

## INVITATION TO TENDER

**FOR APPOINTMENT OF A SUITABLE QUALIFIED SERVICE PROVIDER TO RENDER INTERNAL AUDIT SERVICES TO THE QUALITY COUNCIL FOR TRADES AND OCCUPATIONS (QCTO) FOR A PERIOD OF THREE (03) YEARS**

**TENDER NO: QCTO 01 / 2023**

Closing Date	Address for Submission
<b>Date: 19 July 2023</b> <b>Time: 11:00</b>	Quality Council for Trades and Occupations Tender Box @ Reception 256 Glyn Street Hatfield Pretoria 0083

**NB: Late Submissions will not be considered.**

<b>Company Name</b>		
<b>Address</b>		
<b>Contact person</b>		
<b>Contact numbers</b>	(w)	(cell)
<b>Email address</b>		

## **TABLE OF CONTENTS**

### **NUMBER 1 – INTRODUCTION**

### **NUMBER 2 – AIM OF PROPOSAL**

### **NUMBER 3 – OBJECTIVE OF ASSIGNMENT**

### **NUMBER 4 – SPECIAL CONDITIONS OF CONTRACT**

### **NUMBER 5 – EXTENT OF COMPUTERISATION**

### **NUMBER 6 – EVALUATION CRITERIA**

### **NUMBER 7 – CALCULATING THE FINAL SCORE**

### **NUMBER 8 – TENDER VALIDITY PERIOD**

### **NUMBER 9 – ENQUIRIES**

## 1. INTRODUCTION

The QCTO is a Schedule 3A Public Entity that was established in accordance with the Skills Development Act, No. 97 of 1998 (as amended) and the National Qualifications Framework Act, No. 67 of 2008 (as amended) and came into operation on 1 April 2010. The main functions of the QCTO amongst others are to develop standards for occupational qualifications including trades and skills programs, accredit skills development providers, and assessment centres, conduct assessments, quality assurance and issue certificates to qualifying candidates. Therefore, the QCTO is responsible for standards generation and maintenance; quality assurance of occupational full and part qualifications registered on the National Qualifications Framework (NQF) and the Occupational Qualifications Sub-Framework (OQSF) policy. The QCTO has approximately 120 staff members and is situated in Hatfield, Pretoria. More information can be obtained from <https://www.qcto.org.za/>.

Quality Council for Trades and Occupations (QCTO) seeks to invite potential qualified and experienced service providers to submit proposals to render internal audit services to the QCTO on an outsourced basis for a period of three years, and in accordance with the General Conditions of offer, as well as the specifications are requested to complete this tender document, together with all the standard bidding documents in full and submit proposals in sealed envelopes marked Tender Number: **QCTO 01/2023** and placed in the tender box at 256 Glyn Street Hatfield, Pretoria, 0083, not later than the closing time and date.

**Table: 1.1**

Briefing Session Information
Compulsory Virtual Briefing session Date: 27 June 2023. Time: 11:00am – 12:00am Link: To receive the link, kindly email <a href="mailto:tenders@qcto.org.za">tenders@qcto.org.za</a> before 22 June 2023. The link will be sent by the end of business on 23 June 2023.

Prior to submission the bidders must check that all pages are properly numbered and all required documents are signed, initialed and submitted. QCTO will hold the duly authorized signatory liable on behalf of the bidder.

**Each page should be initialed with a black pen.**

## 1.2 PRICING

- 1.2.1 The bidder must submit details regarding the tender price for the services on the pricing schedule provided in SBD 3.3, which completed form/s must be submitted together with the proposal.
- 1.2.2 It is a requirement of this tender that the tender price is based on a fixed price for the estimated duration of three years.
- 1.2.3 All other costs increases will be negotiated not exceeding actual inflation rate (CPI).
- 1.2.4 Pricing must be stipulated **INCLUSIVE OF VALUE ADDED TAX.**

## 1.3 PARTNERSHIPS AND LEGAL ENTITIES

In the case of the bidder being a partnership, close corporation or a company, a certificate reflecting the names, identity numbers and address of the partners, members or directors (as the case may be) must be submitted with the tender.

## CONSORTIUMS AND JOINT VENTURES

- 1.3.1 If the tendering unit emanates from a joint venture or collaborative partnership or consortium (including a newly formed company), which does not have a **joint track** record of at least three (3) years, the individual entities that make up the tendering unit should each provide all the mandatory requirements. Should all the requirements in respect of the tendering unit or the individual entities, as the case may be, not be met, the tendering unit will be disqualified.
- 1.3.2 It is recognized that bidders may wish to form consortia to provide the services.
- 1.3.3 A tender in response to this invitation to tender by a consortium shall comply with the following requirements: -
  - 1.3.3.1 It shall be signed so as to be legally binding on all consortium members;
  - 1.3.3.2 One of the members shall be nominated by the others as authorized to be the lead member and this authorization shall be included in the agreement entered into between the consortium members;
  - 1.3.3.3 The lead member shall be the only authorized party to make legal statements, communicate with QCTO and receive instructions for and on behalf of any and all the members of the consortium;

- 1.3.3.4 A copy of the agreement entered into by the consortium members shall be submitted with the tender. It shall be signed so as to be legally binding on all consortium members;
- 1.3.3.5 The lead member's authorization shall be included in the agreement entered between and communicate with QCTO and receive instructions for and on behalf of any and all the members of the consortium;
- 1.3.3.6 A copy of the agreement entered into by the consortium members shall be submitted with the tender.

#### **1.4 ACCEPTANCE OF TENDERS**

QCTO does not bind itself to accept either the lowest or any other tender and reserves the right to accept the tender which it deems to be in the best interest of the organization. QCTO reserves the right to accept the offer in full or in part or not at all.

#### **2. AIM OF PROPOSAL**

The aim of this proposal is to invite potential qualified and experienced service providers to submit proposals to render internal audit services to the QCTO on an outsourced basis for a period of three years. Based on the quality of the bids submitted, QCTO intends to select a preferred bidder with a view to concluding a Service Level Agreement (SLA) with such successful bidder.

#### **3. OBJECTIVE OF ASSIGNMENT**

The overall objective of the service provider will be to provide independent and objective assurance and consulting services designed to add value and improve the organisation's operations. The appointed service provider will assist the organisation in accomplishing its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of the risk management system, internal control and governance processes.

The appointed service provider will:

- 3.1 Be responsible for all internal audit activities at the QCTO that are deemed to be consistent with the definition of internal auditing as defined by the Institute of Internal Auditors (IIA).
- 3.2 Assist the QCTO in maintaining effective and efficient controls by evaluating the controls in place to mitigate risk and developing recommendations for enhanced improvement. The controls subject to evaluation should encompass the following:

- a) the information system environment,
  - b) the reliability and integrity of financial and performance information,
  - c) the effectiveness of operations,
  - d) safeguarding of assets,
  - e) compliance with laws, regulations and controls; and
  - f) the effectiveness of risk management systems.
- 3.3 Assist the QCTO in achieving its objectives by evaluating and developing recommendations for the enhancement or improvement of the process through which:
- a) Objectives and values are established and communicated,
  - b) The accomplishment of objectives is monitored,
  - c) Accountability is ensured,
  - d) Identified risks are managed; and
  - e) Corporate values are preserved.
- 3.4 All audits are to be conducted in terms of the approved Internal Audit Plan.
- 3.5 All audit work must conform to the International Standards for the Professional Practice of Internal Auditing.
- 3.6 All audit working papers must be made available to the QCTO's external auditors, the AGSA.
- 3.7 The appointed service provider staff must maintain their objectivity by remaining independent of the activities they audit. The service provider shall:
- a) have no executive or managerial powers, functions or duties,
  - b) not be involved in the day to day operation of the QCTO; and
  - c) not be responsible for the detailed development or implementation of new systems and procedures.
- 3.8 All working papers will remain the property of the QCTO after the bid period of the contract has ended.
- 3.9 All serious defects in internal controls that could result in malpractice must be identified and reported to the QCTO CEO.
- 3.10 If potential fraud or irregularities are discovered, these must be reported to the QCTO CEO and the Audit and Risk Committee.
- 3.11 There must be a professionally qualified audit supervisor present throughout the duration of the contract.
- 3.12 The QCTO will not be billed for any unproductive or duplicated time spent on assignments, for any reason.
- 3.13 Sufficient time must be spent on assignments to ensure that quality is maintained at the highest standards.

- 3.14 All staff assigned to the assignment must be properly qualified and trained. Should there be any changes to the assigned staff; the service provider must obtain written consent from the QCTO CEO.
- 3.15 The service provider will have access to all records and information of the QCTO that will ensure their ability to fulfil their responsibilities.
- 3.16 The service provider will be required to keep a record of the breakdown of hours committed with relevant supporting documentation.
- 3.17 The service provider will be responsible for its own hardware and technical software to adequately perform its functions.
- 3.18 The total price for the project must be inclusive of Value Added Tax, overheads, travel and all costs.

3.19 **DELIVERABLES**

- 3.19.1 Compile a rolling three-year strategic Internal Audit Plan based on an assessment of key areas of risk for QCTO, having regard to its current operations, proposed in its strategic plan and risk assessment strategy.
- 3.19.2 An Internal Audit Plan per year of the rolling plan.
- 3.19.3 The Internal Audit Plan should include details of budgets and timeframes and the scope of the audit.
- 3.19.4 The Internal Audit function objectives, defined in terms of audit focus areas, inter alia, are:
  - 3.19.4.1 Financial auditing: which aims to ensure that reliable information is produced for both management and reporting purposes and that adequate controls exist to safeguard assets;
  - 3.19.4.2 Procurement auditing to ensure that procurement is compliant with Supply Chain Management legislation and prescripts;
  - 3.19.4.3 Contract Management auditing to ensure that service providers adhere to the terms and conditions of contracts, and that commitments are recognised;
  - 3.19.4.4 Human Capital auditing to ensure effective use of resources and compliance to labour legislation;
  - 3.19.4.5 Operational auditing: which focuses on the effectiveness and efficiency of the organisation's operations;
  - 3.19.4.6 Compliance auditing: which addresses compliance with relevant national laws and regulations, best practice and the QCTO's established policies and procedures;

- 3.19.4.7 IT auditing: which reviews the controls over information technology and whether IT supports the QCTO's objectives; and
- 3.19.4.8 Performance Auditing: to evaluate measures instituted by management to ensure economic acquisition, efficient and effective utilisation of resources.
- 3.19.5 Audit of performance information on a quarterly and annual basis to verify the QCTO's reported performance against predetermined objectives.
- 3.19.6 On completion of each audit project the appointed service provider must distribute a copy of the report (review report) to the QCTO CEO. The partner in charge of the internal audit will discuss the final review report at the Audit and Risk Committee meeting.
- 3.19.7 A quarterly report must be prepared for the QCTO CEO and the Audit and Risk Committee on the progress of the audits against the Audit plan.
- 3.19.8 Where approved by the Audit and Risk Committee, the appointed service provider could assist the QCTO with: preparation of documents such as draft policies and procedures; facilitation of risk assessments; fraud prevention; management of audit action plans, including facilitation of root cause analysis workshops; conducting reviews; providing detailed opinions on draft Strategic and Annual Performance Plans; and reviewing the Annual Financial Statements and the Annual Report.
- 3.19.9 Provide support and consulting services to assist the QCTO to implement the envisaged Public Sector Compliance Framework.
- 3.19.10 Provide support in the assistance of continuous implementation of POPI and PAIA as well as adherence to relevant legislation and KING IV.
- 3.19.11 Where approved by the QCTO CEO and the Audit and Risk Committee, assist the QCTO with the audit of tenders, SLAs and awarded contracts.
- 3.19.12 Conduct special investigations at the request of the QCTO CEO and the Audit and Risk Committee.
- 3.19.13 The QCTO will:
  - a) Supply the appointed service provider with all relevant, available data
  - b) and information required,
  - c) Provide assistance reasonably required by the appointed service provider to execute its duties; and
  - d) Provide office space for staff of the appointed service provider during reviews.



#### **4. SPECIAL CONDITIONS OF CONTRACT**

- 4.1 The contract shall be for a maximum duration of three years subject to an annual appraisal by the QCTO.
- 4.2 Renewal for the next year shall be subject to satisfactory performance in the preceding year.
- 4.3 The only exclusions to penalties shall be conditions that the QCTO accepts to be beyond the service provider's control.

#### **5. EXTENT OF COMPUTERISATION**

The QCTO utilises the following systems at present:

- a) Sage VIP Premier Payroll and HRM;
- b) Sage Evolution;
- c) Employee Self Service (ESS);
- d) CaseWare working papers; and
- e) Microsoft Office (e.g. Teams & SharePoint);
- f) Custom-built systems (Certification Verification System and Apprentice system)

The appointed service provider will be required to audit any other systems that might be developed and implemented.

#### **6. EVALUATION CRITERIA**

QCTO may request additional information, clarification, or verification regarding any information contained in or omitted from a bidder's proposal. This information will be requested in writing, and the bidder must provide the requested information within forty-eight (48) hours after the request has been made; otherwise, the bidder may be disqualified.

QCTO may conduct due diligence on any bidder, which may include interviewing customer references or other activities to verify a bidder's or related information and capabilities and, in these instances, the bidders will be obliged to provide QCTO with all necessary assistance and/or information which QCTO may reasonably request and to respond within the given time frame set by QCTO; The 80/20 principle will be applied in terms of the Preferential Procurement Policy Framework Act.

## 6.1 Stage 1: Pre-Qualification (Mandatory Evaluation)

I/We have attached to this document:	Tick if submitted		Office use
	Yes	No	
• Four (04) hard copies of the technical bid document including the duly completed terms of references document (initialled by authorised signatories)			
• Submission of the tender pricing together with the completed SBD 3.3 (Separately sealed in an envelope labelled <b>PRICING</b> ).			
• One (1) USB Submission of the technical bid document including the duly completed terms of references document (initialled by authorised signatories)			
• Proof of company/closed corporation registration and a copy of CM/CK certificates			
• Copies of the identity documents of those with equity/shares			
• Duly Completed Standard Bidding Documents (SBD 1, SBD 4, SBD 6,1)			
• CSD Registration (National Treasury)			
• Letter of Good standing (COIDA) issued by Department of Labour			

**Note:** Failure to meet all the above mandatory requirements will lead to bidder being disqualified.

## 6.2 Stage 2: Functionality

The bidder's proposed key team must be suitably qualified and skilled to deliver on this contract. The proposed team must demonstrate a track record/experience in providing internal audit services in the Public Sector (and in particular, Public Entities) and should include the following:

- Capacity and experience (internal audit of Public Entities) of the service provider;
- Professional details (membership) and detailed CVs of the assigned staff to this contract;
- Public Entities experience (exposure specific to internal audit) and specialisation fields e.g. ICT audit, performance information, risk management;

- d) Contactable references to enable the QCTO to do referencing; and
- e) Quality assurance plans for the audit work.

Proposed Fee Structure (inclusive of VAT) based on the following:

- a) Total cost per annum and per hour (provide a clear breakdown of the costs per bidders' staff level)
  - i) 01 October 2023 – 30 September 2024
  - ii) 01 October 2024 – 30 September 2025
  - iii) 01 October 2025 – 30 September 2026
- b) Costs such as telephone, travel, stationery and printing

**Note:** Should the need for expansion of functions occur (as the QCTO's systems and activities increase), the fee structure could be reviewed.

## 6.2 Functionality

No.	Evaluation Criteria	Guideline	Scoring	Points
1	Service Provider Expertise	Indicate experience in internal auditing. Provide List of Public Entities where similar projects were undertaken (Contactable references)	07 and above Years' Experience of the firm in Internal Auditing of Public Entities – 30 Points  04-06 Years' Experience of the firm in Internal Auditing of Public Entities – 20 Points  01-03 Years' Experience of the firm in Internal Auditing of Public Entities – 10 Points  Below 01 Years' Experience of the firm in Internal Auditing of Public Entities – 0 Points	30

No.	Evaluation Criteria	Guideline	Scoring	Points
2	Qualifications and experience of audit team	Professional details (membership) and detailed CVs of the assigned staff to this contract	<p>All Audit team members' qualifications, professional membership in good standing and experience</p> <p>07 and above Years' Experience covering all internal audit aspects and active registration with IIA – 40 Points</p> <p>04-06 Years' Experience covering all internal audit aspects and active registration with IIA – 30 Points</p> <p>01-03 Years' Experience covering all internal audit aspects and active registration with IIA – 20 Points</p> <p>Below 01 Years' Experience of the firm in Internal Auditing of Public Entities – 0 Points</p>	40
3	Qualifications and experience of identified audit manager	<p>Professional details (membership) and detailed CV of the assigned manager to this contract</p> <p>The CV of the Audit manager must be clearly marked “<b>Audit Manager</b>”</p>	<p>Audit Manager qualifications, professional membership in good standing and experience</p> <p>10 and above Years' Experience covering all internal audit aspects and active registration with IIA – 10 Points</p> <p>07 – 10 Years' Experience covering all internal audit aspects and active registration with IIA – 8 Points</p>	10

No.	Evaluation Criteria	Guideline	Scoring	Points
			<p>04 – 06 Years' Experience covering all internal audit aspects and active registration with IIA – 5 Points</p> <p>Below 04 Years' Experience of the firm in Internal Auditing of Public Entities – 0 Points</p>	
4	Methodology and audit planning	Methodology: The audit methodology to be employed to ensure compliance with standards set by the Institute of Internal Auditors.	<p>Approach and Methodology clearly documented and aligned to the scope of work and IIA Standards, also including value add, timeframes and skills transfer – 20 Points</p> <p>Approach and Methodology clearly documented and aligned to the scope of work and IIA – 15 Points</p> <p>Approach and Methodology documented – 10 Points</p> <p>Approach and Methodology not documented – 0 points</p>	20
				<b>100</b>

Each of the criteria is to be assessed and scored on the evaluation sheet using the above points.

Threshold: Bidders who score less than 70 out of 100 points on functionality, will not be considered for Price and Specific goals and will be disqualified for this project.

Shortlisted bidders may be required to present to the QCTO.

### 6.3 Stage 3: Price and Specific Goals

Only bids that achieved the minimum qualifying score/percentage for functionality will be considered further in terms of the **80/20 preference point system**.

The formulae to be utilised in calculating points scored for the preference point system will be included in the tender document.

**Step 1** will be the calculation of points for price where the lowest bid will score 80 points for price, while bids with higher prices will score lower points for price on a pro-rata basis.

The following formula will be utilised to calculate the points for price in respect of tenders with a Rand value below R50 000 000 (all applicable taxes included):

$$P_s = 80 \left[ 1 - \left( \frac{P_t - P_{min}}{P_{min}} \right) \right]$$

Where:

$P_s$  = Points scored for comparative price of proposal or offer under consideration;

$P_t$  = Comparative price of proposal or offer under consideration; and

$P_{min}$  = Comparative price of lowest acceptable proposal or offer.

**Step 2** will be the calculation of points for the Specific goals contribution where 20 points will be awarded to a Bidder as per table below:

Specific goals	Number of Points
Women	5
Youth	5
HDI	10

:

Note: Non-compliant contributors or failure to provide certification or affidavit substantiating the attainment of any of the Specific goals criteria will result in the Bidder being awarded zero (0) points for the Specific goal. In the case of B-BBEE certificates, the bidder must also submit the full verification report, which shows the percentage of Women ,Youth and HDI ownership.

## 7. CALCULATING THE FINAL SCORE

The points scored for the price (step 1) will be added to the points scored for the Specific goals (step 2) to obtain the bidder's total points scored out of 100.

AREAS OF EVALUATION	POINTS
Price	80
Specific Goals	20
Total	100

## 8. TENDER VALIDITY PERIOD

The validity period for this tender is 180 days.

## 9. ENQUIRIES

**Any technical enquiries regarding the terms of reference shall be directed in writing to the following:**

Mr. Mahlatse Manamela

Email: [manamela.m@qcto.org.za](mailto:manamela.m@qcto.org.za)

**Any SCM related enquiries shall be directed in writing to:**

Mr. L Motloung

E-Mail: [tenders@qcto.org.za](mailto:tenders@qcto.org.za)

### Compulsory CV template for Uniformity

**Bidders must clearly indicate the Role in the CV template.**

**Bidders must replicate this CV template for each member of the Team.**

Proposed role	
First name and Surname	
Date of birth	
Nationality	
Professional Membership	
Present position	
Years with the bidder's organization or Company	

### Education

Institution	Duration (Date from - Date to)	Qualification Obtained (e.g., Degree(s) or Diploma(s)  (Start from the most recent, Copies of each qualification to be included in the CV pack)



**Professional Experience (Relevant to the Area of Role)**

Date (From – To)	
Organisation	
Location	
Position	
Description of duties (listed)	

Date (From – To)	
Organisation	
Location	
Position	
Description of duties (listed)	

Date (From – To)	
Organisation	
Location	
Position	
Description of duties (listed)	

**References (relevant to the role)**

Name	Organisation	Contact details