purposes of this RFP "firm prices" are prices at which the Supplier will supply the Product and/or the Services to PPECB without any adjustment thereto for any reason whatsoever, for the duration of

agreement that PPECB may conclude with the Supplier, for the Proposal accepted by PPECB. PPECB will in this regard prefer that price be firm for a period of at least 12 (twelve) months.

- d) Suppliers must submit a price schedule in which they set out the total cost breakdown of the prices they have quoted in their Proposals
- e) Please take note that the specified volumes are estimates and subject to change due to the seasonal resourcing fluctuations of the PPECB.
- f) Errors and omissions will not be accepted and only the total price submitted in your bid will be considered.
- g) The RFP must be quoted in its entirety in the pricing schedule (Annexure A). No portion may be left blank – failure to quote on all components will disqualify you from the tender process
- h) Please ensure that a detailed description accompanies the pricing schedule (Annexure A) that describes how the pricing has been derived

## **8 General Conditions of Contract and Special Conditions of Contract**

**8.1** The National Treasury's General Conditions of Contract (GCC) will apply and is enforceable on this tender (Refer **Annexure B**).

8.1.1 PPECB may not amend the GCC but may supplement this with its own Special Conditions of Contract (SCC).

8.1.2 Where there is a conflict between the GCC and the SCC the provisions of the SCC shall prevail.

### **8.2 Special Conditions of Contract**

8.2.1 The PPECB reserves the right to reject any proposal found to be inadequate or non-compliant to the Terms of Reference.

8.2.2 The PPECB needs to be formally informed of any change/replacement of approved resources.

8.2.3 The replacement/Back-up resources need to be evaluated (by means of submitting a CV and relevant qualification as per this specification) and approved by the PPECB prior to commencement of work.

8.2.4 Non-Disclosure of Information

8.2.5 The successful Bidder(s) will be required to sign a formal agreement with the PPECB.

8.2.6 The Bidder(s) may not intend to assign, in whole or in part, any of its obligations to perform in terms of the contract to any third party, unless prior consent is obtained in writing.

8.2.7 A Bidder(s) may not intend to cede his right to payment in terms of a contract to a third party without prior written consent.

### **8.3 Insurance**

8.3.1 The successful Bidder(s) will be responsible for its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all descriptions issued in connection with this Tender.

8.3.2 Upon award of contract and prior to beginning work, the successful Bidder(s) must provide proof of insurance. Insurance must be maintained for the duration of the contract.

8.3.3 Bidder(s) are required to provide a sample certificate of insurance that indicates your company's limitations of liability as part of your tender response.

8.3.4 The Bidder(s) to submit a copy of professional indemnity insurance

#### **8.4 Assignment and Cession**

8.4.1 A Bidder(s) may not assign, in whole or in part, any of its obligations to perform in terms of the contract to any third party, unless disclosed and prior consent is obtained in writing.

8.4.2 A Bidder(s) may not intend to cede his right to payment in terms of a contract to a third party without prior written consent.

#### **8.5 News and press releases**

Bidder(s) or their agents shall not make any news releases concerning this Tender or the awarding of the same or any resulting agreement(s) without the consent of, and then only in co-ordination with PPECB.

#### **8.6 Quality**

8.6.1 The quality of the products/services delivered shall not differ from that specified in Point 7 of this document.

#### **8.7 Payment**

8.7.1 The PPECB shall pay the Price to the appointed Bidder(s) in accordance with the contract signed pursuant to the award of this tender, which payment shall be subject to:

8.7.1.1 the Price being in accordance with the agreed quotes and as per the contract;

8.7.1.2 the Products/Services being received and accepted by the PPECB in terms of the contract;

8.7.1.3 Goods and Services VAT being included in the Price.

8.7.1.4 A correct purchase order number being quoted on the tax invoice.

8.7.2 The **Payments terms** shall be 30 Days from invoice date.

#### **8.8 Subcontracting after Award**

8.8.1 Should a Bidder(s) wish to change or appoint a new subcontractor after award the following conditions will apply.

8.8.1.1 Any changes to subcontracting arrangements must be done with the prior written approval of PPECB.

8.8.1.2 A Bidder(s) awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced below the stipulated minimum threshold.

8.8.1.3 A Bidder(s) awarded a contract and awarded points for B-BBEE (preference points) during the evaluation process, may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an Exempted Micro Enterprise (EME) that has the capability and ability to execute the subcontract.

#### **8.9 Duration of Contract**

- 8.9.1 This Contract and/or Service Level Agreement shall commence on the Commencement Date and terminate after a period of 60 (sixty) months, subject to early termination hereof, or termination due to breach of contract.
- 8.9.2 The duration of the Agreement shall be subject to an annual performance review by the PPECB, which shall entitle the PPECB to cancel this Agreement if the performance of the Services do not meet the required agreed performance standards.
- 8.9.3 The PPECB reserves the right to terminate without penalty if the successful tenderer is not able to honour the terms and conditions specified by the contract. Further to this, should there be any risk in terms of reputational damage by association the PPECB reserves the right to cancel the contract.

**8.10 Legal Jurisdiction**

The laws of the Republic of South Africa shall govern this Tender, and any subsequent agreement entered into. Bidder(s) accept hereby that the courts of the Republic of South Africa shall have jurisdiction.

**DECLARATION BY THE BIDDER(S)**

Only Bidder(s) who have completed the declaration below will be considered for evaluation.

Tender No: **RFP/FIN/IAS/2022/10 - Provision of Internal Audit Services for the PPECB** I hereby undertake to render services described in the attached Tender documents to PPECB in accordance with the requirements and task directives / proposal specifications stipulated in the Tender mentioned above at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the PPECB during the validity period indicated and calculated from the closing date of the proposal.

I confirm that I am satisfied with the correctness and validity of my proposal; that the price(s) and rate(s) quoted cover all the services specified in the proposal documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this proposal as the principal liable for the due fulfilment of this proposal.

I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other proposal.

I accept that the PPECB may take appropriate action should there be a conflict of interest or if this declaration proves to be false.

The bidder herewith consents to the processing of its Personal Information, as defined in the Protection of Personal Information Act 4 of 2013 and any other applicable data protection legislation, for the purposes of the evaluation, adjudication and appointment of a successful bidder. Where applicable, the bidder warrants that it has obtained the necessary consent to process any personal information of its employees and/or any third parties whose personal information is provided for this bid. The bidder consents that PPECB may verify personal information, where necessary, with the National Treasury CSD website and any other regulatory/ industry or any accredited/certification bodies. Should the bidder wish to withdraw its consent as discussed above at any time, it must do so in writing and address such notification to the Procurement Manager of the PPECB. The personal information collected for the purpose of this bid will be retained for a period of three years after the bid has been awarded. The bidder further consents to retention of its information including personal information pursuant to this Agreement and agrees that such information may be stored on a private/public cloud hosted in Western Europe/European Union for the relevant retention periods as may be provided for in the PPECB's retention policy.

I confirm that I am duly authorised to sign this proposal.

NAME (PRINT) ..... Signature .....

DESIGNATION .....

WITNESSES:

1 .....

2 .....