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**TENDER NO: 07/2025**

**TENDER FOR THE PROVISION OF CO-SOURCED INTERNAL AUDIT FUNCTION AT LESEDI LOCAL MUNICIPALITY  
FOR A PERIOD OF THREE (3) YEARS.**

**NAME OF TENDERER:**

\_\_\_\_\_

**CENTRAL SUPPLIER DATABASE (CSD) MAAA**

\_\_\_\_\_

**TAX COMPLIANCE STATUS (TCS) PIN NO:**

\_\_\_\_\_

**TELEPHONE No:**

\_\_\_\_\_

**TELEFAX No:**

\_\_\_\_\_

**E-MAIL ADDRESS:**

\_\_\_\_\_

**ADDRESS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Issued by:**  
Municipal Manager  
Lesedi Local Municipality  
P O Box 201  
**HEIDELBERG**  
1438



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**PART A  
INVITATION TO BID**

**MBD1**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (LESEDI LOCAL MUNICIPALITY)					
BID NUMBER:	07/2025	CLOSING DATE:	10 APRIL 2025	CLOSING TIME:	12H00
DESCRIPTION	PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES AT LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

**BID RESPONSE DOCUMENTS MAY BE  
DEPOSITED IN THE TENDER BOX  
SITUATED AT**

<b>Supply Chain Management Unit</b>				
<b>Lesedi Local Municipal Building</b>				
<b>Corner HF Verwoerd and Du Preez Street</b>				
<b>Heidelberg</b>				
<b>1438</b>				
<b>SUPPLIER INFORMATION</b>				
NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:

B-BBEE STATUS LEVEL VERIFICATI ON CERTIFICA TE [TICK APPLICABL E BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes  <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>			
ARE YOU THE ACCREDITED REPRESENTATIVE <b>IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR <b>THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES, ANSWER PART B:3 ]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (As per pricing schedule)	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
Department	SCM	Department	Office of the MM
Contact Person	Ms. Sibulelo Mokoena	Contact Person	Mr. Lizo Ndabeni
Telephone Number	016 492 0202	Telephone Number	016 492 0232
E-mail Address	sibulelom@lesedi.gov .za	E-mail Address	lizon@lesedi.gov.za



**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

<b>BID SUBMISSION:</b>	
BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
<b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED)</b>	
THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.	
<b>TAX COMPLIANCE REQUIREMENTS</b>	
BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .	
FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.	
BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.	
IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.	
WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION	<input type="checkbox"/> YES <input type="checkbox"/> NO
<p><b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b></p>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

**NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....



ADVERTISED IN: SOWETAN  
PUBLISHING DATE: 07 MARCH 2025  
TENDER NO: 07/2025

Tenders are hereby invited for the following Office: Office of the MM.

**TENDER NO: 07/2025**

**PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES AT LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.**

**Adjudication:**

Tenders will be evaluated using functionality evaluation criteria of **100 points** of which the bidder is required to score the minimum of **80 points** in order to be considered for further evaluation. Tenders will be evaluated using the 80/20 preference point system which awards **80 points for Price** and **20 points for Technical Evaluation**

SPECIFIC GOALS (20 POINTS)				
HDI (% Shareholding) (Proof of points claimed required)	Youth	Woman	Disabled	Black
	3	5	2	5
Area of Origin (proof of Street address required)	Sedibeng (DISTRICT)		Gauteng (PROVINCE)	
	3		2	
PRICE	80			
TOTAL POINTS	100			

**Documents Collection:** Documents can be downloaded from the Lesedi Local Municipality's Website.

Technical Enquiries: Mr. Lizo Ndabeni  
Tender Documents: Ms. Sibulelo Mokoena

Tel: (016) 492 0232  
Tel: (016) 492 0202

Documents available: As from 11 March 2025 on Lesedi Local Municipality website <https://lesedi-lm.gauteng.gov.za>.

**Closing date: 10 April 2025**

**Time: 12:00**

Tender Box: Venue: Tender boxes are situated at the Supply Chain Management Unit, situated on the upper level of the West Wing of the Lesedi Local Municipality Civic Centre, Corner Du Preez and HF Verwoerd Streets in Heidelberg.

### **COMPULSORY TENDER DOCUMENTS:**

1. Tax Clearance Certificate / Tax Compliance Status documents with Pin. Each company within the Joint Venture / Consortium must submit Tax Clearance Certificate or a copy of Tax Compliance Status document with Pin and VAT certificate if applicable.
2. Certified copies of all directors ID.
3. Copy of company registration documents.
4. Copy of latest municipal account (Rates, Taxes and Services Account) which is not more than 3 months old at the time of closing.
5. The bidding entity as well as all its directors must submit a Municipal account (Rates, Taxes and Services Account) which is not more than three (3) months in arrears or valid lease agreement which is on the name of the entity. If the director is leasing, they must also provide a valid lease agreement on their names.
  - 5.1 If the business operates from the different address as per CIPC document, an affidavit must be provided.
6. Central Supplier Database (CSD) registration full report.
7. Completed and Signed Schedule of Quantities. Where an item is not going to be charged 0.00 must be inserted not a dash (-)
8. Authority of Signatory must be completed and signed in case of a business not sole proprietor or one-person business or board of director's resolution authorizing signature to sign off the bid documents.
9. MBD 1: Invitation to tender.
10. MBD 4. Declaration of Interest.
11. MDB 5. Declaration of procurement above R10 million (vat included)
12. Audited annual financial statements for the past three years or since the date of establishment if established during the past three years for bids above R10 million.
13. MBD 6.1 Preferential Points.
14. MBD 7.2: Contract form - Rendering of services
15. MBD 8: Declaration of bidder's past supply chain management practices.
16. MBD 9: Certificate of independent bid determination.
17. Bidders must sign or initial each page.
18. Bid Documents must be completed in full.
19. Registration of the service provider with IRBA and SAICA as accredited service providers.

### **BIDDING TENDER CONDITIONS:**

1. All suppliers of good & services are urged to register in the National Treasury web based Central Suppliers Database with Effect from 1 July 2016 @ [www.csd.gov.za](http://www.csd.gov.za).
2. As per National Treasury Instruction No.4 A of 2016/2017 National Treasury Supplier Database, organs of state must ensure that suppliers awarded business with the State, excluding instances mentioned in paragraph 3.3, are registered on the CSD prior to award letter/purchase order/signed contract being issued.
3. Tenders by joint ventures are to be accompanied by the Document Formation of the joint venture, duly registered and authenticated by a Notary Public or other official deputized to witness sworn statements. This document must define precisely the conditions under which the joint venture will function, the period for which it will function, the persons authorized to represent and obligate it, the address for correspondence, the participation of several firms



forming the joint venture and any information necessary to permit a full appraisal of its functioning, including a clause to the effect that the members of the joint venture are jointly and severally bound.

4. No late tender will be accepted.
5. Telefax or e-mail tenders will not be accepted.
6. Tenders may only be submitted on the bid documents as provided by Lesedi Local Municipality.
7. The use of tippex is not allowed on the bid documents. Bids completed in pencil will be regarded as invalid bids.
8. Bidders must sign or initial each page.
9. No page(s) may be removed from the original tender document
10. Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the tender document.
11. In the event of a mistake having been made it shall be crossed out in ink and be accompanied by a full signature of the authorized person at each and every alteration.
12. The Municipality reserves the right to reject the Bid if corrections are not made in accordance with the above.
13. The lowest or any tender will not necessarily be accepted, and Lesedi Local Municipality reserves the right to accept a tender in whole or in part.
14. The validity period for this tender is ninety (90) days.
15. The Municipality reserve the right to negotiate a fair market related price with recommended bidders after a competitive bidding process or price quotations
16. The Municipality reserves the right to appoint and not to appoint.
17. All tender prices must be inclusive of VAT for all registered VAT vendors.
18. The bid will be evaluated on an 80/20 principle where 80 points will be price and 20 points for Specific goals.
19. Tender documents may be downloaded from e-tender portal at [www.etenders.gov.za](http://www.etenders.gov.za) as well as [www.lesedi-lm.gauteng.gov.za](http://www.lesedi-lm.gauteng.gov.za)

**NB\* NO TENDER DOCUMENTS ON USB WILL BE CONSIDERED FOR EVALUATION.**



## **TAX CLEARANCE CERTIFICATE REQUIREMENTS**

**MBD 2**

**IT IS A CONDITION OF A BID THAT THE TAXES OF THE SUCCESSFUL BIDDER MUST BE IN ORDER, OR THAT SATISFACTORY ARRANGEMENTS HAVE BEEN MADE WITH SOUTH AFRICAN REVENUE SERVICE (SARS) TO MEET THE BIDDER'S TAX OBLIGATIONS.**

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia /Joint Ventures /Sub-contractors are involved; each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).



**MBD 4**

## **DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.

Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

**2 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative: .....

2.2 Identity Number: .....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>): .....

2.4 Company Registration Number: .....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

2.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

2.8 Are you presently in the service of the state? **YES / NO**

2.8.1 If yes, furnish particulars. ....

.....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be – a member of  
– any municipal council; any provincial legislature; or  
the national Assembly or the national Council of provinces.  
a member of the board of directors of any municipal entity.  
an official of any municipality or municipal entity.

an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);  
a member of the accounting authority of any national or provincial public entity; or an employee of Parliament or a provincial legislature.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

2.9 Have you been in the service of the state for the past twelve months? ..... **YES / NO**

2.9.1 If yes, furnish particulars.....

2.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? ..... **YES / NO**

2.10.1 If yes, furnish particulars.

.....

.....

2.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.11.1 If yes, furnish particulars .....

.....

2.12 Are any of the company's directors, trustees, managers, principal shareholders or stakeholders in service of the state? **YES / NO**

2.12.1 If yes, furnish particulars. ....

.....

2.13 Are any spouse, child or parent of the company's directors' trustees, managers, principal shareholders or stakeholders in service of the state? **YES / NO**

2.13.1 If yes, furnish particulars. ....

.....

2.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

2.14.1 If yes, furnish particulars: .....

.....

3. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....  
**Signature**

.....  
**Date**

.....  
**Capacity**

.....  
**Name of Bidder**



**MBD 5**

**DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)**

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

- 1 Are you by law required to prepare annual financial statements for auditing? **YES/NO**
  - 1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.  
.....  
.....
- 2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days? **YES/NO**
  - 2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.
  - 2.2 If yes, provide particulars.  
.....  
.....  
.....
- 3 Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract? **YES/NO**

3.1 If yes, furnish particulars

.....

.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic? **YES / NO**

4.1 If yes, furnish particulars

.....

.....

**CERTIFICATION**

**I, THE UNDERSIGNED (NAME) .....**

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder





## MBD 6.1

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

This preference form must form part of all bids invited. It contains general information and serves as a claim form for Specific Goals

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF SPECIFIC GOALS, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022.**

---

#### 1. GENERAL CONDITIONS

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

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

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

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

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

(a) Price; and

(b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

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

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

<b>80/20</b>	<b>or</b>	<b>90/10</b>	
$Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$	

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 \mathbf{Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)}
 \end{array}$$

Where

Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
  - (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Youth		3		
Woman		5		
Disabled		2		
Black		5		
Sedibeng (District)		3		
Gauteng (Province)		2		
		20		

#### DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

**[TICK APPLICABLE BOX]**

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph

1 of this form;

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

<p>..... <b>SIGNATURE(S) OF TENDERER(S)</b></p>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	..... ..... ..... .....



### **AUTHORITY FOR SIGNATORY (COMPULSORY)**

Please note that the sole proprietors or “one-person business” are not required to submit an official and duly signed authority of signatory.

Signatories for close corporations and companies shall confirm their authority by signing on behalf of the company/firm **by attaching to this page** a duly signed and dated copy of the relevant resolution of their members or their board of directors, as the case may be.

**An example for a company is shown below:**

Printed on company letterhead:

“By resolution of the board of directors passed on \_\_\_\_\_ 20\_\_\_\_\_

Mr. \_\_\_\_\_

has been duly authorized to sign all documents in connection with the bid for

Tender \_\_\_\_\_ No \_\_\_\_\_ and any

Contract, which may arise there from on behalf of

\_\_\_\_\_  
SIGNED ON BEHALF OF THE COMPANY \_\_\_\_\_

IN HIS CAPACITY AS \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNATURE OF SIGNATORY: \_\_\_\_\_

AS WITNESSES: 1 \_\_\_\_\_

2 \_\_\_\_\_

10. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:
- (i) The information furnished is true and correct;
  - (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
  - (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
  - (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
    - (a) disqualify the person from the bidding process;
    - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
    - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation; restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and forward the matter for criminal prosecution

WITNESSES

1. ....

2. ....

.....

SIGNATURE(S) OF BIDDERS(S)

DATE: .....



MBD8

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1.This Municipal Bidding Document must form part of all bids invited.

2.It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

The bid of any bidder may be rejected if that bidder, or any of its directors have:

3.abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system.  
 been convicted for fraud or corruption during the past five years.  
 willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or  
 been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

**4.In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
4.1.1	<p>If so, furnish particulars:</p>		



4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
<b>Item</b>	<b>Question</b>	<b>Yes</b>	<b>No</b>
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

### CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) .....  
**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION  
FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE  
TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**



## MBD 9

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging. In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

I have read and I understand the contents of this Certificate;

I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;

I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;

For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- (a) has been requested to submit a bid in response to this bid invitation;
- (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding: prices; geographical area where product or service will be rendered (market allocation)

- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

**<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.**

I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder



---

## GENERAL CONDITIONS OF CONTRACT

THE NATIONAL TREASURY

Republic of South Africa



**NATIONAL TREASURY: REPUBLIC OF SOUTH AFRICA**

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**GOVERNMENT PROCUREMENT:  
GENERAL CONDITIONS OF CONTRACT**

July 2010

**THE NATIONAL TREASURY: Republic of South Africa 2**

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## **General Conditions of Contract**

**Definitions** 1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

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

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

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

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

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

"Day" means calendar day.

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

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

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

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

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

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

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

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

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

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

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service. 1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa. 1.23 "SCC" means the Special Conditions of Contract.

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

1.25 "Supplier" means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State. 1.26 "Tort" means in breach of contract.

1.27 "Turnkey" means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product service required by the contract.

1.28 "Written" or "in writing" means hand-written in ink or any form of electronic or mechanical writing.

## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT THE NATIONAL TREASURY: Republic of South Africa**

### **2. Application**

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

2.2 Where applicable, special conditions of contract are also laid down to cover specific goods, services or works.

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

### **3. General**

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

3.2 Invitations to bid are usually published in locally distributed news media and on the municipality/municipal entity website.

### **4. Standards**

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

### **5. Use of contract documents and information inspection**

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

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

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

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

## **6. Patent Rights**

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

6.2 When a supplier developed documentation / projects for the municipality / municipal entity, the intellectual, copy and patent rights or ownership of such documents or projects will vest in the municipality / municipal entity.

## **7. Performance security**

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

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

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

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

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

## **8. Inspections, tests and analyses**

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

8.2 If it is a bid condition that goods to be produced or services to be rendered should at any stage be subject to inspections, tests and analyses, the bidder or contractor's premises shall be open, at all reasonable hours, for inspection by a representative of the purchaser or organization acting on behalf of the purchaser.

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

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

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

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

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

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 22 of GCC.

## **9. Packing**

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

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

## **10. Delivery and documents**

10.1 Delivery of the goods and arrangements for shipping and clearance obligations, shall be made by the supplier in accordance with the terms specified in the Contract.

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental Services**

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

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

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

## **14. Spare parts**

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

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

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

## **15. Warranty**

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

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

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

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

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

## **16. Payment**

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

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

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

16.4 Payment will be made in Rand unless otherwise stipulated.

## **17. Prices**

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

## **18. Variation orders**

18.1 In cases where the estimated value of the envisaged changes in purchase does not vary more than 15% of the total value of the original contract, the contractor may be instructed to deliver the goods or render the services as such. In cases of measurable quantities, the contractor may be approached to reduce the unit price, and such offers may be accepted provided that there is no escalation in price.

## **19. Assignment**

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

## **20. Subcontracts**

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

## **21. Delays in the supplier's performance**

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

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

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

21.4 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of penalties.



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

## **22. Penalties**

2.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

## **23. Termination for default**

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the supplier as having no objection and proceed with the restriction.

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

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

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

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

## **24. Antidumping and countervailing duties and rights**

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

## **25. Force Majeure**

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

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

## **26. Termination for insolvency**

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

## **27. Settlement of Disputes**

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

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

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

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier for goods delivered and / or services rendered according to the prescripts of the contract

## **28. Limitation of Liability**

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

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

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

## **29. Governing language**

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

## **30. Applicable law**

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

## **31. Notices**

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

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

## **32. Taxes and duties**

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

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

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid SARS must have certified that the tax matters of the preferred bidder are in order.

32.4 No contract shall be concluded with any bidder whose municipal rates and taxes and municipal services charges are in arrears.

## **33. Transfer of contracts**

33.1 The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser

### **34. Amendment of contracts**

34.1 No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing, shall also be in writing.

### **35. Prohibition of restrictive practices:**

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

35.2 If a bidder(s) or contractor(s) based on reasonable grounds or evidence obtained by the purchaser has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No 89 Of 1998.

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

### **TENDERS TO BE EVALUATED ON FUNCTIONALITY**

36.(1) An organ of state must state in the tender documents if the tender will be evaluated on functionality.

(2) The evaluation criteria for measuring functionality must be objective.

(3) The tender documents must specify-

(a) the evaluation criteria for measuring functionality; the points for each criterion and, if any, each sub-criterion; and the minimum qualifying score for functionality.

(4) The minimum qualifying score for functionality for a tender to be considered further-

must be determined separately for each tender; and may not be so- low that it may jeopardise the quality of the required goods or services; or high that it is unreasonably restrictive.

- (5) Points scored for functionality must be rounded off to the nearest two decimal places.
- (6) A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
- (7) Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in regulation 11.



## **TENDER FOR THE PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES AT LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.**

### **1. CONTRACT PRICE ADJUSTMENT**

Should no price adjustment or variation clauses be included in the tender documents, the prices tendered will be considered as being firm and the Council will not under any circumstances, accept, for its account, any increase in the prices tendered during the duration of the contract.

### **2. CESSION OR ASSIGNMENT**

Neither the Council nor the tenderer shall cede or assign a contract for the delivery of goods or the rendering of services or any part thereof or any benefit or interest therein or there under to third parties without the written consent of the other being first had and obtained.

### **3. PRICE**

Prices quoted must include VAT if the Bidder is VAT registered.

## TERMS OF REFERENCE

### PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES AT LESEDI LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.

#### BACKGROUND

The Municipal Finance Management Act, (*Act 56 of 2003*) requires the establishment of an effective internal audit function under the control and direction of an audit committee (*Section 165 (1) (2) (a) (b)(c) (3)*). Lesedi Local Municipality's internal audit function will be co-sourced. The purpose of this bid is to appoint a suitably qualified and experienced service provider to provide co-sourced Internal Audit services for a period of 3 years.

#### 1. OBJECTIVE / REQUIRED SERVICES

To provide Lesedi Local Municipality with co-sourced internal audit services to assist the Internal Audit Unit with Internal Audit Activities under the leadership and Supervision of the Manager: Internal Audit of Lesedi Local Municipality. The overall objective of this secondment is to assist the Municipality to develop its internal capacity and to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The bidder must demonstrate the capability to perform the internal audits in accordance with the Global Internal Audit Standards, and any relevant legislation. Bidders who have or are providing internal audit services to similar entities are encouraged to submit bids.

#### 2. SCOPE OF INTERNAL AUDIT WORK

The appointed service provider will be requested to assist the Internal Audit Manager to render internal audit services for the municipality in terms of the Municipal Finance Management Act, 2003 (*Act 56 of 2003*).

a) The successful bidder **will** be required to perform the following internal audit functions:

- Drafting of the audit committee charter in line with the Global Internal Audit Standards.
- Drafting and yearly reviewing of Internal audit charter that contains the purpose, authority, and responsibility of the internal audit activity. The Internal Audit Charter must be consistent with the Definition of Internal Auditing, the Code of the Ethics, and the Global Internal Audit Standards.
- Drafting and yearly reviewing of a risk based 3 years rolling strategic and an internal audit plan.
- To carry out Risk Based Audits (this includes, but are not limited to, audits on the Financial, Human Resource and Supply Chain Management processes).
- To carry out Compliance audits.
- To carry out Performance audits.
- Provide combined assurance risk assessment



- To carry out Audits on predetermined objectives (performance information).
- To carry out Information Technology (IT) audits and
- Ad hoc project and consulting services as requested by Management and /or the Audit Committee such as forensic auditing, risk management and the like.

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

- i. Review the effectiveness and efficiency of the risk management process.
- ii. Review the current and existing risk management strategy.
- iii. Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.
- iv. Review the reliability and integrity of financial and operating information and the means used to identify measure, classify, and report such information.
- v. Review the systems established by management to ensure compliance with those policies, laws, regulations, and controls that could have a significant impact on operations and determine whether the municipality follows the MFMA Act 56 of 2003 and other relevant legislation that governs the municipality.
- vi. Reviewing of performance quarterly reports to determine whether the reported results are consistent with SDBIP and whether planned programs are being carried out as planned.
  - i. Liaise with the external auditors to prevent duplication of work and share information to obtain efficiencies. Programmes, plans, and objectives are achieved.
  - ii. Quality and continuous improvements are fostered in the organisation's control process; and
  - iii. All legislative and regulatory issues impacting the organisation are recognised and addressed.
- vii. Submit and present quarterly reports to the Audit Committee for the duration of the contract. The successful bidder will be required (i) To report on progress of the work against the approved Annual Internal Audit Plan to the Audit Committee at all Audit Committee meetings (ii) To attend a strategic workshop to obtain knowledge of the procedures of the department. Exact dates of possible submission deadlines will be arranged with the successful bidder.
- viii. Perform ad hoc requirements, as requested by Council or the Audit Committee including attendance of Audit committee and when required Council meetings.

c) Execution of audit assignments will be as follows:

- Assignments are to be performed in accordance with the Global Internal Audit Standards.
- The execution of each assignment shall be in accordance with the Annual Internal Audit Plan.
- In carrying out the work, the successful bidder must ensure its staff maintains their objectivity by remaining independent of the activities they audit.

(d) Location of services

- The required service of internal audit will be rendered at Lesedi Local Municipality's offices

situated at no.1 HF Verwoerd Street, Heidelberg.

The following will also be regarded as forming part of the normal services:

- Liaison with the Lesedi Local Municipality including monthly meetings.
- Co-ordinating meetings.
- Confirmation of the scope of work with Lesedi Local Municipality.
- Progress reports to be submitted as per agreed scope of work.
- Special attention must be given to training, skills development and skills transfer to Lesedi Local Municipality Internal Audit staff.

The successful bidder's progress and performance on the provision of internal audit services to Lesedi Local Municipality will be monitored on a quarterly basis by the Audit Committee.

### **3. ENVISAGED WORKING RELATIONSHIP**

Lesedi Local Municipality Manager: Internal Audit will facilitate and co-ordinate the projects to be performed by the service provider. The audit assignments will be completed within the following envisaged structures:

- 3.1 Projects performed fully by the Service Provider – this is where the service provider will perform an entire assignment from project planning to issuing the final report.
- 3.2 Joint Teams – this is where resources from both the Service Provider and Lesedi Local Municipality internal audit are involved in an assignment.
- 3.3 Secondment of staff – this is where the resources of the Service Provider will be under the control, supervision, and direction of Manager: Internal Audit.

### **4. EXTENT OF WORK**

#### **Performance of audit assignments**

Assignments are to be performed in accordance with the Global Internal Audit Standards. All audit reports and working papers will become the property of Lesedi Local Municipality. The performance of each assignment shall be in accordance with the approved annual internal audit plan.

On a mutually agreed basis, the responsible partner/ director shall meet with the Manager: Internal Audit or delegate to report on progress of the work.

For planning and conducting its work, the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any material defects must be reported immediately to the Audit Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered; and the successful bidder may be required to attend strategic workshops as may be required from time to time. The cost of attendance will be for the account of Lesedi Local Municipality.

- **Timing of assignments**

Timing of assignments will be communicated by the Manager: Internal Audit with at least two weeks' notice to the service provider.

- **Quality assurance and review of internal audit work**

Work should conform to the Global Internal Audit Standards. Such work shall further be subject to an external quality assurance as may be considered expedient by the Audit Committee, which shall be conducted periodically by, or on behalf of, the organisation, upon two weeks' notice to the service provider as applicable. The co-sourced partner should submit the audit files to the Municipality for quality assurance purposes.

- **Independence and objectivity of staff**

Service provider should ensure that their staff maintains their objectivity of remaining independent of the activities they audit. All information obtained because of undertaking this assignment needs to be treated in strict confidence and a confidentiality letter needs to be signed in connection herewith.

- **Monitoring of progress of assignments**

On completion of each assignment, the project deliverable will be submitted to the SMT, and Audit Committee as required. Progress reports must be submitted and presented to SMT every week.

- **Reporting of results**

Results e.g., Internal audit reports shall be in the format prescribed by the municipality.

- **Reliance by Auditor General (SA)**

Where applicable, Lesedi Local Municipality will require the service provider to perform assignments in such a manner that the AG (SA) may rely on the work of internal audit. Lesedi Local Municipality may also request access to working papers excluding administrative documentation.

- **Fraud and irregularity**

In planning and conducting the work, the service provider should seek to identify serious defects in the internal controls system, which might result in possible malpractice. Any such defects must be reported immediately to the Manager: Internal Audit, Audit Committee and Accounting Officer without disclosing these to any other members of the staff involved in the possible malpractice. This also applies to instances where serious fraud and irregularity is uncovered.

- **Resources**

Lesedi Local Municipality will have the rights to interview resources allocated for a particular assignment. In the proposals, the experience as well as levels of the resources to be utilized must be clearly indicated.

The service provider should allocate the manager who will be dedicated to Lesedi Municipality during the entire 3-year period to ensure consistency of team.  
Internal audit team should be registered with internal audit institution or SAICA.

## 5. FINANCIAL PROPOSAL

- The bidder must provide respective hourly rates of personnel to be involved. The table below provides a guideline which can be used for submissions:

<b>Audit Reviews (Risk &amp; regulatory Audit)</b>	<b>Professional rate VAT exclusive (R)</b>	<b>VAT at 15% (R)</b>	<b>Total Professional rate VAT inclusive</b>
Director (Partner)			
Senior Manager			
Manager			
Investigator			
Risk Specialist			
Assistant Manager			
Senior Internal Auditor			
Junior: Internal Auditor			
Travel per km			
Accommodation per night			
<b>TOTAL 1</b>			<b>R (TOTAL)</b>
<b>ICT Reviews</b>	<b>Professional rate VAT exclusive ®</b>	<b>VAT at 15% ®</b>	<b>Professional rate VAT inclusive</b>
Director (Partner)			
Senior Manager			
Manager			
Assistant Manager			
Internal Auditor			
Junior: Internal Auditor			
Travel per km			
Accommodation per night			
<b>TOTAL 2</b>			
<b>GRAND TOTAL (1+2)</b>			

Signature of Tenderer: .....

Capacity of Tenderer: .....

**NB: Forensic Audits are chargeable based on the nature of the Assignment.**

- Price per points will be according to the table above,
- Pricing will be a major factor in determining the suitability services,
- The proposal should also detail the following costs:
  - ✓ Travel rates and disbursements rates will be negotiated,
  - ✓ The bidder must indicate all costs including value added tax (VAT),
  - ✓ Lesedi Local Municipality reserves the right to negotiate any aspect of the proposed fees/pricing and disbursements with the preferred Bidder and shall not be bound to the fees/pricing and disbursements submitted by any Bidder,

**6. VALIDITY OF THE PROPOSAL**

- Proposals should be valid for 90 days from the closing date of the submission of proposals, during which time it will remain valid without change, including the personnel proposed for the services together with the proposed lead time for service delivery.

**7. CONTRACT PERIOD**

Staff at the required levels must be seconded to Lesedi Local Municipality for the purpose and duration of internal audit assignments for a period of 3 years.

**8. EVALUATION CRITERIA**

This evaluation will be based on the responses using the functional requirements, i.e. previous experience, expertise, and technical approach. The threshold values set for the qualification of bid is 80/100 for weight and all the bidders who score below this score will be eliminated.

To be responsive the bidder must submit all compliance documents and score 80 points or more on functionality.

**GLOSSARY- (Certification/ Accreditation)**

CIA	-	Certified Internal Auditor (Institute of Internal Auditors)
CFSA	-	Certified Financial Services Auditor (Institute of Internal Audit)
CRMA	-	Certification in Risk Management Assurance (Institute of Risk Management of South

Africa/Institute of internal Audit)

CA - SA	-	Chartered Accountant South Africa (South African Institute of Chartered accountants)
RA	-	Registered Auditor (Accreditation with the independent Regulatory Board for auditors)
SAICA	-	South African Institute of Chartered Accountants.
IRBA	-	Independent Regulatory board for Auditors
IIA	-	Institute of Internal Auditors.

### **ELIGIBILITY CRITERIA/ FUNCTIONALITY**

The following criteria will be used to evaluate proposals that are submitted by bidders:

<b>Sub-criteria</b>	<b>Points</b>
<b>1. Internal audit approach/methodology</b>	<b>20</b>
<p>Internal audit approach/methodology fully compliant with the new Global internal audit standards which came into effect in January 2025.</p> <ul style="list-style-type: none"> <li>• Planning phase of the Audit (5 points)</li> <li>• Execution of the Audit (5 points)</li> <li>• Reporting phase (5 points)</li> <li>• Audit follow up (2 points)</li> <li>• Supervision of work (3 points)</li> <li>• No submission = 0 points</li> </ul> <p>No points will be allocated for a methodology not in line with the new Global Internal Audit Standards.</p>	
<b>2. Company experience</b>	<b>25</b>
<p>The bidder must demonstrate their competency by providing appointment letters with matching contactable reference letters on company letterhead from clients where the bidder provided internal audit services to a public sector for a period of not less than 12 months (Fully outsourced/Co-sourced arrangement:</p> <p>Evidence must be appointment letters and matching reference letters <b>(with contactable references – letters not older than 5 years)</b></p> <ul style="list-style-type: none"> <li>• Above 5 appointment letters and matching reference letters of completed contracts = 25 points</li> <li>• 4 appointment letters and matching reference letters of completed contracts = 20 points</li> <li>• 3 appointment letters and matching reference letters of completed contracts = 15 points</li> <li>• 2 appointment letters and matching reference letters of completed contracts=10 points.</li> </ul>	

<ul style="list-style-type: none"> <li>• 1 appointment letter and matching reference letter of completed contract = 5 points</li> <li>• Non-compliance with the above requirement = 0 points</li> </ul>	
<b>3. Experience of Project Team and Professional membership</b>	<b>30</b>
<p>Bidder to provide detailed CVs of the proposed project team members including the following:  <b>(The bidder to clearly stipulates position of each team member according to the below mentioned.)</b></p> <p><b>3.1. Project Team Leader or Engagement Partner x1:</b></p> <ul style="list-style-type: none"> <li>• Minimum 15 years' <b>Internal audit</b> experience with a minimum 10 years as a team leader and a qualified CA or CIA. Must be active member for IIA/SAICA = <b>5 points</b></li> </ul> <p><b>3.2. Internal Auditor Manager x1:</b></p> <ul style="list-style-type: none"> <li>• Minimum 10 years' <b>internal audit</b> experience with a minimum 5 years as a Project Manager and with a minimum B-degree in Auditing/Accounting. Must be active member for IIA = <b>5 points</b></li> </ul> <p><b>3.3. Senior IT Auditor / Senior Internal Auditor x2:</b></p> <ul style="list-style-type: none"> <li>• Minimum 5 years' information systems audit experience / Audit experience with a minimum B-degree in Computer Auditing/ Computer Science/ Accounting. Must be active member for IIA/ISACA = <b>5 points</b></li> </ul> <p><b>3.4 Junior Internal Auditors x5:</b></p> <ul style="list-style-type: none"> <li>• Minimum 1 year' internal audit experience with a minimum National Diploma in Auditing/Accounting. Must be active member for IIA = <b>5 points</b></li> </ul> <p><b>3.5 Investigator x 1</b></p> <ul style="list-style-type: none"> <li>• Minimum 10 years' investigation experience and must be Certified Fraud Examiner. Must be an active member of the Association of Certified Fraud Examiners (ACFE) = <b>5 points</b></li> </ul> <p><b>3.6 Risk management specialist x 1</b></p> <ul style="list-style-type: none"> <li>• Minimum 10 years' risk management experience and should be a member of the Institute of Risk Management and a Certified Risk Management Practitioner (CRMP)= <b>5 points</b></li> </ul>	

<p><b>Non-compliance with minimum requirements = 0 points</b></p> <p>Bidder to provide detailed CVs, valid proof of registration with professional body and copies of qualifications of the proposed project team members.</p> <p><b><i>No points will be awarded for expired membership.</i></b></p>	
<b>4. Quality Assurance</b>	<b>20</b>
<p>The company must provide quality assurance assessment outcomes not older than 5 years from clients that it has audited.</p> <ul style="list-style-type: none"> <li>• 3 or more reference letters = 20 points</li> <li>• 2 reference letters = 15 points</li> <li>• 1 reference letter = 10 points</li> <li>• No submission = 0 points</li> </ul> <p>Attach external quality assurance reports showing that the internal audit activity generally conforms to the Previous Standards and Code of Ethics. A reference letter confirming that the audit work quality assured was executed by the Bidder.</p>	
<b>5. Skills transfer plan and locking of files</b>	<b>5</b>
<ul style="list-style-type: none"> <li>• Provide Action Plan on Skills transfer and a plan on how the audit files will be locked = 5 points</li> <li>• No submission = 0 points</li> </ul>	
<b>Total</b>	<b>100</b>
<b>Minimum Qualifying Score</b>	<b>80</b>

1.1.1 The bidder who gets a minimum of **80 points** and above will qualify to the next stage. Individual tenders would be evaluated according to the preferential point system.

Bids must remain valid for ninety (90) days after the submission date.



**TAX CLEARANCE CERTIFICATE/COPY OF TAX COMPLIANCE STATUS DOCUMENT (TCS) MUST BE ATTACHED.**

**THE BIDDING ENTITY AS WELL AS ALL ITS DIRECTORS MUST SUBMIT A MUNICIPAL ACCOUNT WHICH IS NOT MORE THAN THREE (3) MONTHS IN ARREARS OR VALID LEASE AGREEMENT WHICH IS ON THE NAME OF THE ENTITY. IF THE DIRECTOR IS LEASING, THEY MUST ALSO PROVIDE A VALID LEASE AGREEMENT ON THEIR NAMES.**

- IF THE BUSINESS OPERATES FROM THE DIFFERENT ADDRESS AS PER CIPC DOCUMENT, AFFIDAVIT MUST BE PROVIDED

**ATTACH PROOF OF JOINT VENTURE AGREEMENT.**

**BIDDER MUST ATTACH THE CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION FULL REPORT.**

## BID CHECKLIST

This list is aimed at assisting all bidders to submit complete bid documents.

Bidders are to check the following points before the submission of their tender document and to complete YES/NO next to each item as an indication that the bidder has complied with the provision of the item concerned. If any of the items are marked as NO – it might lead to the disqualification of your bid.

ITEM	DESCRIPTION	YES	NO
1.	Provided copy of your company registration document.		
2.	Provided certified copy of your company VAT registration Certificate if applicable		
3.	Tax clearance certificate/copy of tax compliance status (TCS) document has been submitted – in the name of the bidding entity		
4.	The bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, which is in arrears for more than three (3) months? No bid will be awarded to a company and its directors that owe more than three (3) months charges to any municipality or metro.		
5.	Lease agreement/municipal account of not older than three months in the name of the bidding entity.  (Copy of the lease agreement will only be accepted if water and lights are part of lease payment).		
6.	All pages of the bid document have been read by the bidder and the returnable schedules and MBD forms duly completed and signed.		
7.	All pages requiring information have been completed in full and in black ink.		
8.	No pages removed from the tender document		
9.	The pricing schedule has been signed.		
10.	A copy of the resolution of your Board of Directors, similar to the attached specimen, authorizing the signatory to sign the tender and the subsequent contracts, has been attached and signed.		
11.	JV agreement has been attached and signed (if applicable)		

12.	Bidder must attach the Central Supplier Database (CSD) registration full report.		
13.	In case of any amendments made, was it signed in full by the authorized signatory? Please note that the use of tipp-ex will lead to immediate disqualification.		
14.	<p>Please declare any interest as required in terms of MBD - 4 truthfully and correctly as incorrect declarations are considered a criminal offence.</p> <ul style="list-style-type: none"> <li>▪ Personal Tax Numbers included</li> <li>▪ State Employee Number / Persal Number</li> <li>▪ Identity number</li> <li>▪ Name</li> </ul>		
15.	Registration of the service provider company with IRBA and SAICA as accredited service providers.		
16.	Please take note of the functionality evaluation criteria that will be applied to your submission in order to ensure that your company has the necessary capacity and capability to successfully execute this tender, if appointed. Ensure that sufficient information is included in your submission to ensure successful evaluation of your bid.		

**PLEASE NOTE:**

- ❖ No contract will be awarded to a service provider, if the service provider or its directors are in arrears with their municipal accounts for more than three (3) months.
- ❖ In case of a Joint Venture, please note that individual documents must be submitted for all parties in the JV, like tax clearance certificates, municipal accounts, etc.
- ❖ No communication with Lesedi Municipal officials is allowed after the closing date of the tender. The only authorized form of communication will be through the Supply Chain Management Office.
- ❖ No bids will be accepted if not submitted on the correct closing date and time. No late bids will be considered, even if only late by a minute.