
**PROJECT NAME: APPOINTMENT OF SERVICE PROVIDER TO
CONDUCT A FORENSIC INVESTIGATION: BBBEE CERTIFICATES**

PURCHASE REQUEST NO: 10045106

USER DEPARTMENT: *CHIEF EXECUTIVE: INTERNAL AUDIT UNIT*

1. PURPOSE

The purpose of this submission is to request the approval of the Bid Specifications to proceed with the procurement process of service provider for the forensic Investigation.

3. CHALLENGES

Internal Audit investigated the two Service Providers' BBBEE Certificates and concluded that they suspect that both Service Providers' BBBEE Certificates are fraudulent. However, due to limited expertise in this area, Internal Audit has recommended that a forensic investigation by the experts in this area be instituted.

The Audit & Risk Committee has approved Internal Audit's recommendation to appoint a Service Provider to investigate and authenticate the two Service Providers' BBBEE Certificates.

4. SPECIFICATION

Quotations are hereby invited from qualified service providers who meet the following requirements for the investigation and authentication of two BBBEE Certificates:

- a) The Service Provider should have competency on the conduct a forensic investigation
- b) Must have capacity and skills to conduct a forensic investigation.

5. SCOPE OF WORK

The Scope of work includes:

- a) Conduct a forensic investigation on the two (02) BBBEEE Certificates provided by the two Service Providers and confirm whether these BBBEEE Certificates are fraudulent or not.
- b) Provide a comprehensive investigation report detailing, at minimum, findings, conclusions, legally compliant recommendations and management comments.

6. OUTPUT AND / OUTCOMES

- A comprehensive Investigation Report with management comments to be issued within 30 days from the date of appointment.

7. PRICE SCHEDULE

N0.	Description	Price
1	Forensic Investigation	
	Total Excl Vat	
	Vat 15%	
	Total Incl Vat	

Payment will be done after completion of the project.

NB: - Pricing above must include all chargeable items - deliverables, disbursement, travelling and any other related cost to the exercise. No items will be paid outside the above fixed price.

8. PROCUREMENT PROCESS

The normal LNW process will be followed in line with the company's SCM policy and procedures with no deviations from the normal anticipated at this stage.

Validity of RFQ : 30 days
Period : 3 months
Advert date : 30 September 2024
Closing date : 09 October 2024

9. EVALUATION CRITERIA

Preferential Points System will be used to evaluate this bid in line with the Preferential Procurement Policy Framework Act, 2022. *Bidders will be evaluated on mandatory first, then functionality and only those qualifying by achieving the minimum cut off point of 70% will be evaluated on administrative compliance and then price and Specific Goals.*

THIS BID WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

1. Relevant specifications
2. Value for money
3. Capability to execute the contract
4. LNW SCM Policy
5. PPPFA and associated regulations
6. Quotations will be evaluated in terms of the following stages:

10.1 **Bid Evaluation Method**

Bids will be evaluated in terms of the following two stages:

- Stage 1: Evaluation on Mandatory
- Stage 2: Evaluation on Functionality (Minimum of 70% to be scored)
- Stage 3: Evaluation on 80/20 or 90/10 preferential points system (Price and Specific Goals).

Stage 1: Mandatory requirements (Pre-qualification)

- a. The JV agreement for JV partners to be submitted indicating percentage split for partners to render agreement valid.
- b. Proof of registration on the Central Suppliers Database (CSD)
- c. Completion of pricing schedule in full

NB: Failure to comply with any of the above requirements will lead to disqualification.

Stage 2: Evaluation on Functionality

Under quality/functionality, service providers must achieve a minimum of 35 points quality/functionality points to be considered for further evaluation in stage 3 (Evaluation on Price and Specific Goals).

NB: Only the combined Price & Specific Goals points will determine the highest point scoring bidder to be awarded the contract.

Stage 2 – Functionality Criteria

Functionality Requirements / Criteria	Points
Company Experience	
<p><u>1.1 Successfully completed traceable projects in the Forensic Investigations:</u></p> <p>Ten (10) points per project to the maximum of fifty (50) points.</p> <p>1 project= 10 points 2 projects = 20 points 3 projects= 30 points 4 projects = 40 points 5 projects = 50 points</p> <p>(Attach proof of completed projects in a form of signed Reference Letter on the client's official Letterhead indicating completion of the project/service rendered).</p>	50
Qualifications & Experience of Key Personnel	
<p>Qualifications and experience of the key and assigned staff in relation to the scope of work.</p> <p>➤ <u>Director/Partner:</u> CA(SA)/CIA/CFE/CISA and Admitted Attorney/Admitted Advocate Certificate= 7.5 Points Relevant experience in any of the services indicated in the scope of work: >10 years= 12.5 points 5-9 years= 7.5 points <5 years= 0 points</p> <p>➤ <u>Forensic Investigation Manager:</u> CA(SA)/CIA/CFE/CISA Certificate and Legal qualification (At least a degree) = 6.5 Points Relevant experience in any of the services indicated in the scope of work: >7 years= 10 points 5-6 years= 6 points <5 years= 0 points</p> <p>➤ <u>Senior Investigator:</u></p>	50

<p>Bachelor's Degree in Internal Auditing/IT Auditing or Accounting Sciences = 6 Points</p> <p>>5 years' relevant experience in the Forensic Investigations =7.5 points</p> <p>3-4 years' relevant experience in the forensic Investigations = 5 points</p> <p><3 years' relevant experience in the Forensic Investigations = 0 points</p> <p><u>Note: Qualification certificate and CVs of key personnel of company Director/Partner, Forensic Investigation Manager, and Senior Investigator should be attached.</u></p>	
Total	100

N0.	Client Name	Project Name	Project Number	Contact Person
1				
2				
3				
4				
5				

Table 1: Projects Completed

N0.	Member Role	Full Name	Academic Qualifications	Key Area of Specialisation	Years of Experience
1					
2					
3					

Table 2: Summary of Personnel/ Team Members

Minimum points to be scored is 75 points out of 100 points. Point's allocation under functionality will be split as per JV agreement (percentage split)

Stage 3: Evaluation on Price and Specific Goals 80/20 or 90/10

Financial offer and Specific Goals

- 1) Score tender evaluation points for financial offer.
- 2) Confirm that tenderers are eligible for the Specific Goals claimed, and if so, score tender evaluation points for Specific Goals.
- 3) Calculate total tender evaluation points.
- 4) Rank tender offers from the highest number of tender evaluation points to the lowest.
- 5) Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

NB: NO BIDDER WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE
(see definition on SBD 4 attached)

Scoring functionality

core functionality in each of the categories stated in the Tender Data and calculate total score for functionality.

Scoring Financial Offers

Score the financial offers of remaining responsive tender offers using the following formula:

N_{FO} = $W_1 \times A$ where:

N_{FO} = the number of tender evaluation points awarded for the financial offer.

W_1 = the maximum possible number of tender evaluation points awarded for the financial offer as stated in the Tender Data.

A = a number calculated using either formulas 1 or 2 below as stated in the Tender Data.

Formula	Basis for comparison	Option 1	Option 2
1	Highest price or discount	$(1 + \frac{(P - P_m)}{P_m})$	P/P_m
2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$	P_m/P

where:

P_m = the comparative offer of the most favourable tender offer.

P = the comparative offer of tender offer under consideration.

The 80/20 or 90/10 Preferential Point System will be used to evaluate the bid.

Table 2: Preference Points Allocation (As per the Preferential Procurement regulations 2022) #	Specific Goals	Means of verification	80/20 Points	90/10 Points
1	Disability (Minimum of 1 shareholder ownership in the company)	CSD Report	5	2.5
2	Black women (100% Black women ownership in the company)	CSD Report	5	2.5
3	Black ownership (100% black ownership in the company)	CSD Report	5	2.5
4	Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5	2.5
Total Points		20	10	

The points scored by the tenderer in respect of the level of Specific Goals contribution must be added to the points scored for price.

11. ADMINISTRATIVE COMPLIANCE

- i. Valid Tax pin certificate from SARS
- ii. Letter of Good standing, COIDA
- iii. Completed and signed SBD forms (SBD 6.1 and 4)
- iv. Company registration documents
- v. All quotation documents must be completed in full and in black ink (No tampering of bid documents with either correction fluid, sticky papers or any other thing which can indicate that the bid document has been tampered with)

- ✓ ***All certified copies must not be older than three months from RFQ closing date.***
- ✓ ***Lepelle Northern Water reserves the right to verify any information provided by service provider.***

Other Required Documents

- Municipal current rates account not more than three months old should be submitted (Proof of address similar to address of place of office operation. Lease agreement with account municipal statement or shareholders address acceptable as proof of office address (conformation letter endorsed by commission of Oath)
- Certified ID copies of the company shareholders

NOTE:

- a) ***The JV partners must submit both mandatory and administrative documents for each Company.***
- b) ***Preferred JV service providers will be required to submit a JV bank account and VAT number***

- c) *The client reserves the right to verify any information provided by the service provider. Falsified references/experience will lead to disqualification and blacklisting in terms of the SCM process in conjunction with legal processes.*
- d) *The service provider must comply with all terms and conditions including requirements as stipulated in the Tender Documents to be evaluated further.*
- e) *LNW is not compelled to accept the lowest or any quotation.*
- f) *LNW reserves the right to reduce the scope of works by more than 50%*
- g) *The contract period is three months subject to performance.*
- h) *LNW reserves the rights to negotiate pricing with the recommended service provider.*
- i) *LNW reserves the right to increase or reduce the scope of the project.*

Please note that the above required documents will be deemed as mandatory to the preferred bidder. Required documents will be requested for submission within two working days and failure to submit will be deemed as non-responsive.

12. CONTRACT CONDITIONS

- Full adherence to the contract and other applicable Acts will be applicable during the course of the contract; and
- Submission of detailed report by service provider (no payment will be made until final approval of the report by the end user)
- Full adherence to the Occupational and Health and Safety Act, Act 85 of 1993 and other applicable Acts will be applicable during the course of the contract.
- All quotations must be submitted via email to SCM Unit – SCM Officer Ms. Mamokidi Mangena at the following email address:- mamokidim@lepelle.co.za