



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

Private bag x 193, PRETORIA, 0001, Forum Building, Crn Struben and Bosman Street, PRETORIA.

Ref: CSS 5/11/1

Enq: Mr Skosana or Mrs. L Nzimande

Tel Number: (012) 309-3035/3255

Dear Sir / Madam

BID NUMBER: SCM/06/2023/ODG

1. The Department of Transport requires the service as described per attached bid invitation and you are requested to complete the bidding documents and to submit it in accordance with the under mentioned stipulations:
 - The bid must be submitted in a sealed envelope with the name and address of the bidder with the number and closing date indicated on the envelope. The envelope must not contain documents relating to any bid other than that shown on the cover of the envelope;
 - Bids must be submitted in the bid/tender box on or before the closing date and time, couriered bid documents must be received before the closing date and time, failure to do so may invalidate the bid.
 - The attached forms, if completed in detail and returned, will form part of your bid; and
 - Prices must be VAT inclusive and all other expenses/disbursements, and be valid for a period of at least **120 days** from closing date.
 - **Closing date for submitting bids is 15 March 2024 at 11:00 AM**
 - **Briefing session to be held at Department of Transport on 12 March 2024 at 10:00 AM**
2. You are advised to acquaint yourself with the contents of the attached general conditions of contract and the checklist.
3. It will be expected of the successful bidder to sign a formal contract at this office within seven (7) days after receiving a letter of acceptance.
4. **NB. Kindly note that this is a Two envelope system (for financial proposal submit One (1) original hard copy and One (1) scanned USB (PDF): Annexure B, and for Technical Proposal submit One (1) original hard copy and Four (4) scanned USB (PDF) Annexure A. No hard copies except for both originals**

Kind Regards

For DIRECTOR GENERAL: TRANSPORT

DATE: 06/03/2024



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



DEPARTMENT OF TRANSPORT

Directorate: Supply Chain Management
Private Bag X193, PRETORIA, 0001; TEL: (012) 309 3255/3035

TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO IMPLEMENT, MAINTAIN AND SUPPORT AN AUDIT MANAGEMENT SYSTEM FOR THE INTERNAL AUDIT SERVICE OF THE DEPARTMENT OF TRANSPORT FOR A PERIOD OF 60 MONTHS

SCM/06/2023/ODG

CONTACT DETAILS

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Quotation's Office	Project Manager
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BACKGROUND

In the previous years, the Internal Audit division has been utilizing the BarnOwl Audit and Risk Management system, which has ultimately proven to be inadequately designed, inefficient, and incapable of fulfilling the requirements of the Internal Audit process. As an interim solution, Internal Audit has resorted to manually documenting its work using the Microsoft Office suite and storing it on local machine drives and network folders. This manual approach and decentralization of Internal Audit tasks have introduced significant challenges, making it arduous and time-consuming to manage projects, monitor resources, and ensure compliance with IIA standards. Of particular concern is IIA standard 1220.A, which emphasizes the importance of internal auditors considering the use of technology-based audit and data analysis techniques. The following areas highlight the inefficiencies stemming from our current practices:

- a. Substantial time is wasted in creating manual audit files, documents, and reports, which could be better employed in more value-added activities.
- b. We lack a system to effectively track annual plans and monitor the status of project completions, making it challenging to stay on top of our audit schedule.
- c. A central repository for time-sheets is absent, impeding our ability to accurately record and manage working hours.
- d. Our current system does not allow for the convenient hyperlinking of referenced audit evidence, which is crucial for comprehensive documentation.
- e. Generating audit reports prepopulated with complete data remains an unattainable goal with our current tools and processes.
- f. The process of tracking and following up on action plans resulting from previous findings is cumbersome and manual, causing unnecessary delays.
- g. Employees face challenges when working from home, and the seamless consolidation of files upon their return to the office is a logistical hurdle.
- h. Risks and controls are not centrally stored and continuously monitored as action plans are implemented, leading to potential compliance and oversight issues.



2 SCOPE OF WORK

2.1 GOAL

To seek the appointment of a service provider to implement, maintain and support an Audit Management System which enables Internal Audit in executing its mandate through automated processes in the various stages of the Internal Audit process; planning, execution, reporting and continuous monitoring of findings and risks associated with them.

The Audit Management system should have the following capabilities:

- a. User account management and roles assigned according to responsibilities and project teams.
- b. Capture and approve time-sheets.
- c. Integrate with DoT access management system.
- d. Creation of electronic audit files, working papers and reports on predefined templates.
- e. Capture, process and store data.
- f. Hyperlinking of referenced evidence within work templates.
- g. Time stamping on all work conducted.
- h. Segregation between creation and review of work conducted.
- i. Raising and clearance of review notes and comments.
- j. Reports that can be generated in different formats (lists, graphs, tables, etc) for monitoring of annual plans, project status, and statistical purposes.
- k. Archival and retrieval in line with Internal Audit function requirements.
- l. Centralised database with its own database management system.
- m. Built-in data rules and pre-defined selection data fields to ensure a high level of data integrity and quality.
- n. Alignment with the DoT Disaster Recovery and Business Continuity Plans and Policies.
- o. Compliance with Government, SITA and departmental security policies and procedures.
- p. Importing and exporting of documents.
- q. Allow audit team members to work offline and merge back their work when connected to the network
- r. Integrate with existing email services.
- s. Tracking of audit findings.

2.2 OBJECTIVES (SCOPE OF WORK)

2.2.1 The service provider must provide a solution that is:

- a. Aligned with the specifications to be issued by DoT.
- b. Compatible and suitable to the current DoT IT infrastructure.
- c. Embedded with the Internal Audit frameworks, best practice methodologies and supports a risk and control-based audit approach in line with international best practice (COSO, IIA, IPPF, ISO 31000 and the King Report and King Code).
- d. Aligned to DoT's Internal Audit methodology.
- e. Able to generate reports in Microsoft Word and Excel formats and by using interactive dashboards.
- f. Able to function connected to the DoT network as well as when offline.
- g. Able to assign user licenses according to who is using the solution.



2.2.2 Information gathering for adequate system design:

- a. Gather functional and user requirements from the Internal Audit directorate.
- b. Document in detail the processes of planning, execution, reporting and continuous monitoring of findings.

2.2.3 Ensure the solution supports the various stages of the Internal Audit process:

2.2.3.1 Audit Planning

- a. Ability to create and display the Audit Universe planning, dashboard and 3-year rolling plan.
- b. Ability to create Internal Audit projects directly from the Audit Plan or imbedded organisational processes or structures.
- c. Allow for project detail registers (tasks, resources and planned time allocation)
- d. Allow for detailed narration documentation of system descriptions.
- e. Assignment of team members to sections of the project relevant to them.
- f. Segregation of access and functionality within the audit projects.
- g. Allow for population of risks and controls related to the process being reviewed.
- h. Ability to generate risk and control matrix.
- i. Ability to process time-sheets.

2.2.3.2 Audit Execution

- a. Execute the audit based on the audit programme/s.
- b. Complete control adequacy testing and rating.
- c. Complete control effectiveness testing.
- d. Attach and sequentially reference evidence.
- e. Ability to capture newly identified risks and controls during the audit
- f. Update control effectiveness ratings from test results.
- g. Ability to export working papers and evidence to Microsoft Office suit and/or for printing.
- h. Ability to review audit work using PFO (project file organiser) or per project objectives.
- i. Ability to capture and clear review notes.
- j. Capable of segregating user rights between preparers and reviewers on project files and allow dated sign-offs.
- k. Ability to use tick marks, cross marks, hyperlinks and notes.

2.2.3.3 Audit Reporting

- a. Prompt for recommendation on raised findings.
- b. Ability to email recommendations to process owners to solicit management comments, action plans and implementation dates.
- c. Ability to import received management comments, action plans and implementation dates back into the tool.
- d. Ability for the tool to send reminder emails to process owners close to the implementation dates.
- e. Generate audit reports``
- f. Generate audit reports with recommendations and action plans in MS Word
- g. Ability to customize report templates to DoT and Internal Audit Methodology designs.
- h. Ability to change project status to closed once work is completed.
- i. Automated archival of Internal Audit projects.



2.2.3.4 Audit Follow-up

- a. Ability to generate follow-up audit procedures from the full audit
- b. Ability to document test results on current controls
- c. Ability to update control effectiveness from test results
- d. Ability to generate follow-up reports with recommendations, new management comments and implementation dates.

2.2.3.5 The solution should enable working offline and synchronisation of Internal Audit projects and allow for audit teams to work remotely without being connected to the server:

- a. Ability to extract and merge back a section of the project to work offline.
- b. Allow storage and transfer of offline files using email and flash drives.
- c. Maintain strong access controls on offline databases.

2.3

DELIVERABLES

Deliverables	Timeframe
Submission of infrastructure requirements documents for DoT to prepare to host system.	2 weeks
User requirements specifications document.	2 months
Implement modules to automate all required processes.	2 months
Train users.	1 month
Train administrator/superuser.	1 month
Submission of user manuals and technical documents.	2 weeks
Licensing and support starting from completion of implementation, user training and handover of all user manuals and technical documents.	12 months

3 EVALUATION

3.1 STAGE 1: MANDATORY REQUIREMENTS

- 3.1.1 **Bidders must comply with the requirements and submit all required document(s) indicated hereunder with the bid documents at the closing date and time of bid. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.**



- 3.1.2 Bidders are required to be registered on the Central Supplier Database and the Department of Transport shall verify the bidder's tax compliance status through the Central Supplier Database.
- 3.1.3 Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database.
- 3.1.4 It is therefore a condition of this bid that the tax matters of the bidder be in order at any point in time from the closing date of the bid. This bid will only be awarded to a bidder(s) whose tax status on Central Supplier Database is compliant.
- 3.1.5 Compliance should remain valid for the duration of the contract
- 3.1.6 Bidders are required to attend compulsory briefing sessions.
- 3.1.7 A member of the professional body e.g., Institute of Internal Auditors (IIA) / Information Systems Audit and Control Association. (ISACA).

3.2 STAGE 2: FUNCTIONAL EVALUATION CRITERIA

- 3.2.1 Only bidders who have complied with mandatory requirements will be evaluated for functionality. Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated hereunder. The Bid Evaluation Committee (BEC) responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.
- 3.2.2 The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.
- 3.2.3 Functionality will be evaluated on the basis of the supporting documentation supplied by the bidders in accordance with the below functionality criteria and values.
- 3.2.4 The evaluation of the functionality will be evaluated individually by Members of Bid Evaluation Committee in accordance with the below functionality criteria and values.
- 3.2.5 The applicable values that will be utilized when scoring each criteria ranges from:
1 being Poor, 2 = Average 3 = Good, 4 = Very Good & 5 = Excellent
- 3.2.6 The Bids that fail to achieve a minimum of **70 points** out of **100** points for functionality will not proceed to phase 2. The Bids that fail to achieve a minimum of **70 points** out of **100** points for functionality will not be evaluated on the Preference Points System stage.

EVALUATION CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	WEIGHT
PHASE 1		
ABILITY AND CAPABILITY	<p>Company experience: Experience of the firm implementing Audit Management System for Internal Audit. Three (3) reference letters under the client-company letter head, with contactable details which confirms that the firm is successfully managing or has previously managed projects of similar nature in the public sector must be attached. The reference letters must state the duration and if the projects were completed successfully. Must have reference letters from at least different organizations where it performed similar assignments.</p> <p>Project Leader: Should have the following:</p> <ul style="list-style-type: none"> a. NQF7 qualification in Information Technology / Computer Science / Systems Engineering or similar. b. Experience in Project Management. c. Minimum of 5 years' experience in implementation of Internal Audit Management System d. A member of the professional body e.g., Institute of Internal Auditors (IIA) / Information Systems Audit and Control Association. (ISACA). <p>Team Members: Should have the following:</p> <ul style="list-style-type: none"> a. NQF6 qualification in Information Technology / Computer Science / Systems Engineering or similar. b. Minimum of 3 years' experience in implementation of Internal Audit Management System. c. A member of the professional body e.g., Institute of Internal Auditors (IIA) / Information Systems Audit and Control Association. (ISACA). <p>Proposed system: Should meet all the requirements as listed under section 2, Scope of Work, in this document.</p>	20
METHODOLOGY	Should provide comprehensive project execution plan covering the entire scope of work indicating clear deliverables and timeframes for each task to be completed, including training, skills transfer, maintenance and support plans.	10
Bidders need to at least score 70 out of 100 to proceed to next round		100



PHASE 2		
ABILITY CAPABILITY	AND Demo/Presentation: Service Providers must present the system being offered, demonstrating Internal Audit processes using mock data. They will also be expected to respond to questions asked.	100
	Bidders need to at least score 70 out of 100 to be evaluated on price and preference	100

Scoring Criterion	1 Poor	2 Average	3 Good	4 Very Good	5 Excellent
Company experience: Experience of the firm implementing Audit Management System for Internal Audit Three (3) reference letters under the client-company letter head, with contactable details which confirms that the firm is successfully managing or has previously managed projects of similar nature in the public sector must be attached. The reference letters must state the duration and if the projects were completed successfully. Must have reference letters from at least 3 different organizations where it performed similar assignments.	0 to 1 reference letters from institutions where audit system was deployed	2+ reference letters from institutions where audit system was deployed	3+ reference letters from institutions where audit system was deployed	4+ reference letters from institutions where audit system was deployed	5+ reference letters from institutions where audit system was deployed
Project Leader: Should have the following: a. NQF7 qualification in Information Technology / Computer Science / Systems Engineering or similar. b. Experience in Project Management. c. Minimum of 5 years' experience in	Meet less than 3 of the requirements	Meet 3 of the requirements	Meet all 4 requirements	Meet all 4 requirements and has implemented similar projects in the public sector	Meet all 4 requirements, has NQF8 and implemented similar projects in the public sector



implementation of Internal Audit Management System					
d. A member of the professional body e.g., Institute of Internal Auditors (IIA) / Information Systems Audit and Control Association. (ISACA).					
Team Members: Should have the following: a) NQF6 qualification in Information Technology / Computer Science / Systems Engineering or similar. b. Minimum of 3 years' experience in implementation of Internal Audit Management System. c. A member of the professional body e.g., Institute of Internal Auditors (IIA) / Information Systems Audit and Control Association. (ISACA)	Meet less than 2 of the requirements	Meet 2 of the requirements	Meet all 3 requirements	Meet all 3 and has implemented similar projects in the public sector	Meet all 3 requirements and NQF7 implemented similar projects in the public sector
Proposed system: Should meet all the requirements as listed under section 2, Scope of Work, in this document.	Meets less than 75% of the listed requirements under section 2	Meets between 75% to 80% of the listed requirements under section 2	Meets between 80% to 90% of the listed requirements under section 2	Meets 100% of all the listed requirements under section 2	Exceed the expectation of all listed requirements under section 2
Methodology: Should provide comprehensive project execution plan covering the entire scope of work indicating clear	No plan or irrelevant plan	Relevant plan indicating scope of work and deliverables only	Relevant plan indicating scope of work, deliverables and timeframes	Relevant plan indicating scope of work and deliverables, timeframes, maintenance &	Relevant plan indicating scope of work and deliverables, timeframes, maintenance &



deliverables and timeframes for each task to be completed, including training, skills transfer, maintenance and support plans.				maintenance and support.	support, training and skills transfer
Demo/Presentation: Service Providers must present the system being offered to the Internal Audit Directorate, demonstrating Internal Audit processes using mock data. They will also be expected to respond to questions asked.	Meets less than 75% of the listed requirements under section 2	Meets between 75% to 80% of the listed requirements under section 2	Meets between 80% to 90% of the listed requirements under section 2	Meets 100% of all the listed requirements under section 2	Exceed the expectation of all listed requirements under section 2

3.3 **STAGE 3: EVALUATION IN TERMS OF 80/20 PREFERENCE POINTS SYSTEM**

3.3.1 Only bids that achieve the minimum qualifying score for functionality will be evaluated further in accordance with the 80/20 preference points system.

3.3.2 **Price:** The following schedule must be utilised for submission of pricing proposals.

3.3.3 **Calculating of points for B-BBEE status level of contribution**

Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

3.3.4 The points scored will be rounded off to the nearest 2 decimals.

3.3.5 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

3.3.6 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

3.4 **POINTS AWARDED FOR B-BBEE/PPPFA GOALS**

3.4.1 **The following preference point systems are applicable to all quotes and/or bids:**

- 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).



3.4.2 For this specific RFQ/Tender

- a. The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

3.4.3 Points for this bid shall be awarded for:

- a. Price; and
- b. Preference points in terms of the scorecard.

3.4.4 The maximum points for this bid are allocated as follows:

PRICE: 80

PREFERENCE POINTS: 20

Total points for Price and B-BBEE must not exceed 100

3.4.5 Failure on the part of a bidder to submit the required proof together with the bid, will be interpreted to mean that preference is not claimed.

3.4.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

3.5 PREFERENCE POINT SYSTEM APPLICABLE

3.5.1 This Document does not replace SBD6.1, which must still be submitted and completed for preference points to be considered.

3.5.2 The 80/20 or 90/10 Preference Point Systems for Acquisition of Goods or Services.

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

80/20 or

90/10

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

or

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

Where

Ps = Points scored for price of bid under consideration Pt = Price of bid under consideration

Pmin Price of lowest acceptable bid



3.6 SPECIFIC GOALS AND POINTS ALLOCATION

- a. The following table will be utilised in evaluating preference: (Note that this must be adjudicated per TOR)

Goals	Points out of 20 (80/20)	Required proof	Points claimed	Proof Attached
Black Owned (BO)	Max 10	B-BBEEE Status level certificate. Issued by an authorized body or persons; or A sworn affidavit as prescribed by the B-BBEE Codes of Good practice		
100% BO	10			
=>75%	7			
=>50%	5			
=>25%	3			
Women Owed (WO)	MAX 6	B-BBEEE Status level certificate. Issued by an authorised body or persons; or A sworn affidavit as prescribed by the B-BBEE Codes of Good practice		
100% BO	6			
=>75%	4			
=>50%	3			
=>25%	1			
Black Designated Group (BDG)	MAX 4	B-BBEEE Status level certificate. Issued by an authorised body or persons; or A sworn affidavit as prescribed by the B-BBEE Codes of Good practice		
100% BO	4			
=>75%	3			
=>50%	2			
=>25%	1			
MAXIMUM POINTS	20			



4.1 COMPULSORY INFORMATION SESSION

- 4.1.1 A compulsory Briefing session will be held at the Department as detailed in the Advert. The compulsory Briefing and Site Inspection session provides bidders with an opportunity to clarify aspects of the process as set out in this document and to address any substantive issues that bidders may wish to raise. Any Briefing Notes which may be issued by the Department to the Service Providers should be considered as part of this project.
- 4.1.2 Firms may ask for clarification on this TOR or any of its Annexures up to close of business forty-eight (48) hours before the deadline for the submission of bids. Any request for clarification must be submitted by email to the Bid Office. Copies of questions and answers will be emailed to all firms that register at the briefing session.

4.2 FORMAT AND SUBMISSION OF BIDS

- 4.2.1 Bidders must submit their bids on the stipulated closing date and time. Late bids will not be considered. All late bids must be collected within seven (7) days failing which the DOT will discard of such late proposals.
- 4.2.2 Bids must be submitted in two (2) envelopes, one (1) with the technical proposal and the other pricing. Supporting documents required for compliance including all the SDB documents must be submitted with the technical proposal **except for SBD 3.3, must be submitted together with the financial proposal.**
- 4.2.3 Format of submission of proposals:
 - a. **Envelopes must be clearly marked with Company name, DOT Nr and whether it is the technical or financial response;**
 - b. **Technical Proposal must be submitted as one (1) original and four protected soft copies.** Soft copies must be exact copies of the original document, including all supporting documents, and should be labelled properly.
 - c. **Soft copies are not required for the financial proposal, bidders must only submit the original hard copy of the financial proposal.**
- 4.2.4 In order to evaluate and adjudicate bids effectively, it is imperative that bidders submit responsive bids. To ensure a bid will be regarded as responsive it is essential to comply with all conditions pertaining to mandatory requirements.
- 4.2.5 Each bidder must attach all applicable documents in support of its bid in accordance with the requirements set out in this bid as well as any other relevant materials, photographs and/or attachments.
- 4.2.6 Each bid, once submitted, constitutes a binding and irrevocable offer to provide the Services on the terms set out in the bid, which offer cannot be amended after its date of submission.
- 4.2.7 Department of Transport (DOT) reserves the right to accept or consider any bid in full or in part or any responses or submissions in relation thereto.
- 4.2.8 DOT reserves the right to appoint more than one bidder whose bid most successfully conforms to the Criteria and the Requirements in accordance with the terms and conditions described in the TOR.



- 4.2.9 DOT reserves the right to request any additional information that it may require or deem necessary. All such requests shall be in writing.
- 4.2.10 After careful consideration and thorough examination of the proposals, DOT shall select the successful Bidder whose proposal most closely satisfies the criteria and the requirements. The lowest price (management fee where applicable) offered will not necessarily be a decisive factor in choosing between Proposals.
- 4.2.11 The Department published the results of the outcome of a tender process, including the details of the successful bidder in the same media that was used to advertise the bid.

4.3 SUB-CONTRACTING, PARTNERSHIP/CONSORTIUM/Joint VENTURE AND COMPANY REQUIREMENTS

- 4.3.1 A proposal submitted by a company, close corporation or other legal person must be accompanied by a resolution or agreement of the directors or members and be signed by a duly authorized person.
- 4.3.2 A proposal submitted by a partnership must be accompanied by a written partnership agreement
- 4.3.3 A proposal submitted by a consortium or joint venture of two or more parties must be accompanied by a signed memorandum of understanding between the parties to such consortium indicating:
 - a. the conditions under which the consortium will function;
 - b. its period of duration;
 - c. the persons authorized to represent it;
 - d. the participation of the several parties forming the consortium;
 - e. the benefits that will accrue to each party;
 - f. any other information necessary to permit a full appraisal of its functioning.

5 CONFIDENTIALITY OF INFORMATION & INTELLECTUAL PROPERTY RIGHTS

5.1 CONFIDENTIAL INFORMATION

- 5.1.1 **Confidentiality obligation.** Each Party ("the receiving Party") must treat and hold as confidential all information which they may receive from the other Party ("the disclosing Party ") or which becomes known to them concerning the disclosing Party during the duration of this Contract.
- 5.1.2 **Nature of the confidential information.** The confidential information of the disclosing Party shall, without limitation, include:
 - a. all software and associated material and Documentation, including information contained therein;



- b. all information relating to:
 - i. the disclosing Party's past, present and future research and development;
 - ii. the disclosing Party's business activities, products, services, customers and clients, as well as its technical knowledge and trade secrets;
 - iii. the terms and conditions of this Contract; and
 - iv. the Department's data.

5.1.3 The Parties shall, except as permitted by the Contract, not disclose or publish any confidential information in any manner, for any reason or purpose whatsoever without the prior written consent of the disclosing Party and in the event of the confidential information relating to a third party, it shall also be incumbent on the receiving Party to obtain the consent of such third party.

5.1.4 **Receiving Party's obligations with regard to confidential information.** The receiving Party agrees that in order to protect the proprietary interests of the disclosing Party in its confidential information:

- a. it will only make the confidential information available to those of its Personnel who are actively involved in the execution of this Contract;
- b. it will initiate internal security procedures reasonably acceptable to the disclosing Party to prevent unauthorised disclosure and will take all practical steps to impress upon those Personnel who need to be given access to confidential information, the confidential nature thereof;
- c. subject to the right to make the confidential information available to their Personnel under clause 15.4.1 above, they will not at any time, whether during this Contract or thereafter, either use any confidential information of the disclosing Party or directly or indirectly disclose any confidential information of the disclosing Party to third parties;
- d. all written instructions, drawings, notes, memoranda and records of whatever nature relating to the confidential information of the disclosing Party which have or will come into the possession of the receiving Party and its Personnel, will be, and will at all times remain, the sole and absolute property of such Party and shall be promptly handed over to such Party when no longer required for the purposes of this Contract.

5.1.5 **Obligations in respect of confidential information upon termination.** Upon termination or expiry of this Contract, the receiving Party will deliver to the disclosing Party or at the disclosing Party's option, destroy all originals and copies of the disclosing Party's confidential information in its possession.

5.1.6 The aforementioned obligations shall not apply to any information which:

- a. is lawfully in the public domain at the time of disclosure;
- b. subsequently and lawfully becomes part of the public domain by publication or otherwise;
- c. subsequently becomes available to the receiving Party from a source other than the disclosing Party, which source is lawfully entitled without any restriction on disclosure to disclose such confidential information; or
- d. is disclosed pursuant to a requirement or request by operation of law, regulation or court order.



5.1.7 **Disclosure to professional advisors.** Nothing in this clause shall preclude the Parties from disclosing the confidential information to their professional advisors in the *bona fide* course of seeking business and professional advice.

5.1.8 **Severability.** The provisions of this clause 15 are severable from the rest of the provisions of this Contract and shall survive its termination and continue to be of full force and effect for a period of ten (10) years after the date of termination.

5.2 INTELLECTUAL PROPERTY RIGHTS

5.2.1 **Ownership in Services vests in Department.** All rights of ownership and copyright in the Services to be provided by the Contractor to the Department shall vest solely with the Department, and the Contractor will not make such information available to any other party without the written consent of the Department on such terms and conditions as may be stipulated by the Department at that time. ‘

5.2.2 **No aspect of the Services to infringe 3rd Party intellectual property rights.** The Contractor warrants that no aspect of the Services provided in terms hereof will infringe any patent, design, copyright, trade secret or other proprietary right of any third party ("third party proprietary rights"), and the Contractor shall, at its own cost, defend the Department against any claim that the Services infringe any such third party proprietary rights, provided that the Department gives prompt notice to the Contractor of such claim and the Contractor controls the defence thereof.

5.2.3 The Contractor further indemnifies the Department against, and undertakes that it will pay all costs, damages and attorney fees, if any, finally awarded against the Department in any action which is attributable to such claim and will reimburse the Department with all costs reasonably incurred by the Department in connection with any such action.

5.2.4 **Process in the event of a claim.** Should any person make any claim against the Department in terms of clause 16.2, the Department shall give the Contractor notice thereof within ten (10) days of becoming aware of such claim to enable the Contractor to take steps to contest it.

5.2.5 **Infringement of 3rd Party rights.** Should any third party succeed in its claim for the infringement of any third-party proprietary rights, the Contractor shall, at its discretion and within thirty (30) days of the Services having been found to infringe:

- a. obtain for the Department the right to continue using the subject of infringement or the parts thereof which constitute the infringement; or
- b. replace the subject of infringement or the parts thereof which constitute the infringement with another product or service which does not infringe and which is materially similar to the subject of infringement; or
- c. alter the subject of infringement in such a way as to render it non-infringing while still in all respects operating in substantially the same manner as the subject of infringement; or



- d. withdraw the subject of infringement.
- 5.2.6 **Ownership.** Ownership of all Departmental data, whether under its control or not, shall continue to vest in the Department and the Contractor shall not obtain any proprietary rights of such data.
- 5.2.7 **Data may only be used in performance of the Services.** The Department's data in the possession of the Contractor, or to which the Contractor may have access during the currency of this Contract, may not be used by the Contractor for any purposes whatsoever other than as may be specifically required to enable the Contractor to comply with its obligations in terms of this Contract.
- 5.2.8 **Preservation of integrity of data.** Both Parties shall take reasonable precautions (having regard to the nature of their obligations in terms of this Contract), to preserve the integrity of the Department's data and to prevent any unauthorised access, corruption, or loss of such data.

6 TERMS AND CONDITIONS

6.1 GENERAL

- 6.1.1 The Department reserves the right to amend, modify or withdraw this Terms of Reference (TOR) document or amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without prior notice except where required by law, and without liability to compensate or reimburse any Service Provider.
- 6.1.2 Neither the Department, nor any of its respective, officers, or employees may make any representation or warranty, expressed or implied in this TOR document, and nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future.
- 6.1.3 The costs of preparing proposals and of negotiating the Contract will not be reimbursed.
- 6.1.4 The Department also reserves the right to call interviews, site visits and/or call for demos of the product or solution, with short-listed Service Providers before final selection, and to negotiate price with the Preferred Service Providers.
- 6.1.5 Firms may not contact the Department on any matter pertaining to their bid from the time when bids are submitted to the time the Contract is awarded. Any effort by a Service Provider to influence bid evaluation, bid comparisons or award decisions in any manner, may result in rejection of the bid concerned.
- 6.1.6 Bid submission requirements must be completed in sections and appendices provided in the bid document.
- 6.1.7 **ALL BIDDERS MUST BE REGISTERED ON THE CENTRAL SUPPLIER DATABASE AT NATIONAL TREASURY.** More information in this regard is available on www.ocpo.treasury.gov.za. Proof of registration must be submitted together with the technical proposal.
- 6.1.8 Bidders may provide any additional information deemed important for the DOT to consider.
- 6.1.9 Prospective Bidders must at all times comply with the Department's Supply Chain rules and processes with regard to all projects and payments.

6.2 ORDER OF PRECEDENCE.

- 6.2.1 In the event of any conflict between any provisions of the SCC, GCC, Proposal and any other document accompanying the Bid, the following order of precedence shall prevail-
 - a. Standard Bidding Documents;
 - b. SCC, if applicable;
 - c. GCC;
 - d. TOR;
 - e. SLA, if applicable; and
 - f. Proposal.



6.3 DURATION

- 6.3.1 The project is expected to be for a period of thirty-six (36) months / three (3) years.
- 6.3.2 The Contract shall commence on the Effective Date and, subject to the rights of termination stipulated herein, terminate on the Completion Date as specified in the Contract.

6.4 CONTRACT AMENDMENTS

- 6.4.1 No addition to, or variation, consensual cancellation, or novation of the Contract, and no waiver of any rights arising from the Contract, including this clause, shall be of any force or effect unless reduced to writing and signed by the duly authorised representatives of each of the Parties.

6.5 SUBCONTRACTS

- 6.5.1 The Contractor shall notify the Department in writing of all sub-contracts awarded under the Contract, before the commencement of the Contract, as well as at any time during the Contract.
- 6.5.2 **The right to sub-contract.** The Contractor may, with the prior written consent of the Department, sub-contract any of its obligations in terms of this Contract, or any part thereof, to a third party, provided that:
 - a. such sub-contracting shall not absolve the Contractor from any responsibility for complying with its obligations in terms of this Contract and the Contractor hereby indemnifies and holds the Department harmless against any loss, harm or damage which the Department may suffer as a result of such sub-contracting;
 - b. the Contractor shall at all times remain the sole point of contact for the Department in respect of the Services by the Contractor.
- 6.5.3 **Department may withdraw consent.** The Department shall have the right at any time, and upon such good cause shown to withdraw such consent for a sub-contractor on thirty (30) days' notice to the Contractor and in that event no claim against the Department by the Contractor or any other person on the grounds of the granting of such consent or the withdrawal thereof shall be entertained, and the Contractor indemnifies the Department against any such claims and costs so incurred."

6.6 CONTRACTOR'S PERSONNEL

- 6.6.1 **Project Team.** The Contractor shall make available the skills and expertise of the Project Team referred to in the Bid who shall be involved in the Contract or the Services, unless otherwise agreed to by the Department, which agreement shall not be unreasonably withheld.

- 6.6.2 **Exceptions.** Notwithstanding the provisions of clause 6.6.1, where, due to circumstances beyond the control of the Contractor, a member of the Project Team cannot act in accordance with the provisions of this clause due to their dismissal, resignation or incapacity, the Contractor shall, to the extent possible, implement an appropriate succession plan to minimise the effect of the unavailability of such member.
- 6.6.3 **Suitably qualified Personnel.** The Contractor shall employ suitably qualified, experienced and trained Personnel to provide the Services, provided that the Contractor shall be entitled in its discretion, to allocate Personnel resources in accordance with the technical or other skills and knowledge required, which discretion shall not have a negative impact on the provision of the Services.
- 6.6.4 The Contractor's Personnel providing the Services may be absent for short periods of time for reasons including annual leave and training. The Contractor undertakes to avoid any disruption of the Services due to such circumstances.
- 6.6.5 **Contractor to adhere to security procedures of the Department.** The Contractor's Personnel including the Project Team shall at all times when on the Department's premises, adhere to the standard health, safety and security procedures and guidelines applicable to the Department's Personnel, as varied and conveyed by the Department to the Contractor from time to time.
- 6.6.6 Should the Department at any time have reason to believe that any of the Contractor's Personnel is failing to comply with such standard health, safety and security procedures and guidelines, the Department may deny such person access to any or all of the Department's premises or systems and require the Contractor to replace such person without delay.

6.7 PAYMENT

6.7.1 **Invoice.**

The Contractor's Project Manager shall at the end of each deliverable submit a consolidated invoice, certified as correct by the Contractor's Project Manager, showing the actual work performed, hours worked, and manpower inputs for the task and associated costs accompanied by all supporting documents.

6.7.2 **Detailed Pricing.**

Service Providers must complete the required SBD Pricing documents and ensure that Prices are:

- a. Firm and inclusive of all costs, including disbursements. Firm prices mandate that any escalations/estimated escalations be included in the final ceiling amount.
- b. Inclusive of VAT, if applicable;



- c. Correctly calculated and identical to the financial proposal.
- d. A detailed pricing schedule should be attached to the SBD documents providing a proper cost breakdown, in line with deliverables, and indicating the proposed time frames. If this TOR prescribed a set template for submission of the cost breakdown/pricing, bidders must submit such in the required format.
- e. The Department uses a two-envelope system. **NO PRICES MUST REFLECT IN THE TECHNICAL PROPOSAL.**

6.7.3 Fees

Domestic hotel accommodation may not exceed R1440, inclusive of VAT per night per person. (Incl dinner, breakfast and parking), air travel must be restricted to economy class, and travel claims per kilometer may not exceed the rates approved by the Automobile Association of South Africa.

6.7.4 Rates

According to the 23 October 2013 Cabinet Resolution as defined in the National Treasury Instruction 01 of 2013/14: Cost Containment Measures sub-paragraph 4.2; the Consultants (or Service Provider) will only be remunerated on the following rates regime:

- a. The "Guidelines for fees" issued by the South African Institute of Chartered Accountants (SAICA);
- b. The "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or
- c. Based on the body regulating the profession of the Consultant.

6.7.5 Payment information

- a. An invoice only becomes due and payable:
 - i. When the Project Manager signs-off on the specific deliverable and submits the invoice for payment;
 - ii. When the invoice is correct with regards to calculations, information contained, banking details and supporting documents;
 - iii. Complies with the original quoted and contracted price.
- b. It is important to ensure that invoices are correctly submitted and reference the project name, DOT number and Order Number.
- c. Non-compliance will delay the payment process.

6.7.6 Total Contract Price.

The Contract Price payable to the Contractor for the Services **shall not exceed** the ceiling price as set out in the Contract.

6.7.7 Price all-inclusive.

All prices are inclusive of any Value Added Tax, import, and all other duties. Any risk associated with an omission or miscalculation in pricing proposals, are carried by the bidder.



6.8 DELIVERY AND DOCUMENTS

- 6.8.1 **Reports.** The Contractor shall provide the Department with detailed Documentation and Reports as set out in the Contract and Project Plan or when required in writing by the Department in both electronic format and hard copy.
- 6.8.2 Reports shall contain accurate information as to enable the Department to monitor and manage the Contractor's performance in terms of this Contract.
- 6.8.3 All Documentation and Reports shall be in English.

6.9 PENALTY REGIME

- 6.9.1 Poor performance will result in penalties that include withholding of a minimum 30% of the total invoice of each affected phase / milestone until it is fixed before the final product is submitted. In the case where the performance has not been improved to the satisfaction of the Department and the final product is handed over, the original amount held back will not be paid over to the Service Provider under any circumstances. On the other hand, an improved quality and/or performance, at the satisfaction of the Department, will require the outstanding part of the held back invoice to be paid to the Service Provider in full but with no additional interest.
- 6.9.2 The project milestones / phases are expected to be adhered to. Any deviation must be approved by the Department prior to any commencement of the changes. Failure to do so will result in a 5% non-payment of that particular and/or affected phase(s).
- 6.9.3 Notwithstanding item 6.9.2 above, failure to meet the deadline as stipulated in item 8 will result in 30% of the total outstanding payments for the project as whole not being paid over to the Service Provider if the poor performance is attributed to the Service Provider unless there is undisputed evidence that the fault lies with the Department.”

6.10 TERMINATION

- 6.10.1 Should either Party fails to comply with any provision of this Contract the aggrieved Party may send a letter of demand to the defaulting Party, demanding compliance with such provision and should the defaulting Party, after a period of fourteen (14) days (or such longer periods as may under the circumstances be reasonably necessary) of the date of receipt of such written notice, remain in default, the aggrieved Party shall be entitled, without prejudice to any other rights it may have:
 - a. to claim specific performance from the defaulting Party and to claim such damages as it may have suffered; or



- b. to discharge and execute the defaulting Party's obligations on its behalf and to recover the costs and disbursements incurred in respect thereof from that Party; or
 - c. to terminate this Contract and claim such damages as the aggrieved Party may have suffered from the defaulting Party."
- 6.10.2 The Department may, without prejudice to any other rights it may have, terminate this Contract by written notice to the Contractor, upon the occurrence of the following events, namely if:
- a. the Contractor fails to adhere to set timeframes, service levels or service standards as determined in the TOR, SLA and/or Project Plan;
 - b. the Contractor, in the opinion of the Department, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract;
 - c. judicial execution is levied on the Contractor's goods and which remains unpaid for 14 days after attachment;
 - d. there has been a material defect, error or failure by the Contractor to comply with applicable laws or rules in the Bid or in the awarding of this Contract which is incapable of rectification and that requires this Contract to be terminated;
 - e. the Contractor, when advised that its Proposal has been accepted, has given notice of inability to sign or execute the Contract;
 - f. the Contractor has abandoned its obligations in terms of this Contract;
 - g. the Contractor has deliberately furnished inaccurate information in its Bid with regard to its previous experience relating to the Services, or with regard to any other material information; or
 - h. the Contractor ceases to carry on business as the Contractor of the Service.
- 6.10.3 In the event that negotiations between the Department and the Preferred Service Provider/s fail with regard to the conclusion of a Contract, the Department reserves its right not to appoint the Preferred Service Provider/s without incurring any liability to compensate or reimburse the Preferred Service Provider/s.
- 6.10.4 In the event that the Contractor does not complete Services in terms of this Contract by the Completion Date, the Department may view this as a material breach of this Contract and claim specific performance, and/or damages.
- 6.10.5 The Preferred Service Provider may be required to enter into a Service Level Agreement (SLA) prior to appointment.
- 6.10.6 The individuals proposed for professional work on the project shall remain on the project unless the Department grants prior permission to change the team composition. Such permission will not be withheld unreasonably.
- 6.10.7 The Department reserves the right to terminate the Agreement in the event that no consensus can be reached on the terms and conditions of a subsequent Service Level Agreement.
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ANNEXURE A

Applicants are required to complete the below with a **Yes or No**

Does the Audit Management System have the following capabilities?		Yes	No
1.	User account management and roles assigned according to responsibilities and project teams.		
2.	Capture and approve time-sheets.		
3.	Integrate with DoT access management system.		
4.	Creation of electronic audit files, working papers and reports on predefined templates.		
5.	Capture, process and store data.		
6.	Hyperlinking of referenced evidence within work templates.		
7.	Time stamping on all work conducted.		
8.	Segregation between creation and review of work conducted.		
9.	Raising and clearance of review notes and comments.		
10.	Reports that can be generated in different formats (lists, graphs, tables, etc) for monitoring of annual plans, project status, and statistical purposes.		
11.	Archival and retrieval in line with Internal Audit function requirements.		
12.	Centralised database with its own database management system.		
13.	Built-in data rules and pre-defined selection data fields to ensure a high level of data integrity and quality.		
14.	Alignment with the DoT Disaster Recovery and Business Continuity Plans and Policies.		
15.	Compliance with Government, SITA and departmental security policies and procedures.		
16.	Importing and exporting of documents.		
17.	Allow audit team members to work offline and merge back their work when connected to the network		
18.	Integrate with existing email services.		
19.	Tracking of audit findings.		

