

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE COMMUNITY SCHEMES OMBUD SERVICE					
BID NUMBER:	CSOS009-2022	CLOSING DATE:	25 NOVEMBER 2022	CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Building 4 Berkley Office Park, 8 Bauhinia Street, Highveld Techno Park, Centurion					
THERE WILL BE A COMPULSORY VIRTUAL BRIEFING SESSION ON THE 10 th OF NOVEMBER 2022 AT 10H00.					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Zakithi Zwane		CONTACT PERSON	Comfort Nabane	
TELEPHONE NUMBER	(010) 593 0533/ 060 545 1150		TELEPHONE NUMBER	(010) 593 0533	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	tenders@csos.org.za		E-MAIL ADDRESS	Comfort.Nabane@csos.org.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

<p>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]</p>	<p>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]</p>
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QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? YES
 NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? YES NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? YES NO

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 BELOW.

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER’S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:



REQUEST FOR PROPOSAL (RFP)

**PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES
OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS**

NOVEMBER 2022

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

1. TERMS AND CONDITIONS

THIS REQUEST FOR PROPOSAL (RFP) HAS BEEN COMPILED BY THE CSOS AND IS MADE AVAILABLE TO BIDDERS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS, WHICH BIDDERS ARE DEEMED TO ACKNOWLEDGE AND ACCEPT:

- 1.1 A Bid submitted in response to this RFP will constitute a binding offer that will remain binding and irrevocable for a period of hundred and twenty (120) days from the date of submission to the CSOS.
- 1.2 Unless or until a binding contract is concluded between the CSOS and the successful Bidder, the offer constituted by the Bid will be deemed not to have been accepted and no agreement will be deemed to be reached with any Bidder.
- 1.3 The CSOS reserves the right to amend, modify, withdraw or terminate this RFP or any of the requirements set out herein at any time (and from time to time), without prior notice and without liability to compensate or reimburse any Bidder or person.
- 1.4 Should this RFP be amended, the CSOS undertakes to publicize or send each Bidder in writing the amended RFP. No oral amendments by the Bidder or the CSOS shall be considered.
- 1.5 It is compulsory for a Bidder submitting a bid to be registered on the National Treasury's Central Supplier Database ("the CSD") and ensure that it remains registered for the duration of the services and/or contract, if successful.
- 1.6 The Bidder needs to ensure that it is tax compliant at the time of submitting its Bid and remains tax compliant for the duration of the contract and/or services, if successful, and undertakes to provide supporting documentation issued by the South African Revenue Services ("SARS") confirming it is tax compliant upon request by the CSOS.
- 1.7 The CSOS reserves the right to conduct site inspections or call for supporting documentation in order to confirm any information provided by a Bidder in its response to this Bid.

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- 1.8 This RFP is not intended to form the basis of a decision to enter into any transaction with the CSOS and does not constitute an offer or recommendation to enter into such transaction, or an intention to enter into any legal relationship with any person.
- 1.9 Neither the CSOS nor any of its respective directors, officers, employees, agents, representatives, or advisors will assume any responsibility for any costs or expenses incurred by any party in or associated with preparing or submitting a Bid in response to this RFP.
- 1.10 No entity or associated entities may be involved, whether directly or indirectly, in more than one Bid in response to this RFP. Failure to comply with this requirement may, within the sole discretion of the CSOS, result in disqualification of both entities.
- 1.11 Any material changes in the control and/or composition of any Bidder or any core member of a Bidder after submission of a Bid must be brought to the attention of the CSOS Supply Chain Management ("SCM") Section in writing. The CSOS shall be the sole arbiter as to what constitutes a material change in the control and/or composition of any Bidder and may in its sole discretion disqualify the Bidder from any further participation in the bid process.
- 1.12 Any requirement set out in this RFP which stipulates the form and/or content of any aspect of a Bid is stipulated for the sole benefit of the CSOS, and unless the contrary is expressed, may be waived by the CSOS in its sole discretion at any stage in the bid process.
- 1.13 The CSOS and its advisors shall rely on a Bid as being accurate and complete in relation to the information and proposals provided therein by the Bidders.
- 1.14 All Bids submitted to CSOS shall become the property of the CSOS and will not be returned to the Bidders. The CSOS will make all reasonable efforts to maintain the information contained in proposals confidentially.
- 1.15 The CSOS reserves the right to accept or reject in part or whole any Bid submitted and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected bidders.

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- 1.16 The CSOS reserves the right to require a Bidder to provide a formal presentation of its RFP at a date and time to be determined by the CSOS. The CSOS shall provide adequate instructions and clarification regarding the purpose and scope of the presentation. All expenses shall be borne by the Bidder.
- 1.17 In this RFP, the words “service provider”, “supplier” will be used interchangeably to refer to the Bidder.
- 1.18 All costs associated with the preparation and submission of the Bid remain the responsibility of the Bidder. The costs shall not be chargeable to the CSOS by the successful or unsuccessful Bidder.
- 1.19 All Bids must be formulated and submitted in accordance with the requirements of this RFP.
- 1.20 Bids received after the closing date and time as specified in this RFP shall be rejected.
- 1.21 The CSOS does not appoint a bidder solely based on the lowest price but based on its sole discretion and assessment of competency and attainment of value for money. Price alone is often not a reliable indicator, but a bidder must exhibit or demonstrate adequate capacity and full comprehension of the scope of work to be undertaken.
- 1.22 In this regard, CSOS shall appoint a technically competent bidder which offers best value for money for the entity.

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

List of Acronyms

Acronym	Definition
AGSA	Auditor General South Africa
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CA	Chartered Accountant
CAE	Chief Audit Executive
CIA	Certified Internal Auditor
CIPC	Companies and Intellectual Property Commission
CISA	Certified Information Systems Auditor
CSD	Central Supplier Database
CO	Chief Ombud
CSOS	Community Schemes Ombud Service
CV	Curriculum Vitae
EXCO	Executive Committee
IIASA	Institute of Internal Auditors South Africa
IRBA	Independent Regulatory Board for Auditors
PFMA	Public Finance Management Act (Act No 1 of 1999)
RFP	Request for Proposal
SAICA	South African Institute of Chartered Accountants
SANAS	South African National Accreditation System
SARS	South African Receiver of Revenue
SCM	Supply Chain Management
VAT	Value-added Tax

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

2. INTRODUCTION AND BACKGROUND

- 2.1 The Community Schemes Ombud Service (CSOS) was established as a Public Entity under the Community Schemes Ombud Service Act (Act No 9 OF 2011) [CSOS ACT] which was promulgated on the 11th of June 2011.
- 2.1.1 Regulations of all community schemes;
- 2.1.2 Provision of Dispute Resolution Services;
- 2.1.3 Quality assurance and keeping custody of schemes governance documentation.
- 2.1.4 Providing access to schemes governance documentation to the members; and
- 2.1.5 Ensuring good governance within community schemes.
- 2.2 The CSOS has been classified as a Schedule 3A Public Entity in terms of the Public Finance Management Act (Act No 1 of 1999) [PFMA].
- 2.3 The PFMA requires the establishment of an effective internal audit function under the control and direction of an audit committee (Section 51(1) (a) (ii). The CSOS Internal Audit Unit currently has a 43 % vacancy rate, it is currently capacitated with the Chief Audit Executive (CAE), Internal Audit Manager and two Internal Auditors. The current establishment does not adequately meet the Internal Audit requirements of the CSOS.
- 2.4 The CSOS needs to appoint the services of an experienced and suitable independent Internal Audit Service provider that can assist and support the existing establishment to provide an appropriate Internal Audit Service to CSOS.

3. LEGISLATIVE FRAMEWORK

- 3.1 Tax Legislation
- 3.3.1 The bidders must be compliant with all applicable tax legislation, and must remain compliant with the Income Tax Act, 1962 and the Value Added Tax 1991 throughout the period of the assignment. This is a compulsory condition of this RFP.
- 3.3.2 Bidders are required to be registered on the Central Supplier Database, so that verification of the tax status can be done.

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3.2 Procurement Legislation

- 3.2.1 The evaluation method adopted by CSOS is consistent with the Treasury Regulation 16A3 promulgated under Section 76 of the PFMA, the Preferential Procurement Policy Framework Act 2000, and the Broad-based Black Economic Empowerment Act, 2003.

4 PROJECT PURPOSE

- 4.1 The purpose of this **REQUEST FOR PROPOSAL (RFP)** is to appoint an experience and suitable independent Internal Audit Service Provider that can assist and support the existing establishment to provide an appropriate Internal Audit Service to CSOS. The Internal Audit function should assist the CSOS to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of Risk Management; Internal Control; and Governance processes.
- 4.2 The successful bidder will be awarded a three (3) years contract from the actual date of signing the contract. Irrespective of the date of the award of this bid, the Annual Audit Plan will run for a period of a full financial year. The RFP does not constitute an offer to do business with the CSOS, but merely serves as an invitation to the bidders to facilitate a requirements-based decision-making process.

5 SCOPE OF WORK

- 5.1 The scope of internal audit work entails evaluating the adequacy and effectiveness of the organizations systems of Internal Control; Risk Management; and Governance processes.
- 5.2 The Successful Bidder will be required to perform the following internal audit reviews:
- 5.2.1 Risk Based Audits;
 - 5.2.2 Performance Audits
 - 5.2.3 Compliance Audits;
 - 5.2.4 Information Technology Audits.
 - 5.2.5 Governance Audits (Governance processes and structures);
 - 5.2.6 Any ad-hoc audits and related consulting engagements that could arise as a result of requests from management and the Audit and Risk Committee (ARC); and
 - 5.2.7 Assist in compiling and/or reviewing the CSOS's Audit File to be given to the Auditor General South Africa (AGSA). Advising Management in dealing with any AGSA related audit queries and findings.
- 5.3 The Internal Audit Function must assist the Board, the Audit and Risk Committee (ARC) and Management in achieving the objectives of the CSOS by evaluating and developing recommendations for the enhancement or improvement of the processes, these include:

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- 5.3.1 Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- 5.3.2 Reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations, and determine whether the organisation is in compliance;
- 5.3.3 Reviewing the means of safeguarding assets and verifying the existence of assets;
- 5.3.4 Appraising the economy and the efficiency with which resources are employed;
- 5.3.5 Identifying opportunities to improve operating performance;
- 5.3.6 Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned;

- 5.4 Review and determine whether:
 - 5.4.1 Objectives and values are established and communicated;
 - 5.4.2 The accomplishment of objectives is monitored;
 - 5.4.3 Accountability is ensured; and
 - 5.4.4 CSOS's corporate values are preserved

- 5.5 Reviewing the planning, design, development, implementation, and operation of major computer-based systems to determine whether:
 - 5.5.1 Adequate controls are incorporated in systems;
 - 5.5.2 Thorough systems testing is performed at appropriate stages;
 - 5.5.3 System documentation is complete and accurate; and the needs of users are met

- 5.6 Reporting to ARC in writing quarterly and annually on the state of internal control; risk management, governance, and any significant findings.

- 5.7 Should any other function be regarded as imperative by the bidder, the functions shall be offered and clearly defined subject to approval by the CSOS's CAE and/or ARC.

- 5.8 The Internal Audit function must, in consultation with the Audit and Risk Committee prepare:

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- 5.9 A rolling three-year strategic Risk-Based Internal Audit Plan, based on its risk assessments as well as the risk assessments conducted by the CSOS's Risk Office, identifying key areas of risk for the public entity, having regard to its current operations, the operations proposed in its strategic plan; the CSOS's annual performance plan and its risk management strategy.
- 5.10 An annual Internal Audit Plan indicating the scope, cost and timelines of each internal audit.
- 5.11 Internal Audit reports directed to the ARC detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- 5.12 The Internal Audit function must co-ordinate with other internal and external assurance providers to ensure proper coverage and to minimise duplication of effort.
- 5.13 The Internal Audit function must assist the CSOS's Board, ARC and Management in maintaining effective controls by evaluation controls and by developing recommendations for enhancement or improvement.
- 5.14 Technical Regulation and Professional Standards:
- 5.15 Bidders must demonstrate an understanding of applicable standards and professional technical requirements applicable to the services, comprising National Treasury Internal Audit Framework and the Standards for Professional Practice of Internal Auditing.

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6. FRAUD AND IRREGULARITIES

- 6.1 It is not the responsibility of Internal Auditors to detect fraud, in planning and conducting its work, the internal audit function should identify serious defects in the internal controls where reasonably possible, which might result in possible malpractices.
- 6.2 Any such defects must be reported immediately to the CSOS's CAE, CO and/or the ARC, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities is uncovered.

7. EXPECTED OUTCOMES AND DELIVERABLES

7.1 Performing internal audit assignments

Each assignment should at least consist of the following:

- 7.1.1 Preliminary survey;
- 7.1.2 Audit planning memorandum;
- 7.1.3 Minutes of entrance meeting
- 7.1.4 Risk assessment document
- 7.1.5 Control Adequacy assessment document;
- 7.1.6 System descriptions;
- 7.1.7 Audit programmes;
- 7.1.8 Record of work performed;
- 7.1.9 Audit of work performed;
- 7.1.10 Audit finding and recommendations;
- 7.1.11 Sampling methodology;
- 7.1.12 Mechanisms for follow up on matters previously reported and feedback to the Auditand Risk Committee;
- 7.1.13 Mechanism to ensure that working papers are reviewed at the appropriate level;
- 7.1.14 Reporting (draft internal audit report and final internal audit report); and
- 7.1.15 Follow up of previous audit findings.

7.2 Reporting requirements

The structure of the report is to be as follows:

- 7.2.1 Introduction;

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- 7.2.2 Audit objective and scope;
- 7.2.3 Background;
- 7.2.4 Executive summary highlighting significant findings;
- 7.2.5 Risk management status;
- 7.2.6 Level of compliance with applicable legislation;
- 7.2.7 Findings, recommendations; management response and action plan (including implementation dates); and
- 7.2.8 Conclusion All audits are to be carried out according to the Internal Audit Plan, and inline with the Internal Audit Methodology, as approved by the CSOS

8. QUALITY ASSURANCE REVIEWS OF THE WORK

- 8.1 The Successful Bidder shall ensure that all work conforms to the Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors). Such work may further be subjected to an external quality assurance as may be considered necessary.

9. INDEPENDENCE AND OBJECTIVITY OF AUDIT STAFF

- 9.1 On carrying out the work, the successful Bidder must ensure that its staff maintains objectivity by remaining independent of the activities they audit. They shall not be involved in the day-to-day operations of the CSOS.

10. REPORTING REQUIREMENTS

- 10.1 On completion of each assignment, the successful bidder shall distribute the reports to the CSOS EXCO and should institute a follow-up process to ensure the implementation of agreed upon recommendations. Through the CSOS's CAE the successful bidder shall report to the ARC on progress against the allocated planned audit projects, significant findings, and administrative matters.

11. PRE-QUALIFICATION CRITERIA

- 11.1 Bidders that fail to meet the below pre-qualification criterion will not be evaluated further on supply chain management compliance requirements, mandatory requirements, functionality, price and preference points.

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Pre-qualification criteria	Comply	Not Comply
Bidders must have a B-BBEE LEVEL 1 OR 2 certificate issued by an accredited SANAS verification agency /Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oath/B-BBEE certificate issued by the Companies and Intellectual Property Commission (CIPC)		

12. SUPPLY CHAIN MANAGEMENT REQUIREMENTS

- 12.1 Bidders must comply with the following compliance requirements prior evaluation in mandatory requirements.

Documents required	COMPLY	NOT COMPLY
Valid B-BBEE certificate issued by an accredited SANAS verification agency /Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oath/B-BBEE certificate issued by the Companies and Intellectual Property Commission (CIPC)		
Proof of registration on the National Treasury Central Supplier Database (provide CSD summary report or CSD number). Failure to meet this requirement will lead to disqualification of the bidder.		
Valid tax pin number/letter.		
Fully completed SBD documents (SBD 1,3.3, 4, and 6.1)		

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13. MANDATORY EVALUATION

13.1 The service providers must comply with the below requirements, failure to comply with this requirement will result into disqualification and not further evaluated on functionality.

MANDATORY REQUIREMENTS	COMPLY	NOT COMPLY
12.2.1 Provide a valid copy of at least one of the directors' registration OR company registration with Professional Body membership with SAICA or IIASA or IRBA		
Attendance of compulsory briefing session.		

14. EVALUATION CRITERIA

14.1 Evaluation Committee

Proposals will be evaluated using the 80/20 preference method by the CSOS.

14.2 Bidders may be requested to submit any additional information required by the CSOS.

14.3 Evaluation Criteria

Proposals will be evaluated based upon, but not limited to, in no particular order:

14.3.1 Compliance with the RFP document, including provision of all information requested in this RFP;

14.3.2 Demonstrated ability to provide services and expertise as listed in this RFP

14.3.3 Qualifications, experience, and in particular those staff proposed to be generally handling the contract.

14.3.4 Reference checks

14.4 EVALUATION PROCESS OF BIDS RECEIVED

14.4.1 Stage 1

a. All proposals received will be evaluated to determine compliance with RFP requirements and conditions (completion and attachment of mandatory documents). Proposal with obvious deviations from the mandatory requirements will be disqualified from the functionality evaluation process.

b. Only Bidders that achieve a minimum qualifying score of **65 points** in functionality will be evaluated further on the 80/20 preference point system.

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FUNCTIONALITY

CRITERIA	GUIDELINES FOR CRITERIA APPLICATION AND SCORING	WEIGHT
<p>Company Experience</p>	<p>The Bidder must have relevant experience of 4-8 years <u>OR MORE</u> in the Internal Audit of public sector industry.</p> <ol style="list-style-type: none"> 1. More than 8 years’ relevant experience in Internal Audit services in the public sector (5 points). 2. 8 years’ relevant experience in Internal Audit services in the public sector (4 points). 3. 6 to 7 years’ relevant experience in Internal Audit services in the public sector (3 points). 4. 4 to 5 years’ relevant experience in Internal audit services in the public sector (2 points). 5. 4 years’ experience in Internal audit services in the public sector (1 point). 6. Less than 4 years’ experience in Internal audit services in the public sector (0 point) <p>Refer to Table 1 below to complete schedule of experience. Failure to complete the table below will be regarded as non-responsive in terms of company experience criteria. The CSOS reserves the right to verify the experience claimed from the companies listed below.</p>	<p>30</p>

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

<p>References</p>	<p>Reference letters must be on client's letterhead, indicating the period of the work done in Internal Audit (Public Sector), signed and dated.</p> <ol style="list-style-type: none"> 1. 0 reference letter detailing as per criteria = 0 points 2. 1 reference letter detailing as per criteria =1 point 3. 2 reference letters detailing as per criteria =2 points 4. 3 reference letters detailing as per criteria =3 points 5. 4 references letters detailing as per criteria =4points 6. 5 letters and above detailing as per criteria = 5 points 	<p>10</p>
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<p>Approach/ Methodology</p>	<p>Provide Internal audit approach/methodology clearly detailing the description of tasks and activities in line with section 5.1 to 5.15 of the scope of work.</p> <ol style="list-style-type: none"> 1. No proposed approach/methodology detailed in the proposal (0points) 2. The proposed methodology address 1 up to 3 of the activities in line with section 5.1 to 5.15 of the scope of work (1 point). 3. The proposed methodology address 4 up to 6 of the activities in line with section 5.1 to 5.15 of the scope of work (2 points). 4. The proposed methodology address 7 up to 9 of the activities in line with section 5.1 to 5.15 of the scope of work (3 points). 5. The proposed methodology address 10 up to 13 of the activities in line with section 5.1 to 5.15 of the scope of work (4 points). 6. The proposed methodology address 15 of the activities in line with section 5.1 to 5.15 of the scope of work (5 points). 	<p>35</p>
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APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

<p>Experience and qualifications of Team Leader/Director or Engagement Partner (to be supported by originally certified copies of certificates and qualifications</p>	<p>Provide a detailed CV demonstrating Internal Audit or similar experience in the Public Sector and CA/CIA qualification for Team Leader/Director/Engagement Partner.</p> <ol style="list-style-type: none"> 1. Team Leader/Director/Engagement Partner with CA qualification or CIA qualification and CV demonstrating CA/CIA with 10 years 'and more experience in Internal audit or similar experience in public sector (5 points) 2. Team Leader/Director/Engagement Partner with CA qualification or CIA qualification and CV demonstrating CA/CIA with 8-9 years' experience in Internal audit or similar experience in public sector (4 points) 3. Team Leader/Director/Engagement Partner with CA qualification or CIA qualification or Honors/BTech in Accounting/Auditing and CV demonstrating in Internal audit or similar experience in the public sector with 6-7 years' experience (3 points) 4. Team Leader/Director/Engagement Partner with qualification or CIA qualification or Honors/BTech 	<p>10</p>
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APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

	<p>Accounting/Auditing and CV demonstrating experience in Internal Audit or similar experience in the public sector with 5 years' experience (2 points)</p> <p>5. Team Leader/Director/Engagement Partner with CA qualification or CIA qualification or Honors/BTech in Accounting/Auditing and CV demonstrating experience in Internal audit or similar experience in the public sector with less than 5 years' experience (1 point)</p> <p>6. Team Leader/Director/Engagement Partner does not meet the required qualifications (0 points)</p>	
<p>Experience and qualifications of Project Team (to be supported by originally certified copies of certificates and qualifications</p>	<p>Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR. Provide detailed CV of five (5) team members with Diploma or Degree qualifications to be working on the project, including team members consisting of the following: (Copies of qualifications must be certified)</p> <ol style="list-style-type: none"> 1. CV of five (5) team members with Diploma or Degree qualification, each with 5 or more years' internal audit or similar experience in public sector (5 points) 2. CV of five (5) team members with Diploma or Degree qualification, each with 4 years' internal audit or similar experience in public sector (4 points) 3. CV of five (5) team members with Diploma or Degree qualification, each with 3 years' internal audit or similar experience in public sector (3 points) 4. CV of five (5) team members with Diploma or Degree qualification, each with less than 3 years' internal audit or similar experience in public sector (2 points) 5. CV of five (5) team members with Diploma or Degree qualification, each without internal audit or 	<p>10</p>

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

	<p>similar experience in public Sector (1 point)</p> <p>6. Failure to submit CVs of five (5) team members and any team member does not meet the required qualification (0 points)</p> <p>CSOS reserves the right to request more team members on an ad-hoc basis</p>	
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APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

	basis.	
Experience and qualifications of IT Auditor (to be supported by originally certified copies of certificates and qualifications)	<p>Skills and competencies of the IT Auditor in the public sector industry. Provide CV detailing experience in IT Audit in the Public Sector and certified copies of proof of registration /Certification-CISA with Diploma or Degree in Information Systems</p> <ol style="list-style-type: none"> 1. IT Auditor with Diploma or Degree in Information Systems with proof of registration /Certification - CISA with 7 years or more IT Audit or similar experience in public sector (5 points). 2. IT Auditor with Diploma or Degree in Information Systems with proof of registration /Certification- CISA with 6 years IT Audit or similar experience in public sector (4 points). 3. IT Auditor with Diploma or Degree in Information Systems with proof of registration /Certification-CISA with 5 years or similar experience in public sector (3 points). 4. IT Auditor with Diploma or Degree in Information Systems with proof of registration /Certification-CISA with 3-4 years internal audit or similar experience in public Sector (2 points). 5. IT Auditor with Diploma or Degree in Information Systems and no proof of registration/ Certification-CISA with 1- 2 years similar experience in public Sector(1 point). 6. Failure to submit a CV of an IT Auditor and the IT Auditor does not meet the qualifications and experience requirement (0 points) 	5
	Threshold	65%
TOTAL		100

N/B: Bidders must obtain a minimum of 65% on functionality for them to be evaluated further on the 80/20 preference point system

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

Table 1 (Schedule of work experience) Bidders are required to complete the table below, failure to complete will result in the bid being non-responsive in terms of company’s experience.

COMPANY EXPERIENCE						
Please fill in details of previous similar projects done						
Client Name	Client Contact Person	Client Email	Client Phone Number	Description of work conducted	Start Date	End Date

15 PRICING INSTRUCTIONS. (REFER TO SBD 3.3)

15.1 In order to facilitate a transparent selection process that allow equal opportunity to all bidders, proposals will be evaluated using the 80/20 formulae (preference points system) for Price and B-BBEE.

15.2 All pricing must be in SA rands and fixed for the duration of the contract.

CRITERIA	SUB-CRITERIA	Weighting/ points
Price	Detailed budget breakdown	80
B-BEE (Status level verification certificate)	B-BEE Level contributor	20
		100

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

- 15.3 Internal audits are based on hourly rates and budgets are compiled once the extent of the work has been assessed. Financial Quotations will be compared based on hourly rates. Firms are required to submit a table of hourly rates as required in the table below. Rates should be inclusive of overheads **and** VAT. If a particular category does not exist in the firm, it can be omitted.
- 15.4 Travelling and accommodation cost outside of Gauteng will be reimbursable basis as and when required.

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

16. TIMELINE OF THE BID PROCESS

- 16.1 The validity period of tenders and the withdrawal of offers, after the closing date and time is 120 days.

17. DURATION OF THE CONTRACT

- 17.1 The duration of the contract is anticipated to run for three years and may overlap into the next financial year depending on the commencement date.
- 17.2 The commencement shall take effect on the date of signing the Service Level Agreement. That is, the services of the successful bidder will be required for a period of three years.

18. PROJECT MANAGER RESPONSIBILITIES

- 18.1 The CSOS Project Manager's responsibilities will include:
- 18.2 Providing the service provider with all appropriate advice and information pertinent to the success of this project as well as assisting in setting up meetings with key management staff.

19. SERVICE PROVIDER RESPONSIBILITIES

- 19.1 The specialist service provider will, after signing an agreement to conduct the full scope of work for the CSOS, provide a line-item budget detailing each cost.
- 19.2 The service provider will sign a Service Level Agreement which will assure confidentiality of CSOS information and intellectual property.
- 19.3 The service provider undertakes to abide by the CSOS's policies and procedures and Code of Conduct whilst conducting work on behalf of the CSOS. Submit a weekly report on the progress made in a format agreed with CSOS.

20. SUPPLIER DUE DILIGENCE

- 20.1 CSOS reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

21. RESPONSE FORMAT (SUBMISSION OF PROPOSAL)

- 21.1 The proposals must be submitted in the prescribed format. Standard bidding documents attached with Terms of Reference must be completed in full.
- 21.2 The bidder(s) are required to submit one (1) original copy of the bid document.
- 21.3 Failure to comply with the mandatory requirements will result in your bid being disqualified.

22. LATE BIDS

- 22.1 Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the bidder(s).

23. COUNTER CONDITIONS

- 23.1 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such bids.

24. FRONTING

- 24.1 Government supports the spirit of Broad Based Black Economic Empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Government condemns any form of fronting.
- 24.2 The Government, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents.
- 24.3 Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

a period not exceeding ten years, in addition to any other remedies CSOS may have against the Bidder / contractor concerned.

25. CONTACT AND COMMUNICATION

- 25.1 A nominated official of the bidder(s) can make enquiries in writing, to the specified person, Mr. Comfort Nabane via email: comfort.nabane@csos.org.za or Tel :010 593 0533. Further information regarding Supply Chain Management matters can be sent via email to Ms. Zakithi Zwane: tenders@csos.org.za or at Tel: 010 593 0533.
- 25.2 The delegated office of CSOS may communicate with Bidder(s) where clarity is sought in the bid proposal.
- 25.3 Any communication to an official or a person acting in an advisory capacity for CSOS in respect of the bid between the closing date and the award of the bid by the Bidder(s) is discouraged.
- 25.4 All communication between the Bidder(s) and CSOS must be done in writing.
- 25.5 Whilst all due care has been taken in connection with the preparation of this bid, CSOS makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current or complete. CSOS, and its employees and advisors will not be liable with respect to any information communicated which may not accurate, current or complete.
- 25.6 If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by CSOS (other than minor clerical matters), the Bidder(s) must promptly notify CSOS in writing of such discrepancy, ambiguity, error or inconsistency in order to give CSOS an opportunity to consider what corrective action is necessary (if any).
- 25.7 Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by CSOS will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 25.8 All persons (including bidder(s) obtaining or receiving the bid and any other information in connection with the bid or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this bid.

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

26. PROPOSAL SUBMISSION REQUIREMENTS

- 26.1 The service provider must present CSOS management with a comprehensive proposal and model outlining how they intend to address our specific needs and a line-item budget thereof together with a detailed project plan. CSOS reserves the right to appoint bidders that meet the requirements and not necessarily in line with the minimum stipulated numbers of panel per region.

27. SUBMISSION OF PROPOSALS

- 27.1 Bid documents should be placed in the tender box on or before the closing date and time.
- 27.2 Bid documents will only be considered if received by CSOS before the closing date and time at 12h00:
- Building 4 Berkely Office Park
8 Bauhinia Street
Highveld Techno Park
Centurion
0157

28. COMPULSORY BRIEFING SESSION

- 28.1 There will be a compulsory virtual briefing session for this tender on the 10th of November at 10h00.
- 28.2 Please see meeting link https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZTc0MWRIYmQtMWE1OC00OWNkLWJkZmYtY2MzMWMzNjk5Ymlz%40thread.v2/0?content=%7b%22id%22%3a%226b6557b3-4111-4623-9cca-6281a5a00539%22%2c%22oid%22%3a%22d081cac4-a295-4b9c-a9ed-03f98087236b%22%7d OR
- 28.3 Meeting link can be requested by the 09th of November 2022 on the following email address: tenders@csos.org.za



SPECIAL REQUIREMENTS AND CONDITIONS OF CONTRACT

CSOS009-2022: APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

CLOSING DATE: 25 NOVEMBER 2022 AT 12H00

VALIDITY PERIOD: 120 DAYS

S U P P L Y C H A I N M A N A G E M E N T

A SPECIAL CONDITIONS OF CONTRACT

1.1 This bid and all contracts emanating there from will be subject to the 2010 National Treasury General Conditions of Contract issued in accordance with of the Treasury Regulations 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

B EVALUATION PROCESS

The evaluation process comprises of the following phases:

1 FIRST EVALUATION PHASE: PRE-QUALIFICATION CRITERIA

PRE-QUALIFICATION CRITERIA	COMPLY	NOT COMPLY
Bidders must have a B-BBEE LEVEL 1 OR 2 certificate issued by an accredited SANAS verification agency /Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oath/B-BBEE certificate issued by the Companies and Intellectual Property Commission (CIPC)		

2 SECOND EVALUATION PHASE SUPPLY CHAIN MANAGEMENT COMPLIANCE REQUIREMENTS

Bidders must comply with the following compliance requirements prior evaluation in mandatory requirements.

Submission of documents	Comply/ Not Comply Y/N
Valid B-BBEE certificate issued by an accredited SANAS verification agency/Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oath/B-BBEE certificate issued by the Companies	

and Intellectual Property Commission (CIPC)	
Proof of registration on the National Treasury Central Supplier Database (provide CSD summary report/CSD number)	
Valid pin issued by SARS (letter or pin)	
Fully completed SBD documents (SBD 1,3.3,4,6.1)	

3 THIRD EVALUATION PHASE: MANDATORY REQUIREMENTS

Bidders must comply with the below requirements in order to be considered further on functionality evaluation.

NO	MANDATORY REQUIREMENT	COMPLY	NOT COMPLY
1.	Provide a valid copy of at least one of the directors' registration OR company registration with Professional Body membership with SAICA or IIASA or IRBA		
2.	Attendance of a compulsory virtual briefing session.		

4 FOURTH EVALUATION PHASE: FUNCTIONALITY

- Bids will be evaluated strictly according to the bid evaluation criteria stipulated in this section of the Terms of Reference. During this stage bidders' responses will be evaluated for functionality based on achieving a minimum score of **65%**.
- Bidders must, as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.

- Bidders will not rate themselves but need to ensure that all information is supplied as required. The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- The panel members will individually evaluate the responses received against the following criteria as set out in the Terms of reference.
- Any proposal not meeting a minimum score of **65%** on functionality will be disqualified and not further evaluated on price and preference points.

C EVALUATION PHASE: PRICE AND PREFERENCE POINTS

- In terms of Regulation 5 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20-preference point for Broad-Based Black economic empowerment in terms of which points are awarded to bidders on the basis of:
 - The price (maximum 80 points)
 - Broad-based black Economic Empowerment as well as specific goals (maximum 20 points)
 - The following formula will be used to calculate the points for price in respect of bidders with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 - 1 \times \frac{P_t - P_{min}}{P_{min}}$$

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{min} = Comparative price of lowest acceptable bid

- A maximum of 20 points may be awarded to a bidder for being a Broad-Based Black Economic Empowerment and/or subcontracting with a Broad-Based Black Economic Empowerment stipulated in the Preferential Procurement regulations. The State reserves the right to arrange contracts with more than one contractor.
- It is the Government's intention to promote the following Broad-Based Black Economic Empowerment with this bid, and the points to be allocated are indicated against each level of contributor:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- Failure to capture the required status level and to submit the required B-BBEE status level certificate will lead to a zero (0) status level for non-compliant service providers.
 - A tenderer must submit proof of its B-BBEE status level of contributor.
 - A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but-

- (a) may only score points out of 80 for price; and
- (b) scores 0 points out of 20 for B-BBEE.

D TAX CLEARANCE CERTIFICATE & CSD REPORT

- Bidders must submit their CSD report/number or SARS Tax pin number/letter. Failure to comply with this condition may invalidate the bid.

E VALUE ADDED TAX

- All bid prices must be inclusive of 15% Value-Added Tax if applicable.

F REGISTRATION

- Latest proof of company registration from Companies and Intellectual Property Commission (CIPC) must be submitted in the form of copies of the relevant registration document

G CLIENT BASE

- Bidders must have specific experience and submit recent references (in a form of written proof (s) on their company's letterhead including relevant person (s), telephone, fax numbers and e-mails) of similar work undertaken.
- The CSOS reserves the right to contact references during the evaluation and adjudication process to obtain information.

H SHAREHOLDERS/DIRECTORS PORTFOLIO

- The bidder shall submit copies of the company's shareholding portfolio with the bid documents at the closing date and time of the bid.

I COMMUNICATION

- Supply Chain Management will communicate with bidders for, among others, where bid clarity is sought, to obtain information or to extend the validity period. Any communication either by facsimile, letter or electronic mail or any other form of correspondence to any government official, department or representative of a testing institution or a person acting in an advisory

capacity for the CSOS in respect of this bid between the closing date and the award of the bid by the bidder is prohibited.

J COUNTER CONDITIONS

- Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in invalidation of such bids.

K PROHIBITION OF RESTRICTIVE PRACTICES

- In terms of section 4(1) of the Competition Act No. 89 of 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:
 - directly or indirectly fixing a purchase or selling price or any other trading condition.
 - dividing markets by allocating customers, suppliers, territories or specific types of goods or services; or
 - collusive bidding.
- If a bidder(s) or contractor(s), in the judgment of the purchaser, has/have engaged in any of the restrictive practices referred to above, the purchaser may, without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered or terminate the contract in whole or in part and refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

L FRONTING

- The Community Schemes Ombud Service supports the spirit of Broad Based Black Economic Empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Against this background the CSOS condemns any form of fronting.

- The CSOS, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry/investigation, the onus will be on the bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the CSOS may have against the bidder/contractor concerned.

M BRIEFING SESSION

- There will be a compulsory virtual briefing session at 10h00 on the 10th of November 2022

N TIMEFRAMES AND FORMAL CONTRACT

- Successful bidder will be required to enter into a formal contract with the CSOS.

O PACKAGING OF BID

- ***The bidder shall place the sealed bid proposal into a sealed envelope or package, and must be clearly marked with a description of the bid as follows:***

- Bid No: CSOS009-2022

Provision of Internal Audit Services to the Community Schemes Ombud Service (CSOS) for a period of three (3) years.

Bid closing date and time: 25 November 2022

Time: 12H00

Name and address of the bidder:

P CONTACT DETAILS

Supply Chain Management Office:

Physical address: Unit 4, Berkley Office Park, 8 Bauhinia Street, Highveld Techno Park, Centurion

For General SCM enquiries: Zakithi Zwane, Contact: 010 593 0533 or email: **tenders@csos.org.za**

For Technical enquiries: Comfort Nabane ; Contact :010 593 0533 or email: **Comfort.Nabane@csos.org.za**

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:**BID NO: CSOS009-2022: APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.**

CLOSING TIME : 12H00 ON 25 NOVEMBER 2022.

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO <u>TAX</u>	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED</u>
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DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES TO THE COMMUNITY SCHEMES OMBUD SERVICE (CSOS) FOR A PERIOD OF THREE (3) YEARS.

- Services must be quoted in accordance with the attached terms of reference.

Total cost of the assignment (R inclusive VAT)

R.....

POSITION	RANS - HOURLY RATE (INCLUDING OVERHEADS,VAT AND ESCALATIONS)			TOTAL
	YEAR 1	YEAR 2	YEAR 3	
Engagement Partner/Director/Team Leader				
Senior Manager				
Audit Supervisor/Assistant Manager				
Internal Auditor				
Specialist Auditor (e.g. IT, Tax)				
Total				

Signature (Bidder)

Date

The financial proposal for this assignment should cover for all assignment activities as per terms of reference

2. Period required for commencement with project after acceptance of bid _____
- 3 Are the rates quoted firm for the full period? Yes/No
4. If not firm for the full period, provide details of the basis on which Adjustments will be applied for, for example consumer price index.

Technical enquiries regarding bidding procedures may be directed to:

Comfort Nabane
Tel: (010) 593 0533

E-mail address: Comfort.Nabane@csos.org.za

Supply Chain queries may be directed to:

Zakithi Zwane
Cell: 060 545 1150

Email address: tenders@csos.org.za

PLEASE REFER TO THE ATTACHED TERMS OF REFERENCE FOR MORE INFORMATION.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/shaving the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned,
(name)..... in
submitting the accompanying bid, do hereby make the following
statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 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 consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 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.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² 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 acontract.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 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.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all 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).

1.21.2

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; or

b) The 80/20 preference point system will be applicable to this tender

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 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.

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms

of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad- Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

$$P_s = 80 \times \frac{P_t - P_{min}}{P_t - P_{min}}$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14

4	3 5	12
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5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted..... %
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
 - One person business/sole propriety
 - Close corporation
 - Company
 - (Pty) Limited
- [TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
 - Supplier
 - Professional service provider
 - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 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 contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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;
- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....



Supplier Maintenance: Bank Details

Supplier name _____

I/We hereby request and authorize you to pay any amounts which accrue to me/us to the credit of my/our account with the mentioned bank.

I/We understand that the credit transfers hereby authorized will be processed by computer through a system known as the "ACB ELECTRONIC FUND TRANSFER SERVICE", and I/we also understand that no additional advice of payment will be provided by my/our bank, but details of each payment will be on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).

I/We understand that a payment advice will be supplied by the organization in the normal way, and that it will indicate the date on which funds will be available in my/our account. This authority may be cancelled by me/us by giving thirty days' notice by prepaid registered post.

Initial and Surname

Authorized Signature

Date dd/mm/yyyy

NB. Only original signed forms will be accepted.

- Registered name: _____
- Co. Registration No: _____
- Account Holder: _____
- Name of Bank: _____
- Name of Branch: _____
- Branch Code: _____
- Account Number: _____
- Type of Account: _____

Bank Stamp Here

Bank Official Name: _____

Contact Detail: _____

It is hereby confirmed that these details have been verified against the following screens:
ABSA-
FNB-
STD Bank-
Nedbank-
Other Banks-

NB: IT IS THE RESPONSIBILITY OF THE SUPPLIER TO ENSURE THAT DETAILS PROVIDED ARE CORRECT.

A LETTER FROM THE BANK CONFIRMING BANKING DETAILS WILL ALSO SUFFICE

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. 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 any thing 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.
 - 1.7 "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 supplies 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 represented by the cost of components, parts or materials which 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 supplies 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 those 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 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, 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 supplies, 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 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 4. Standards**
- 4.1 The goods supplied shall conform to the standards mentioned in 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.
- 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 in SCC.

**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 supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 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 supplies 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 supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies 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 supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies 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

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies 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 23 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 and 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, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

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 in the SCC.

12. Transportation

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

13. Incidental services

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

- (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 in SCC, 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 in SCC.

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 in SCC 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 in SCC, 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 in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment 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 in SCC.
- 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 in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 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 contracts 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 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 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 supplies are required, or the supplier's services are not readily available.

21.5 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 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies 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

22.1 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 judgment 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.

24. Anti-dumping 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 anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable

difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies 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 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 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.

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 in SCC.

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 the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.