SUMMARY OF TENDER

ALEXKOR

1. Assignment:	Alexkor Group (Alexkor and Pooling Sharing Joint Venture (PSJV) requires a suitable qualified and experienced service provider to submit proposals for rendering Internal Audit Services for the period of three (3) years (36) months.
2. Name of the responsible unit:	Supply Chain Management (SCM).
3. Address for submitting bid proposals and other correspondence:	Alexkor Head Office, Office Block 16, 1st Floor, The Woodlands Office Park 20 Woodlands Drive, Woodmead Johannesburg 2191
4. Telephone number:	(011) 253 9567
5. Email:	fininik@alexkor.co.za
6. Attention:	Mr. Khwezi Finini
7. Closing Date & Time for submission:	**4th of March 2021 at 11h00 am**
8. Bid description:	Outsourcing of the Internal Audit Services for Alexkor SOC Group.
9. Bid number:	**ALE RFP 02/2021/2022**
10. Briefing session	No briefing session.

1. BACKGROUND

1.1 Alexkor

Alexkor SOC Limited ("the Company" or "Alexkor") was established in terms of the Alexkor Limited Act, No. 116 of 1992, as amended by the Alexkor Amendment Act, No. 29 of 2011. The Company is listed as a Schedule 2 public entity, wholly owned by the Government through the Minister of Public Enterprises as the Shareholder representative. **The Company has two business units, which includes the Pooling and Sharing Joint Venture (PSJV) in Alexander Bay and Alexkor corporate unit in Woodmead, Johannesburg.**

1.2 Background of the Bid

Section 51 (1) (a) (ii) of the PFMA ("the Act") requires that the Accounting Officer of a Public Entity must ensure that the Public Entity has and maintains a system of Internal Audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of Section 76 and 77 of the Act. To ensure that an effective and efficient Internal Audit (IA) function is maintained, Alexkor seeks to appoint a suitably qualified and experienced service provider to provide Internal Audit services for a period of three (3) years, on 80/20 PPPFA 2000, Preferential Procurement Regulations, 2017, commencing upon the counter signing of the Service Level Agreement (SLA) by Alexkor and the preferred bidder.

2. GENERAL GUIDELINES

Completed tender submissions should be hand delivered in a sealed envelope and deposited in the Tender Box at Alexkor, at the reflected address on page 1 of this document. All envelopes should be sealed and clearly marked.

All enquiries should be in writing and must be directed to: fininik@alexkor.co.za for attention of Mr. Khwezi Finini at Tel; (011) 253 9567. Enquiries will be allowed from the date of invitation until **23 February 2022 at 11h00 am.**

In line with the requirements of the Public Finance Management Act No. 1 of 1999 (PFMA) and Treasury Regulations, Alexkor seeks to engage the services of duly qualified service provider.

2.1 Terms of Reference (ToR)

The purpose of this bid is to appoint a suitable qualified and experienced service provider to provide Internal Audit services for the period of three (3) years.

2.2 Submission of Proposals

2.2.1. The bid should be hand delivered or couriered to the address specified on page 1 of this document and it should be clearly marked as:

"INTERNAL AUDIT SERVICES, REFERENCE NUMBER: ALE RFP 02/2021/2022"

2.2.2. The closing date for Submission of bids is **4th of March 2022 at 11h00 am**.

2.2.3. Completed proposals should be deposited during working hours (08h00 to 16h00).

2.2.4. The bid closing date, bidder name and the return address must be indicated on the envelope.

2.2.5. If a courier service company is used for delivery of the bid response, the bid description must be indicated on the delivery note/courier packaging and the courier must ensure that documents are placed/deposited into the tender box. Alexkor will not be held responsible for any delays, where bid documents are handed to Alexkor's receptionist.

2.2.6. Where a bid response is not in the box at the time of the bid closing, such a bid document will be regarded as a late bid. **It is Alexkor's policy not to consider late bids for tender evaluation.**

Bidders are requested to submit one original and three copies of the bid and one (1) CD-R or memory stick to be submitted. No email responses will be considered

2.3.7 Bidders should adhere to the following;

2.3.7.1 No costs have been prescribed for the Bidding Document.

2.3.7.2 All proposals must be priced in ZAR, inclusive of VAT.

2.3.7.3 If the bid does not include all the required information, the bid will be considered invalid.

2.3.7.4 The price must remain valid for a period of ninety (90) days from the date of submission.

2.4 Infrastructure

It is expected that bidders will be able to provide basic facilities, systems and capital equipment needed for effective and efficient delivery of the services/projects without any upfront payment by Alexkor.

2.5 Costs to be borne by Service Provider

All expenses incurred by the bidders in any way associated with the development, preparation and submission of responses and providing any additional information required by Alexkor, will be borne entirely and exclusively by the service provider.

2.6 No Legal Relationship

No binding legal relationship will exist between any of the bidders and Alexkor until the execution of a signed Service Level Agreement (SLA). The Terms of Reference (ToR) document will not form part of any such contract or arrangement.

2.7 Evaluation of the proposals

Each bidder acknowledges and accepts that Alexkor may, at its absolute discretion, apply selection criteria specified in this document for the evaluation of proposals for short listing/selecting the eligible bidder(s).

3 INSTRUCTIONS FOR PROPOSALS

3.1 Format of your Proposal

The proposal should be presented in two sections i.e. Technical Proposal and Financial Proposal

3.1.1 Technical Proposal format

Bidders are at liberty to structure their proposal according to any format, as long as it covers all areas specified in this RFP.

3.1.2 Technical Approach

The bidders should adhere to the Terms of Reference.

Bidders must at a minimum cover the following requirements as part of their submission:

- Proposed methodology and activity plan that clearly depicts understanding of the TOR and internal audit requirements of Alexkor.
- Bidders should demonstrate how the proposed methodology is in line with applicable standards, rules, regulations and best practices.
- The position(s) involved in the direct delivery of the service to be provided and in overall management of the work and the names of the people who will fill these positions. Provide information in a table format e.g.;

Name	Position	Duties/Activities

3.2 Experience

3.2.1 Company Experience

3.2.1.1 Bidders are required to provide proof that they have performed similar services. Letters of reference from at least three contactable references must be submitted.

3.2.2 Individual Experience

3.2.2.1 Bidders are required to submit abridged CV's of key personnel and qualifications.

4. SCOPE OF SERVICE/WORKS

The successful bidder will be required to perform the following duties:

- Implementation of a rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for Alexkor, having regard to its current operations.
- Assist in the improvement of operations proposed in Alexkor's corporate or strategic plan and effectiveness of its risk management strategy through risk based audits which are in line with IIA standards.
- Implementation of an annual Internal Audit Plan Including the following primary audits:
  - Operational audits;
  - Financial audits;
  - Compliance audits;
  - Performance audits;

- ❖ Governance audits; and
- ❖ IT audits.

- Compilation of plans must indicate the scope, cost and timelines of each audit;
- Assist the Chief Financial Officer with the preparation of reports for submission to the Audit and Risk Committee, detailing performance against the plan, to allow effective monitoring and intervention when necessary;
- Attending Audit and Risk Committee meetings;
- Performing ad-hoc audits at the request of the CFO and/or the Audit and Risk Committee.

5. EXPECTED OUTCOMES AND DELIVERABLES

5.1 Deliverables

(a) Performing audit assignments

Each assignment should at least consist of the following;

- Pre-audit survey;
- Audit planning memorandum;
- Risk assessment document;
- System descriptions;
- Audit programmes;
- Sampling methodology;
- Mechanisms for follow up on matters previously reported and feedback to the Audit and Risk Committee;
- Mechanisms to ensure that working papers are reviewed at the appropriate level;
- Record of work performed;
- Audit findings and recommendations and follow up;
- Reporting (draft & final internal audit reports); and
- Value Added Services, Skills Transfer, Quality Review and Succession Planning.

(b) Reporting requirements

The structure of the report and scope;

- Introduction;
- Audit objective and scope;
- Background;
- Executive summary highlighting significant findings;
- Findings, recommendations and management responses.

5.2 Outcomes:

- Improved control environment within Alexkor Group
- Improved effective risk management within Alexkor Group
- Improved governance processes within Alexkor Group

6. STANDARD REQUIREMENTS OF THE BID

6.1 Disclosures

6.1.1 The bidder must disclose:

- If they are or have been the subject of any proceedings relating to bankruptcy/insolvency.
- If they have been convicted of, or are the subject of any proceedings, relating to:
- A criminal offence or other offence, involving the activities of a criminal nature in its organisation or found by any regulator or professional body to have committed professional misconduct.
- Corruption, including the offer or receipt of any incentive of any kind in relation to obtaining any contract with any contracting authority.
- Failure to fulfill any obligation in any jurisdiction relating to the payment of taxes and other legal obligations.

6.1.2. If a bidder or related company or any individual discloses details of any previous misconduct or complaint, Alexkor will seek an explanation and background details. At the sole discretion of Alexkor, an assessment as to whether the bidder will be allowed to continue to the next phase of the evaluation phase will be made.

6.1.3 Disclosure extends to any company in the same group of the bidder, including but not limited to parent, subsidiary and related parties, companies with common shareholders (whether director or indirect) and parties with whom the bidder is associated in respect of this tender.

6.2 Disclaimer

Alexkor reserves the right to not appoint a service provider and to:

- Award the contract or any part thereof to one or more service providers;
- Reject all the bids;
- Decline to consider any bids that do not conform to any aspect of the bidding requirements;
- Request further information from any bidder after the closing date for clarity purposes;
- Cancel this bid or any part thereof at any time; and
- Should any of the above occur, it will be communicated in writing to all the bidders.

6.3 Confidentiality

- Bids submitted will not be disclosed to any other bidders
- All information pertaining to Alexkor obtained by the bidder as a result of participation in this RFP is confidential.

6.4 Disqualification

Any form of canvassing/lobbying/influence regarding the short listing will result in disqualification.

7. EVALUATION CRITERIA

Bids will be evaluated in three (3) phases/stages

Phase 1-Adminstrative Compliance.

This entails initial screening of bid responses received at close of the bid. During this phase, bid responses are registered to ascertain the number of bid responses received before the closing date and time and to verify if the bidders submitted all the mandatory requirements.

The following mandatory documents must be submitted for the next phase of evaluation:

- Valid Tax Clearance Certificate and SARS pin
- Proof of membership/certificate (**certified copies not older than three months)** of a professional body (Institute of Internal Auditors (IIA), Independent Regulatory Board for Auditors (IRBA) and/or South African Institute of Chartered Accountants (SAICA) by the bidder. **(Any other professional body).** This bullet point is applicable to directors.
- BBBEE Certificate.
- All the SBD (standard bid document) forms must be fully signed.
- Copy of the Company registration.
- Central Supplier Database (CSD) registration documents not older than 3 months.
- Company profile.
- Joint Venture/Consortium agreement (each TCC and BBBEE certificate for each entity).

Phase 2-Technical Requirements/Functionality Assessment

This evaluation will be based on the responses using the functional assessment that is previous experience, expertise and technical approach.

The bidder must score at least 75 points or more on functionality to qualify for the next phase.

Technical Criteria	Maximum points per Criterion
Technical Approach • Proposed methodology and activity plan that clearly depicts an understanding of the ToR and internal audit requirements of Alexkor **(40 points)** • Use of audit software to perform audit engagements **(5 points)**	45 points
Experience, skills and ability of the service provider • Years of Internal Audit experience ❖ 5 years or more (15 points) ❖ 3-4 years (10 points) ❖ 1-2 years (5 points) • Regulatory and grant management industry experience ❖ Regulatory industry experience (8 points) ❖ Understanding and application of State Owned Company Acts and Regulations e.g. PFMA and Treasury Regulations (2 points) • Financial Management Support ❖ Ability to assist Alexkor with technical assignments (5 points) ❖ Unable to assist Alexkor with technical assignments (0 points)	30 points
Experience, skills and ability of resources • Number of Staff; ❖ 3 Senior members with more than 5 years' experience (9 points) ❖ 2 Senior members with 3 - 5 years' experience (4 points) ❖ 1 Senior members less than 3 years' experience (2 points)	15 points

Contactable references where the similar services provided before by firm/bidder. **Note**: Trade references should be presented in the form of a letter on an official letterhead (**not appointment letter**) • Three or more (10 points) • Less than three (5 points)	10 points
Total	**100 points**

Phase 3- Evaluation in terms of PPPFA Regulation, 2017 (80/20)

This bid will be evaluated and adjudicated according to the 80/20 preference points system. The 80 points will be awarded for price and 20 points will be awarded on the BBBEE status level.

Breakdown of points

80/20 Preferential point component	**Points**
Pricing	80
BBBEE Level Contributor	20
Total	**100**

$$Points\ for\ price = 80 * \left(1 - \frac{(P - Pm)}{Pm}\right)$$

* P_m is the comparative offer of the most favourable comparative offer.

* P is the comparative offer of the tender offer under consideration.

Points will be awarded to a bidder for the BBBEE level of contributor in accordance with the table below;

BBBEE Status Level of Contributor	**Number of points (20 points)**
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

8. PRICES

- Provide a "Pricing Grid or "Transaction Fee Schedule;
- The total price should be split between the three years. The total bid price will remain fixed for the period of three years.
- The total amount should be transferred to the standard bidding form/document (SBD 1).

9. PAYMENT TERMS

Alexkor undertakes to pay valid tax invoices in full within thirty (30) days from statement date for services rendered.

10. VALIDITY

A proposal shall remain valid for ninety (90) day after the closing date of the submission for proposals.

11. SIGNATORIES

All responses to this RFP should be signed off by the signatories of the bidder.

12. SPECIAL TERMS AND CONDITIONS

- Alexkor reserves the right to accept or reject any submission in full or in part, and to suspend this process and reject all proposals or part thereof, at any time prior to the awarding of the bidder.
- This bid will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the PFMA.
- Alexkor is the sole adjudicator of the bid and the decisions in this regard will be final.
- Bidders are welcome to be present at the opening of bids.
- The Annexures are part of the bid documentation and must be signed by the bidder and attach to the bid document.

13. CLARIFICATION / ENQUIRIES

END OF THE SPECIFICATON

APPROVED BY:

MR. L. PITSOE
CHIEF EXECUTIRE OFFCER
DATE: 31 JANUARY 2021