



INVITATION TO BID – KZNERA001-2025

KWAZULU-NATAL ECONOMIC REGULATORY AUTHORITY

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES

Bid Document: Free download of Bid Document from KZNERA website: <https://www.kznera.org.za/>

Non-compulsory Virtual Briefing Session

A non-compulsory virtual briefing meeting will be held as follows:

Date: 10 November 2025

Time: 10:00 am

Service providers who wish to attend the non-compulsory virtual briefing session need to submit their company names, email addresses and telephone number to nonhlanhla.blose@kznera.org.za / faheem.mahomed@kznera.org.za by no later than **7 November 2025**. Only those who send their details will be invited to attend the virtual briefing session.

Queries

All queries in relation to the bid document must be addressed to Mrs Nonhlanhla Blose or Mr Faheem Mahomed on (031) 302 0600 or via email nonhlanhla.blose@kznera.org.za / faheem.mahomed@kznera.org.za. The closing date for queries is **14 November 2025**.

Bid Closing

The bid will close on **01 December 2025 at 12h00**. No late bids will be accepted.

It is the bidder's responsibility to ensure their bid documents are deposited into the tender box located at the address as specified in the bid document. Telegraphic, telephonic, telex, facsimile, e-mail and late Tender Proposals will not be accepted.

KWAZULU-NATAL PROVINCIAL GOVERNMENT BIDDING FORMS

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PART A - INVITATION TO BID

SBD1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	KZNERA001-2025	CLOSING DATE:	01 DECEMBER 2025	CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES				
BID VALIDITY	120 WORKING DAYS				
BID RESPONSE DOCUMENTS MUST BE POSTED OR DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
BID DOCUMENTS DELIVERED BY HAND/COURIER MUST BE DEPOSITED IN THE BID BOX SITUATED AT:					
1ST FLOOR MARINE BUILDING 22 DOROTHY NYEMBE STREET DURBAN 4000					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	MRS NONHLANHLA BLOSE		CONTACT PERSON	MRS JANE STRETCH	
TELEPHONE NUMBER	(031) 302 0600		TELEPHONE NUMBER	(033) 345 2714	
E-MAIL ADDRESS	nonhlanhla.blose@kznera.org.za		E-MAIL ADDRESS	jane.stretch@kznera.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 REG NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ 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]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
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.

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 PIN 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:

.....

SECTION A

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK AND THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and vice versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
4. Bids submitted **must** be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
7. All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
8. A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
9. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
10. No bid submitted by telefax, telegraphic or other electronic means will be considered.
11. Bidding documents must not be included in packages containing samples. Such bids may be rejected as being invalid.
12. Any alteration made by the bidder must be initialled.
13. Use of correcting fluid is prohibited.
14. Bids will not be opened in public as soon as practicable after the closing time of bid.
15. Where practical, prices are made public at the time of opening bids.
16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
17. Bidder must initial each and every page of the bid document.

SECTION B

REGISTRATION ON THE CENTRAL SUPPLIERS DATABASE

1. In terms of the KwaZulu-Natal Supply Chain Management Policy Framework, all suppliers of goods and services are required to register on the Central Suppliers Database.
2. If you wish to apply for Central Supplier Database (CSD) registration, suppliers may go to www.csd.gov.za to register or call 033 897 4223/4676/4509 for assistance.
3. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then the Department may, without prejudice to any other legal rights or remedies it may;
 - 3.1. De-register the supplier from the Database,
 - 3.2. Cancel a bid or a contract awarded to such supplier, and the supplier would become liable for any damages if a less favourable bid is accepted or less favourable arrangements are made.
4. The same principles as set out in paragraph 3 above are applicable should the supplier fail to update its information on the Central Suppliers Database, relating to changed particulars or circumstances.
5. If the supplier is not registered at the closing time of bid, the supplier will be disqualified at the bid evaluation process.

SECTION C

**DECLARATION THAT INFORMATION ON CENTRAL SUPPLIER DATABASE (CSD) IS CORRECT AND UP
TO DATE**

(TO BE COMPLETED BY BIDDER)

THIS IS TO CERTIFY THAT I (name of bidder/authorised representative)

.....

WHO REPRESENTS (state name of bidder)

.....

I am aware of the contents of the central supplier database with respect to the bidder's details and registration information, and that the said information is correct and up to date as on the date of submitting this bid. And I am aware that incorrect or outdated information may be a cause for disqualification of this bid from the bidding process, and/or possible cancellation of the contract that may be awarded on the basis of this bid.

CSD NUMBER:

SIGNATURE OF BIDDER:

DATE:

SECTION D

SBD 3.3

PRICING SCHEDULE - (Professional Services)

Name of Bidder	Bid number: KZNERA001-2025
Closing Time 12:00	Closing date: 01 DECEMBER 2025

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

1. WEIGHTED AVERAGE RATE PER HOUR

STAFF CATEGORY	PROJECT WEIGHTING (%)	RATE / HOUR (INCL)	WEIGHTED AVERAGE RATE (INCL)
Partner/Director			
Manager			
Audit Supervisor			
IT Audit Supervisor			
Auditors			
Trainee/Junior Auditors			
TOTAL WEIGHTED AVERAGE RATE			

2. WEIGHTED AVERAGE RATE PER YEAR

STAFF CATEGORY	WEIGHTED AVERAGE RATE (INCL) YEAR 1	WEIGHTED AVERAGE RATE (INCL) YEAR 2	WEIGHTED AVERAGE RATE (INCL) YEAR 3	WEIGHTED AVERAGE RATE (INCL) YEAR 4	WEIGHTED AVERAGE RATE (INCL) YEAR 5
Partner/ Director					
Manager					
Audit Supervisor					
IT Audit Supervisor					
Auditors					
Trainee/Junior Auditors					
TOTAL WEIGHTED AVERAGE RATE PER YEAR					

3. TOTAL PRICE

PERIOD	ESTIMATED COVERAGE HOURS	TOTAL WEIGHTED AVERAGE RATE	TOTAL PRICE (INCL)
YEAR 1	1500		
YEAR 2	1500		
YEAR 3	1500		
YEAR 4	1500		
YEAR 5	1500		
TOTAL BID PRICE	7500		

- The accompanying information must be used for the formulation of proposals
- Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....
- PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
.....	R.....	
.....	R.....	
.....	R.....	
.....	R.....	
.....	R.....	

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
.....	R.....	 days
.....	R.....	 days
.....	R.....	 days
.....	R.....	 days
.....	R.....	 days

- Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			R
.....			R
.....			R
.....			R
.....			R
TOTAL: R.....			

** "all applicable taxes" includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			R
.....			R
.....			R
.....			R
.....			R
TOTAL: R.....			

- 6 Period required for commencement with project after acceptance of bid
- 7 Estimated man-days for completion of project
- 8 Are the rates quoted firm for the full period of contract? *YES/NO
- 9 If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries may be directed to the –

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	MRS NONHLANHLA BLOSE	CONTACT PERSON	MRS JANE STRETCH
TELEPHONE NUMBER	(031) 302 0600	TELEPHONE NUMBER	(033) 345 2714
E-MAIL ADDRESS	nonhlanhla.blose@kznera.org.za	E-MAIL ADDRESS	jane.stretch@kznera.org.za

SECTION E

BIDDER'S DISCLOSURE

SBD 4

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 with any person who is employed by the procuring institution?

YES		NO	
-----	--	----	--

- 2.2.1 If so, furnish particulars:

.....

.....

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

- 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	
-----	--	----	--

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.
- 3.5 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.
- 3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring 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.
- 3.7 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

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 a contract.

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

SECTION F

SBD 6.1

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

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

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

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

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

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/highest acceptable tender will be used to determine the accurate system once tenders are received.

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

- (a) Price; and
- (b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration
 Pt = Price of tender under consideration
 Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20	or	90/10
$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$	or	$Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations,

preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

*****Note to tenderers: The tenderer must indicate the number of points claimed in respect of the specific goals below.**

The specific goals allocated points in terms of this tender	Supporting Evidence required	Maximum Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (TO BE COMPLETED BY THE TENDERER)
Black Women Ownership 75.01% - 100% = 7 Points 50.01% - 75.00% = 4 Points 0.01% - 50.00% = 2 Points 0.00% = 0 Points	Any evidence reflecting ownership, for example (but not limited to): Valid BBEE Certificate; or Valid Sworn Affidavit; or CSD Report; or CIPC Documents; or similar evidence to confirm ownership.	7	
SMMEs Micro - 1 to 10 Employees Small - 11 to 50 Employees Medium - 51 to 250 Employees	Payroll Summary Report highlighting number of full-time equivalent paid employees (No personal records required.); or Affidavit stating the number of full-time equivalent paid employees. Or similar evidence to confirm employment	5	
Youth	Any evidence reflecting youth ownership, for example (but not limited to): Valid BBEE Certificate; or Valid Sworn Affidavit; or CSD Report; or CIPC Documents. Or similar evidence to confirm youth ownership	2	
Disabled	Proof of Disability	2	
Located within KZN	CSD Report; or Proof of Address (Utility Bill/Affidavit, Councilor Letter) Or similar evidence to confirm located within KZN	2	
Located in a Rural area within KZN	CSD Report Or similar evidence to confirm located in a rural area within KZN	2	
Maximum points		20	

Note:

The bidder must ensure that all supporting evidence, as indicated above, is submitted with the bid. Failure to provide the supporting evidence will result in no preference points being awarded for the respective specific goal. Failure to complete the table will result in no preference points being awarded for the respective specific goals.

DECLARATION WITH REGARD TO COMPANY/FIRM

- 4.3. Name of company/firm.....
- 4.4. Company registration number:
- 4.5. Number of Full Time Employees..... (evidence to be provided as per table above)
- 4.6. Annual Turnover for last financial period
- 4.7. TYPE OF COMPANY/ FIRM
- ☐ Partnership/Joint Venture / Consortium
 - ☐ One-person business/sole propriety
 - ☐ Close corporation
 - ☐ Public Company
 - ☐ Personal Liability Company
 - ☐ (Pty) Limited
 - ☐ Non-Profit Company
 - ☐ State Owned Company
- [TICK APPLICABLE BOX]

- 4.8. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/firm for the preference(s) shown and I acknowledge that:
- i) The information furnished is true and correct;
 - ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
 - iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
 - iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side)

- rule has been applied; and
(e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	

SECTION G

AUTHORITY TO SIGN A BID

The bidder must indicate the enterprise status by signing the appropriate box hereunder.

(I) CLOSE CORPORATION	(II) COMPANIES	(III) SOLE PROPRIETOR	(IV) PARTNERSHIP	(V) CO-OPERATIVE	(VI) JOINT VENTURE / CONSORTIUM
					Incorporated
					Unincorporated

I/We, the undersigned, being the Member(s) of Cooperative/ Sole Owner (Sole Proprietor)/ Close Corporation/ Partners (Partnership)/ Company (Representative) or Lead Partner (Joint Venture / Consortium), in the enterprise trading as:

(NAME OF BIDDER)

hereby authorise Mr/Mrs/Ms (NAME OF PERSON BEING AUTHORISED)

acting in the capacity of (CAPACITY OF PERSON BEING AUTHORISED)

whose signature is (SIGNATURE OF PERSON BEING AUTHORISED)
to sign all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise.

(LIST OF DIRECTORS/MEMBERS/PARTNERS/SOLE OWNER)

NAME	ADDRESS	SIGNATURE	DATE

(if the space provided is not enough please list all the director in the resolution letter)

Note:

The following document **must** be attached to this form according to the status of the enterprise, in the form of a **resolution authorising the signatory to sign all documents** in connection with this bid and any contract resulting therefrom on behalf of the enterprise, and **such resolution shall include a specimen signature of the signatory.**

Co-operative:	Resolution letter from the directors
Close Corporation:	Resolution letter from the directors
Company:	Resolution letter from the director/s
Sole Proprietor:	Resolution letter from the director
Partnership:	Resolution letter from the director
Joint Venture / Consortium:	Resolution/agreement passed/reached' signed by the authorised representatives of the enterprises

Note: Director/s may appoint themselves if they will be the one signing all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise.

Failure to complete, sign and date this form or failure to provide the certificate(s) in the form of a resolution as described above shall result in the tender being considered non-responsive and rejected.

SECTION H

SBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s)
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES

1

2

CONTRACT FORM - RENDERING OF SERVICES

SBD 7.2

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I..... in my capacity as..... accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

2

DATE:

SECTION I

GENERAL CONDITIONS OF CONTRACT

DEFINITIONS: The following terms shall be interpreted as indicated:

- (a) “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
- (b) “Contract” means the written agreement entered into between the Province and the Contractor, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (c) “Contract price” means the price payable to the Contractor under the contract for the full and proper performance of his contractual obligations.
- (d) “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.
- (e) “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- (f) “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 recognised new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- (g) “Day” means calendar day.
- (h) “Delivery” means delivery in compliance with the conditions of the contract or order.
- (i) “Delivery ex stock” means immediate delivery directly from stock actually on hand.
- (j) “Delivery into consignees store or to his site” means delivery and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the Contractor bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

- (k) “Dumping” occurs when a private enterprise abroad market its goods and services 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.
- (l) “Force majeure” means an event beyond the control of the Contractor and not involving the Contractor’s fault or negligence and not foreseeable. Such event may include, but is not restricted to, acts of the Province in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- (m) “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.
- (n) “GCC” means the General Conditions of Contract.
- (o) “Goods” means all the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- (p) “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 Contractor 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 supplies covered by the bid will be manufactured.
- (q) “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- (r) “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- (s) “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- (t) “Project site” where applicable, means the place indicated in bidding documents.
- (u) “Province” means the procuring Department or Entity, incorporating the KwaZulu-Natal Provincial Legislature.
- (v) “Republic” means the Republic of South Africa.

- (w) “SCC” means the Special Conditions of Contract.
- (x) “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 Contractor covered under the contract.
- (y) “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

1. CESSION OF CONTRACTS

- 1.1 The Contract is personal to the Contractor who shall not sub-let, assign, cede or make over the Contract or any part thereof, or any share of interest therein, to any other person without the written consent of the Province, and on such conditions as it may approve.
- 1.2 This sub-clause shall not apply to sub-contracts given to regular suppliers of the Contractor for materials and minor components relating to the goods or services supplied. The Province reserves the right to require the Contractor to submit, for noting, the names of such sub-contractors in order to ascertain their registration on the Provincial Suppliers Database and they must be legal entities.

2. DISCREPANCIES

Should there appear to be any discrepancies, ambiguities or want of agreement in description, dimensions, qualities or quantities in the Contract, the Contractor shall be obliged to refer the matter to the Provinces’ Representative for a decision, before proceeding to execute the Contract or part thereof in respect of which the said discrepancies, ambiguities or want of agreement appear to exist.

3. QUALITY AND GUARANTEE

- 3.1 All Goods supplied shall be equal in all respects to samples, patterns or specifications where such are provided. Any changes to quality or brands will have to be approved by the Province, as this is a change to the conditions of the contract.
- 3.2 Should the Province, after the award of the Contract and/or during the manufacture of the goods specified, decide on a variation or alteration to the specification, either at the suggestion of the Contractor or otherwise, which will be to the Province’s advantage, such variation or alteration shall be performed to the Province’s satisfaction. Any variation in the Contract Price arising there from shall be subject to agreement between the Province and the Contractor.
- 3.3 The Contractor shall not be relieved of his obligations with respect to the sufficiency of the materials and workmanship and the quality of the Goods supplied by the reason

of no objection having been taken thereto by the Province's Representative at the time the Goods were delivered.

- 3.4 The Contractor 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 Contractor 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 Contractor, that may develop under normal use of the supplied goods in the conditions prevailing in the country of the final destination.
- 3.5 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 the Special Conditions of Contract.
- 3.6 The Province shall promptly notify the Contractor in writing of any claims arising under this warranty. The Contractor shall immediately remedy the said defect free of cost to the Province. Should the Contractor delay remedial work in excess of time stipulated by the Province's representative, the Province may have such remedial work executed at the Contractor's expense. Should the Province decide that the defect is such that it cannot be remedied, the Goods may be rejected. Such rejected goods shall be held at the risk and expense of the Contractor and shall, on request of the Province, be removed by him immediately on receipt of notification of rejection. The Contractor shall be responsible for any loss the Province may sustain by reason of such action as the Province may take, in terms of this clause.
- 3.7 The risk in respect of the Goods purchased by the Province under the contract shall remain with the Contractor until such goods have been delivered to the Province.
- 3.8 The principle feature of the Goods and Work are described in the Goods or Services Information, but the Goods or Services Information does not purport to indicate every detail of construction, fabrication or arrangements of Goods and Works necessary to meet the requirements. Omission from the Goods or Services information of reference to any part or parts shall not relieve the Contractor of his responsibility for carrying out the Work as required under the Contract.
- 3.9 If any dispute arises between the Province and the Contractor in connection with the quality and guarantee of the Goods, either party may give the other notice in writing of the existence of such dispute, and the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa.

4. FAILURE TO COMPLY WITH CONDITIONS AND DELAYED EXECUTION

- 4.1 If a bidder amends or withdraws his/her/their bid after the closing time but before the bidder is notified that his/her/their bid has been accepted, or when notified that his/her/their bid has been accepted, he/she/they fail/fails, within the period stipulated in the conditions of bid or such extended period as the Province may allow, to sign a contract or to provide security when requested to do so, he/she/they shall, unless the Province decides otherwise, and without prejudice to any other right which the Province may have under paragraphs 4.2 and 4.4, including the right to claim damages if a less favourable bid is accepted or less favourable arrangements are to be made, forfeit any deposit which may have been made with the bid.
- 4.2 Should the contractor fail to comply with any of the conditions of the contract, the Province shall be entitled, without prejudice to any of its other rights, to cancel the contract.
- 4.3 Upon any delay beyond the contract period in the case of a supplies contract, the Province shall, without cancelling the contract, be entitled forthwith 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 supplies delivered later at the contractor's expense and risk, or forthwith to cancel the contract and buy such supplies as may be required to complete the contract, and without prejudice to its rights, be entitled to claim damages from the contractor.
- 4.4 Upon any delay beyond the contract period in the case of a service contract, the Province shall, without prejudice to any other right and without cancelling the contract, be entitled forthwith to arrange the execution of the service not rendered in conformity with the contract or to cancel the contract, and without prejudice to its other rights, be entitled to claim damages from the contractor.
- 4.5 In the event of the Province availing itself of the remedies provided for in paragraph 4.2 -
 - 4.5.1 the contractor shall bear any adverse difference in price of the said supplies services and these amounts plus any other damages which may be suffered by the Province, shall be paid by the contractor to the Province immediately on demand, or the Province may deduct such amounts from moneys (if any) otherwise payable to the contractor in respect of supplies or services rendered or to be rendered under the contract or under any other contract or any other amounts due to the contractor; or
 - 4.5.2 if the Contractor fails to supply the goods or render the service within the period stipulated in the contract, the Province shall have the right, in its sole discretion, to claim any damages or loss suffered.
- 4.6 No damages shall be claimed in respect of any period of delay which the contractor can prove to be directly due to a state of war, sanctions, strikes, lockouts, damage to

machinery as a result of accidents, fire, flood or tempest or act of God, which could not be foreseen or overcome by the contractor, or to any act or omission on the part of persons acting in any capacity on behalf of the Province.

- 4.7 If the delivery of the supplies or the rendering of the service is likely to be delayed or is in fact being delayed on account of any of the reasons mentioned in paragraph 4.6, full particulars of the circumstances shall be reported forthwith in writing to the Province and at the same time the contractor shall indicate the extension of the delivery period

5. PATENTS

- 5.1 The Contractor shall pay all royalties and expenses and be liable for all claims in respect of the use of patent rights, trademarks or other protected rights, and hereby indemnifies the Province against any claims arising there from.
- 5.2 The Contractor shall indemnify the Province against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of the goods or any part thereof by the Province.

6. PACKAGING, MARKING AND DELIVERY

- 6.1 All goods shall be crated, packed or battened securely in such a manner as to prevent damage during loading, transport and off-loading. Unless otherwise specified, packing cases and packing materials are included in the Contract Price, and shall be and remain the property of the Province.
- 6.2 All goods shall be clearly marked in the manner stated in the Goods or Services Information.
- 6.3 Goods shall be delivered to the address within the Province's area of jurisdiction as set out in the Special Conditions of Contract or Goods and Services Information.
- 6.4 Goods shall be delivered on Weekdays between 08:00 and 16:00, free of all charges, only when ordered upon an official letter or form of order issued by the Province. No goods will be received on Saturdays, Sundays and public holidays. This paragraph (6.4) is applicable only when not excluded in the Special Conditions of Contract.
- 6.5 Goods delivered shall in all cases be accompanied by delivery notes in duplicate, one which will be retained by the Province. The Contractor shall be responsible for the safe delivery as to the quality, quantity and condition of the goods.
- 6.6 Delivery, unless otherwise provided for in the Special Conditions of Contract, shall be affected within seven (7) days from receipt of the order. The Contractor shall advise the Province upon receipt of an order in writing of any anticipated delays, citing reasons therefore and put forward a new anticipated delivery date. The Province may then extend the delivery date, if and as it deems fit.

- 6.7 Should the Contractor fail to supply the material within the time stated in his bid, or within the extended time allowed to him in terms of clause 6.6 hereof, the Province reserves the right (after giving the Contractor seven days notice in writing) to cancel the contract and purchase the materials elsewhere and the bidder shall refund to the Province any extra cost incurred over and above the contract price. No liability shall, however, be attached to the Contractor if delivery of materials is rendered impossible or delayed by reason of circumstances beyond the Contractor's control.
- 6.8 If the Contractor cannot produce proof satisfactory to the Province that the delay was due to circumstances beyond his control, no price increase after the due date will be recognized.
- 6.9 If at any time the Province ascertains that, due to negligence of the Contractor or for reasons beyond his control:
- 6.9.1 No work on the order has been commenced and in the opinion of the Province, there is little or no prospect of work being commenced in reasonable time;
- 6.9.2 Delivery of any materials is being or is likely to be delayed beyond the delivery date promised, and/or
- 6.9.3 There is little or no prospect of the order being completed within a reasonable time after the promised date; the Province may, by notice to the Contractor in writing, cancel as from the future date specified in such notice, the whole or any part of the order in respect of which material has not been delivered by that date without incurring any liability by reasons of such cancellation. The cases where circumstances beyond the control of the Contractor have delayed commencement or completion of the order, cancellation of the order will be effected by mutual arrangement or where this is not possible by the decision of the Province. The Contractor shall then as soon as possible after such date deliver to the Province that part of the order which has been completed, and payment is to be effected is for the part performance on a proportional basis, subject to the uncompleted part not being an integral or essential part of the contract.
- 6.10 Should a price other than an all-inclusive price be required, this shall be specified in the SCC.

7. CONSIGNMENT OF GOODS

- 7.1 Goods, if delivered by Spoornet may be consigned carriage paid in the Contractor's name, care of the Province to the place of delivery stipulated, but not in the name of the State. Goods consigned to stores located in areas which Spoornet may refuse to deliver, must be done so care of a local agent or to a local depot from which they may be re-delivered by road to such stores.
- 7.2 Contractors shall arrange with Spoornet to deliver goods to the Province's stores

during
The hours and on the days that the stores are open.

- 7.3 The Province will not be responsible for any damage, re-delivery charges or any other Charges raised by Spoornet.
- 7.4 Claims on the South African Transport Services or on any other carrier in respect of weight, quantity, damage or loss, shall be made by the Contractor.

8. PAYMENT

- 8.1 The Contractor shall furnish the Province with an invoice accompanied by a copy of the delivery note upon fulfilment of other obligations stipulated in the contract.
- 8.2 Payments shall be made promptly by the Province, but in no case later than thirty days (30) days after submission of an invoice or claim by the Contractor.
- 8.3 Payments will be made in Rand unless otherwise stipulated.
- 8.4 Payments for goods are made by the Province only. Any disputes regarding late or delayed payments must be taken up with the department and if a problem persists, the Supply Chain Management Office can be requested to investigate the delays.

9. INVOICES

All invoices submitted by the Contractor must be Tax Invoices indicating quantity ordered and quantity delivered, the amount of tax charged and the total invoice amount.

10. CONTRACT PRICE ADJUSTMENT

- 10.1 Firm contract prices shall not be subject to adjustment. contract prices which are not firm shall be increased or reduced by the amount of variation between the Cost to Bidder and the actual cost to the Contractor, such variations to be subject to the following conditions:-
- 10.1.1 Where the Cost to Bidder was based on a printed catalogue or list price, the variation shall be the difference between that price list and the price list actually charged. Should it transpire that the Cost to Bidder was not based on the latest available price list at the Date of Bid, the Province shall have the right to elect the price list on which any variation shall be based.
- 10.1.2 Where the Cost to Bidder was based on a quotation by the manufacturer, or where the Contractor is the manufacturer, and the Contract Price was based on the cost of materials and labour ruling at a certain date, the variation in the Contract Price shall be calculated by means of the Steel and Engineering Industries Federation of South Africa (SEIFSA) formula if this is stipulated in the Contract, or if the Province's representative considers it to be appropriate. Where the use of the SEIFSA formula is not appropriate, the variation shall be

calculated by means of another formula acceptable to the Province, which shall be indicated in the Special Conditions of Contract. Only those cost increases due to wage increases prescribed by regulating measures having the force of law, or increases in the cost of materials and railage as may be proven by documentary evidence, or published data, will be considered in determining Contract Price variation.

- 10.1.3 Any difference between Rates and Charges ruling at the time of bid and those actually paid by the Contractor will be for the account of the Province. The Contract Price adjustment arising from any variation in Rates and Charges shall, in every instance, be applied to the appropriate value, or tonnage, of the Goods shipped. Where a variation in the Cost to bidder has been allowed, the contract price shall be adjusted by the product of such variation and every component of Rates and Charges which is based on the value of the Goods, whether or not the costs of such components have varied.
- 10.1.4 No claim for increased costs will be entertained if the Contractor is unable to produce documentation to substantiate Cost to Bidder and Rates and Charges on which the contract price was based and documentation to support his claim. Such documentation must, in the opinion of the Province, adequately support the Contractor's claim. No claim for increased costs to the Contractor arising from negligence on his part, or that of the manufacturer, will be considered.
- 10.1.5 The Contractor shall, in respect of every consignment or shipment of Goods delivered, supply to the Province's Representative documentary evidence of variation, if any, in Cost to Bidder and Rates and Charges.
- 10.1.6 Claims for increased cost shall be submitted with the invoice for the Goods in respect of which the claim is made, or as soon thereafter as possible. Claims shall not be considered if received more than 90 days after the expiry of the Contract unless notice of intention to claim has been given to the Province before such date.
- 10.1.7 In the event of there being no claim by the Contractor for increased costs, the Contractor shall not be entitled to full payment under the Contract before he has submitted to the Province, in his own name or in the name of the manufacturer, a certificate declaring that there have been no adjustments in the cost of manufacture which entitle the Employer to a reduction in the Contract Price as provided for in this clause.

11. REMEDIES IN THE CASE OF DEATH, SEQUESTRATION, LIQUIDATION OR JUDICIAL MANAGEMENT

- 11.1 In the event of the death of a contractor or the provisional or final sequestration of his/her/their estate or of his/her/their cession or transfer of a contract without the approval of the Province or of the surrender of his/her/their estate or of his/her/their reaching a compromise with his/her/their creditors or of the provisional or final liquidation of a contractor's company/closed corporation or the placing of its affairs under judicial management, the Province may, without prejudice to any other rights it may have, exercise any of the following options :
- 11.1.1 cancel the contract and accept any of the bids which were submitted originally with that of the contractor or any offer subsequently received to complete the contract. In such a case the estate of the contractor shall not be relieved of liability for any claim which has arisen or may arise against the contractor in respect of supplies not delivered or work not carried out by the contractor, under the contract.
- 11.1.2 Allow the executor, trustee, liquidator or judicial manager, as the case may be, for and on behalf of and at the cost and expense of the estate of the contractor to carry on with and complete the contract.
- 11.1.3 For and on behalf of and at the cost and expense of the estate of the contractor, itself carry on with and complete the contract and in that event the Province may take over and utilize, without payment, the contractor's tools, plant and materials in whole or in part until the completion of the contract.
- 11.2 Should the Province elect to act in terms of paragraph 11.1.3 it shall give notice of its requirements to the executor, trustee, liquidator or judicial manager of the contractor's estate and should the said executor, trustee, liquidator or judicial manager fail within 14 days of the dispatch of such notice to make provision to the satisfaction of the Province for the fulfillment of such requirements, or should no trustee, liquidator or judicial manager be appointed within 14 days of the occurrence mentioned in paragraph 11.1, the Province may apply any remedy open to it in terms of the contract as if a breach thereof had taken place.
- 11.3 Should the Province act in terms of paragraph 11.1.3 the contractor must leave the premises immediately and may not occupy such premises on account of retention or any other right.

12. LAW TO APPLY

The Contract shall in all respects be construed in accordance with the law of the Republic of South Africa, and any difference that may arise with the law of the Republic of South Africa, and any difference that may arise between the Province and the Contractor in regard to the Contract, shall be settled in the Republic of South Africa.

13. OFFERING OF COMMISSION OR GRATUITY

If the Contractor, or any person employed by him, is found to have either directly or indirectly offered, promised or given to any office bearer of the Province or person in the employ of the Province, any commission, gratuity, gift or other consideration, the Province shall have the right, summarily and without recourse to law and without prejudice to any other legal remedy which it may have in regard to any loss or additional cost or expenses, to cancel the Contract without paying any compensation to the Contractor.

14. PREFERENCES

14.1 Should the Contractor apply for preferences in the submission of his bid, and it is found at a later stage that these applications were incorrect or made under false pretences, the Province may, at its own right:-

14.1.1 Recover from the Contractor all costs, losses or damages incurred or sustained by the Province as a result of the award of the Contract; and / or

14.1.2 Cancel the contract and claim any damages which the Province may suffer by having to make less favourable arrangements after such cancellation.

14.1.3 The Province may impose penalties, however, only if provision therefore is made in the Special Conditions of Bid.

15. WEIGHTS AND MEASURES

The quantities of goods offered or delivered shall be according to South African standard weights and measures.

16. SECURITY

16.1 Special Conditions of Contract relating to Surety/Guarantee requirement must be dealt with in strict compliance with the Conditions of Bid set out herein.

16.2 In respect of contracts less than R 500 000, the guarantees and sureties required may be based on a risk evaluation conducted by the Province inviting the bid.

16.3 No deposits are required for bid applications for contracts below R 500 000.

17. ORDERS

17.1 Goods shall be delivered and services rendered only upon receipt of a written official order or the signing of a contract with the Province, and accounts shall be rendered as indicated on the official order or in the contract, as the case may be.

17.2 The Province reserves the right to call upon any Contractor during the contract period to make known the following details:

- 17.2.1 Name of Institution placing order;
- 17.2.2 Provincial official order number;
- 17.2.3 Quantity ordered; and
- 17.2.4 List of items ordered.

18. EXPORT LICENCES

- 18.1 When orders are placed for goods in respect of which an export license from the country of origin of supplies is required, the Contractor shall:
 - 18.1.1 Not incur any direct or indirect costs in connection with the supply or dispatch of such supplies before he has obtained such license;
 - 18.1.2 If the government of the country from which the supplies are to be exported refuses, or fails to grant such license within three months of the placing of the order, the order shall be considered to be cancelled and no liability will be accepted for any loss or expenses irrespective of the nature thereof, including loss or expenditure suffered or incurred by the Contractor or any other person in respect of the production, supply, transportation or delivery of such supplies.

19. INSURANCE

- 19.1 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.
- 19.2 Any insurance policies taken out by a Contractor to cover goods delivered for a contract must be taken out with a company registered in South Africa in terms of relevant insurance and companies acts.

20. INSPECTION, TESTS AND ANALYSES

- 20.1 In terms of Provincial policy, inspections of a Bidder's goods and services are permitted. Bidders and Contractors must allow reasonable access to premises to officials from the department inviting the bid, or person specially appointed by the Province to carry out inspection or tests. There are two main categories: Firstly, where the bid conditions call for goods to be inspected during the contract period. Secondly, where the inspection results are to be submitted with the bid document.
- 20.2 If it is a bid condition that goods to be produced should at any stage during production or on completion be subject to inspection, the premises of the Contractor shall be open, at all reasonable hours, for inspection by a representative of the Province or of an organization acting on its behalf.
- 20.3 Inspections tests and analyses may be carried out prior to dispatch in regard to such contract goods as may be deemed necessary by the Province, and the Contractor shall provide, if required, all the required facilities for the inspection, tests and analyses of the goods free of charge and shall, if required, provide all the materials, samples and

- labour and available apparatus which may be required for the purposes of such inspection, tests and analyses free of charge, unless otherwise specified.
- 20.4 If there are no inspection requirements in the bid documents and no mention thereof is made in the letter of acceptance, but during the contract it is decided that inspections shall be carried out, the Province shall itself make the necessary arrangements, including payment arrangements, with the testing authority concerned. The premises of the Bidder Contractor must be open and accessible at all reasonable times for the purposes of these tests.
- 20.5 If the inspection, tests and analyses show the goods or service to be in accordance with contract requirements, the cost of the inspection, tests and analyses shall be defrayed by the Province calling for such tests or analyses. Where the supplies or services do not comply with the contract, the costs shall be defrayed by the Contractor and the Province shall have the right, without prejudice to any other legal remedy it may have, to deduct such costs from payments due to the Contractor under the contract or under any other contract.
- 20.6 Goods and services which do not comply with the contract requirements may be rejected.
- 20.7 Any goods may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract, and such rejected goods shall be held at the cost and risk of the Contractor who shall, when called upon, remove them immediately at his own cost and forthwith substitute them for goods which do comply with the requirements of the contract, failing which such rejected goods shall be returned at the Contractor's cost and risk. Should the Contractor fail to provide the substitute goods forthwith, the Province may, without giving the Contractor a further opportunity to substitute the rejected goods, purchase such supplies as may be necessary at the expense of the Contractor, for example, the transport costs and other expenses regarding the rejected goods must be refunded by the Contractor?
- 20.8 Where imported goods are to be inspected before delivery, the Contractor shall notify his suppliers abroad of the conditions applicable to inspections.
- 20.9 Provisions contained in sub-clause 20.1 and 20.8 shall not prejudice the right of the Province to cancel the contract on account of a breach of the conditions thereof.

21. RESTRICTION OF BIDDING

Without prejudice on any other legal remedies, the Province may impose restrictions on a Bidder in terms of which bids to the Province will not be accepted for such period as determined by the Province. This information may be passed to other provinces or State organizations in the Republic of South Africa. These restrictions may be imposed in terms of the breach of any of the requirements to be met in terms of the accepted bid or contract. The Province may also make a restriction on a bidder from another province or State institution applicable to this Province.

22. CONTRACTOR'S LIABILITY

- 22.1 In the event of the contract being cancelled by the Province in the exercise of its rights in terms of these conditions, the Contractor shall be liable to pay to the Province any losses sustained and/ or additional costs or expenditure incurred as a result of such cancellation, and the Province shall have the right to recover such losses, damages or additional costs by means of set-off from monies due or which may become due in terms of the contract or any other contract or from guarantee provided for the due fulfillment of the contract and, until such time as the amount of such losses, damages

- or additional costs have been determined, to retain such monies or guarantee or any deposit as security for any loss which the Province may suffer or may have suffered.
- 22.2 The Contractor may be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in supply or service rendered or if the goods or service as a result of such defect, latent or otherwise, does not conform to any condition or requirement of the contract.

23. PRICE LISTS

Price lists which are part of the contract shall not be amended without the approval of the Province, unless the SCC specify otherwise.

24. SUBMISSION OF CLAIMS

- 24.1 Claims must be submitted within 90 days of the delivery date of items, but the delivery date will be calculated according to the delivery period stipulated in terms of the contract, unless an extension for late delivery has been granted by the Province.
- 24.2 For period contracts, no price increase will be granted within the first 180 days of the contract period. No price increase applications which are submitted later than 90 days after the contract period expired will be considered. The claims shall be accompanied by documentary proof and, if required, an auditor's report sustaining the claim shall be provided.
- 24.3 Claims referring to formulae and indices must be clearly set out in terms of indices or formulae values used to calculate the bid price, and the adjusted indices or values.

25. PROVINCIAL PROPERTY IN POSSESSION OF A CONTRACTOR

- 25.1 Province's property supplied to a Contractor for the execution of a contract remains the property of the Province and shall at all times be available for inspection by the Province or its representatives. Any such property in the possession of the Contractor on the completion of the contract shall, at the Contractor's expense, be returned to the Province forthwith.
- 25.2 The Contractor shall be responsible at all times for any loss or damages to the Province's property in his possession and, if required, he shall furnish such security for the payment of any such loss or damages as the Province may require.

26. RIGHTS TO PROCURE OUTSIDE THE CONTRACT

- 26.1 The Province reserves the right to procure goods outside the contract in cases of urgency or emergency or if the quantities are too small to justify delivery costs, or if the goods are obtainable from another organ of Province or if the Contractor's point of supply is not situated at or near the place where the goods are required or if the Contractor's goods are not readily available.
- 26.2 No provision in a contract shall be deemed to prohibit the obtaining of goods or services from a Province or local authority.

27. AMENDMENT OF CONTRACT

No agreement to amend or vary a contract or order or the conditions, stipulations or provisions thereof shall be valid and of any force and effect unless such agreement to amend or vary is

entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing.

28. NOTICES

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

29. INCIDENTAL SERVICES

- 29.1 The Contractor may be required to provide any or all of the following services, including additional services, if any, specified in the Special Conditions of Bid:
- (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 Contractor of any warranty obligations under this contract; and
 - (e) training of the Province's personnel, at the Contractor's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 29.2 Prices charged by the Contractor 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 Contractor for similar services.

30. USE OF CONTRACT DOCUMENTS AND INFORMATION INSPECTION

- 30.1 The Contractor shall not, without the Province'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 Province in connection therewith, to any person other than a person employed by the Contractor 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.
- 30.2 The Contractor shall not, without the Provinces prior written consent, make use of any document or information mentioned in GCC clause 30.1 except for purposes of performing the contract.

- 30.3 Any document, other than the contract itself mentioned in GCC clause 30.1 shall remain the property of the Province and shall be returned (all copies) to the Province on completion of the Contractor's performance under the contract of so required by the Province.
- 30.4 The Contractor shall permit the Province to inspect the Contractor's records relating to the performance of the Contractor and to have them audited by auditors appointed by the Province, if so required by the Province.

31. SPARE PARTS

- 31.1 If specified in SCC, the Contractor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Contractor:
- (a) such spare parts as the Province may elect to purchase from the Contractor, provided that this election shall not relieve the Contractor of any warranty obligations under the contract.
 - (b) In the event of termination of production of the spare parts:
 - (i) Advance notification to the Province of the pending termination, in sufficient time to permit the Province to procure needed requirements; and
 - (ii) Following such termination, furnishing at no cost to the Province, the blueprints, drawings, and specifications of the spare parts, if requested.

32. PENALTIES

- 32.1 Subject to GCC Clause 4, if the Contractor fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the Province 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 delayed goods or unperformed services, using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The Province may also consider termination of the contract in terms of the GCC.

33. ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

- 33.1 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.

34. GOVERNING LANGUAGE

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.

35. TAXES AND DUTIES

- 35.1 A foreign Contractor shall be entirely responsible for all taxes, stamp duties, licence fees, and other such levies imposed outside the Province's country.
- 35.2 A local Contractor shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the Province.
- 35.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Province 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.

36. PROHIBITION OF RESTRICTIVE PRACTICES

- 36.1 In terms of section 4 (1) (b) (iii) 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 collective bidding (or bid rigging).
- 36.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice above, the purchaser may 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.
- 36.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

SECTION J

TERMS OF REFERENCE



KWAZULU-NATAL ECONOMIC REGULATORY AUTHORITY

TERMS OF REFERENCE (TOR)

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION

TENDER NO.: KZNERA001-2025

1 PURPOSE

The purpose of this terms of reference ("TOR") is to invite suitably qualified, professional and reputable firms to submit proposals to the KwaZulu-Natal Economic Regulatory Authority ("KZNERA") for the provision of internal audit services for a contractual period of thirty-six (36) months with the option to extend the contract for a further twenty-four (24) month period, reviewed annually on the basis of performance.

2 ABBREVIATIONS

TOR	TERMS OF REFERENCE
AGSA	Auditor-General South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Certified Internal Auditor
CISA	Certified Information Systems Auditor
CSD	Central Supplier Database
Entity	KwaZulu-Natal Economic Regulatory authority
IIA	Institute of Internal Auditors
IRBA	Independent Regulatory Board for Auditors
KZN	KwaZulu-Natal
KZNERA	KwaZulu-Natal Economic Regulatory authority
SAICA	South African Institute of Chartered Accountants
SLA	Service Level Agreement
TR	Treasury Regulations

3 BACKGROUND

The KZNERA is a Schedule 3C Public Entity in terms of the Public Finance Management Act, 1 of 1999 and is governed by applicable legislative frameworks. The mandate of the KZNERA is to regulate the Gambling and Liquor Manufacture and Trade Industry in KwaZulu-Natal in the public's best interest. The objectives of the KZNERA derive directly from Section 9 of the KZN Economic Regulatory Authority Act, Act 01 of 2024.

Section 217 of the Constitution hinges itself on fairness, equitability, transparency, competitiveness and cost-effectiveness in undertaking any procurement activity, which the KZNERA strives to maintain. The KZNERA is required to have an internal audit function in accordance with TR 27.2.5.

The terms of reference is intended to provide the scope of work and deliverables to appoint suitably qualified and experienced Internal Auditors for a period of thirty-six (36) months with the option to renew for a further twenty-four (24) months.

4 ROLE AND OBJECTIVE OF INTERNAL AUDIT

The internal audit should be an independent appraisal function within the Entity, which provides the Board, Audit and Risk Committee as well as management with a systematic review and evaluation of the operations for determining compliance, economy, efficiency and effectiveness of policies, procedures, practices and the overall internal control within KZNERA.

The objective of internal auditing is to add value by assisting the Audit and Risk Committee, the Board and Management in effectively discharging their responsibilities, including the promotion of effective internal control at reasonable costs as well as compliance with the provisions of the organisational policies and where practicably possible, King IV Report on Corporate Governance.

5 ORGANISATIONAL STATUS OF INTERNAL AUDIT

The internal audit activity will report to the Audit and Risk Committee functionally and to the CEO administratively, and will promote and ensure:

- ✓ The independence of internal audits;
- ✓ Broad risk based audit coverage;
- ✓ Adequate consideration of audit reports; and
- ✓ The implementation of audit recommendations.

6 RESPONSIBILITIES OF INTERNAL AUDITORS

6.1. In broad terms, the internal auditors must:

- 6.1.1. Evaluate and/or Facilitate the risk assessment based on the entity's current operations as outlined in the annual performance plan;
- 6.1.2. Prepare a final risk assessment report for approval by the ARC;
- 6.1.3. Compile a three-year risk based rolling internal audit plan for approval by the ARC. The plan must be based on the risk assessment of key areas of risk for the entity, having regard to its current operations, the operations proposed in its annual performance plan or strategic plan and its risk management strategy;
- 6.1.4. Develop a detailed annual plan, to be approved by KZNERA every year, indicating the scope for each internal audit.
- 6.1.5. Discuss audit coverage with management and the ARC.
- 6.1.6. Perform internal audits in compliance with the relevant standards.
- 6.1.7. Monitor the clearing and implementation of the external auditor's audit findings and recommendations.
- 6.1.8. Report on findings to Management and secure comments before presenting to the ARC.
- 6.1.9. Attend ARC meetings when requested, and provide feedback on internal audits completed, the management of risks including a regular overview of the control environment.
- 6.1.10. Provide overall annual opinion on the audited control environment for the ARC.
- 6.1.11. Work closely with the external auditors and other assurance providers to ensure synergy of approach, with a view to minimise duplication of effort and to obtain reliance on work performed where applicable.
- 6.1.12. Perform any other additional services as and when required by the ARC and/or Management.
- 6.1.13. Perform compliance reviews with the:
 - (a) Financial, procurement and human resources policies of Entity
 - (b) King IV Report, where practicably possible.
 - (c) Any other statutory and regulatory requirements.
- 6.1.14. Reviewing the planning, design, development, implementation and operation of major computer-based systems to determine whether:
 - (a) adequate controls and backup systems are incorporated in systems;

- (b) thorough systems testing is performed at appropriate stages;
- (c) system documentation is complete and accurate;
- (d) user needs are met;
- (e) appropriate information security are incorporated in systems, and
- (f) IT Governance processes are considered and observed

7 SCOPE OF INTERNAL AUDIT SERVICES

- 7.1. An Internal Audit service is required to provide the necessary assurance to the KZNERA through the Audit & Risk Committee, as well as to the Management regarding the system of internal control within the entity.
- 7.2. The successful service provider will at all times be required to adhere to the mandatory standards and guidelines as set out by the South African Institute of Internal Auditors. The appointed service provider must be able to wholly review the KZNERA's operations including information technology, value for money testing, and risk management. Furthermore, the service provider may be required to conduct ad hoc special reviews, forensic audits, a governance audit, and to provide general assurance reports to the KZNERA.
- 7.3. Bidders should therefore ensure their proposal clearly sets out their approach to the following key areas:
 - 7.3.1. Facilitating annual risk assessments for the KZNERA including fraud prevention and prepare a risk register in accordance with the outcomes thereof;
 - 7.3.2. Compile a three-year risk based rolling internal audit plan for approval by the Audit and Risk Committee. The plan must be based on the risk assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its annual performance plan or strategic plan and its risk management strategy;
 - 7.3.3. Develop a detailed annual plan, to be approved by the Audit & Risk Committee every year, indicating the scope for each internal audit.
 - 7.3.4. Discuss audit coverage with Management and the Audit and Risk Committee.

- 7.3.5. Consult with AGSA and other assurance providers to ensure that a combined assurance approach in finalising the plan and scope of work for all assignments to be undertaken.
- 7.3.6. Execute the annual plan by performing internal audits in compliance with the relevant prescripts.
- 7.3.7. Conducting any ad-hoc reviews, special reviews and forensic audit as and when requested by Management and/or the Audit & Risk Committee;
- 7.3.8. Monitor the clearing and implementation of the external auditor's audit findings and recommendations.
- 7.3.9. Report on findings to Management and secure comments before presenting to the Audit and Risk Committee.
- 7.3.10. Prepare a close-off progress report at the end of each Quarter in line with the Annual Internal Audit Plan for presentation to the Audit and Risk Committee.
- 7.3.11. Attend Audit and Risk Committee meetings when requested, and provide feedback on internal audits completed, the management of risks including a regular overview of the control environment.
- 7.3.12. Provide an overall annual opinion on the audited control environment for the Audit and Risk Committee.
- 7.3.13. Fulfil all requirements pertaining to internal audit as reflected in the Public Finance Management Act and National Treasury Regulations and the mandatory standards issued by the Institute of Internal Auditors.
- 7.3.14. Perform any other additional services as and when required by the Audit and Risk Committee or Management.
- 7.3.15. Perform compliance reviews with the:
 - (a) Financial, procurement and human resources policies of Entity
 - (b) King IV Report, where practicably possible.
 - (c) Any other statutory and regulatory requirements.

8 REQUIREMENTS OF SERVICE PROVIDERS

8.1. Conducting Audit Assignment

- 8.1.1. Assignments are to be performed in accordance with the internal audit procedures in compliance with the applicable standards and legislation.
- 8.1.2. On request from KZNERA all procedural documentation and working papers must be made available within two (2) days of being requested.
- 8.1.3. The bidder must formally indicate any objection the bidder may have in making available, on request by the KZNERA, all working papers, data, documents, reports and evidence collected or prepared during the planning, execution and reporting of the internal audit function.

8.2. Timing of assignment

- 8.2.1. The Internal Audit Plan shall be presented to the Audit and Risk Committee before the commencement of any work. Furthermore, the final responsibility of approving the scope and extent of the work resides with the Audit and Risk Committee.

8.3. Independence and objectivity of staff

- 8.3.1. The internal auditors must ensure that their staff maintain their independence and objectivity by remaining independent of the activities they audit.

8.4. Special Conditions

- 8.4.1. The period of the contract will be for a period of thirty-six (36) months with the option to renew the contract for a further twenty-four (24) month period.
- 8.4.2. The contract will be reviewed on an annual basis to assess the level of performance of the service provider. In the event that it is found that the service is not satisfactory, the KZNERA reserves the right to cancel the contract.
- 8.4.3. The rates quoted are to remain firm over the duration of the contract. Any and all rate changes (including annual adjustments) must be approved by the KZNERA prior to implementation.
- 8.4.4. The Internal Auditors appointed will be bound to the Internal Audit Charter, IIA Standards and the KZNERA policies in the course of their duties.

- 8.4.5. The KZNERA reserves the right to reject any proposal found to be inadequate or non-compliant to the TOR.
- 8.4.6. The bidder should possess knowledge of the public entity's activities.
- 8.4.7. The successful bidder must sign a SLA with the CEO and reporting on the progress and completion of the contract will be done to the CEO and the Audit and Risk Committee.
- 8.4.8. The replacement of key personnel involved in the internal audit from Audit Manager level and higher shall take place only with the written consent of the KZNERA.
- 8.4.9. The bidder may not intend to assign, in whole or in part, any of its obligations to perform in terms of the contract to any third party, unless the KZNERA has prior to the assignment, consented in writing to the assignment.
- 8.4.10. The bidder shall ensure that their staff maintains their objectivity by remaining independent of the KZNERA.
- 8.4.11. In the event that ad-hoc audits or forensic investigations are required, the KZNERA may engage the appointed service provider. Such assignments will be contracted on the basis of the approved weighted average hourly rates as set out in the pricing schedule. Any additional scope or resource requirements beyond the approved schedule shall be subject to prior written approval by the KZNERA.

9 COMPETENCE REQUIREMENTS

- 9.1. The service provider should meet the following competency requirements:
 - 9.1.1. Gambling, Liquor or Regulatory sector specific experience.
 - 9.1.2. Be independent of the entity.
 - 9.1.3. Be competent in the professional practice of internal auditing.
 - 9.1.4. The Partner/Director must be a certified audit professional, e.g. CIA, CA(SA) or CISA, who possesses current knowledge of the Standards and must be registered with relevant professional body e.g. SAICA, IRBA, IIA. Failure to provide proof of professional membership will result in disqualification.
 - 9.1.5. The Partner/Director must have a minimum of (5) years of relevant experience in the practice of internal auditing.

9.1.6. Be well versed in the best practices of the profession.

9.1.7. Declarations per audit are to be provided.

9.2. Competencies of the team members

9.2.1. The proposed team should at a minimum meet the following competencies:

- (a) Manager/s – Qualified Auditors with at least 3 years' experience in managing internal audit assignments;
- (b) Supervisors – Qualified Auditors with at least 3 years' supervisory experience
- (c) Clerks – at least 2nd year article clerks
- (d) IT specialised auditor/s with one or more of the following qualifications:
 - ✓ ISO 27001 Lead Auditor or Lead Implementer
 - ✓ CISA (Certified Information Systems Auditor)
 - ✓ CISM (Certified Information Security Manager)
 - ✓ CGEIT (Certified in the Governance of Enterprise Information Technology)

9.2.2. The service provider should maintain a professional audit team with sufficient knowledge, skills, experience and appropriate professional certifications to meet the requirements of the Internal Audit charter.

10 BID REQUIREMENT

10.1. Standard bid documentation

10.1.1. All bidders are required to complete the Quotation Bid Document (QBD) in full. Failure to do so will result in disqualification.

10.1.2. General conditions of contract must be signed off. Failure to do so will result in disqualification.

10.2. Technical Proposal

10.2.1. The proposal should comprise the following elements:

- (a) Company Profile as relevant to the mentioned TOR;
- (b) Understanding of the assignment and scope of work;
- (c) Approach and Methodology;

- (d) Experience of the service provider including relevant track record, reputation, verifiable references, and experience of conducting similar work (reference letters on entity letterheads);
- (e) Proposed members of the team and competencies (include **table** of team and indicate the roles on the project);
- (f) The CV(s) of the project team must be provided in the required format (see annexure 1) and certified qualifications and proof of professional membership, where applicable, of the director/partner and key expert(s). Failure to provide the information will result in disqualification; and
- (g) Detailed project execution plan, including task definition and allocation, project timeframes / timetable and milestones as well as feedback and reporting plan to KZNERA.

See Section 17, Schedule of Returnable Documents, for other items to be submitted with the proposal.

11 NON-APPOINTMENT

11.1. The KZNERA reserves its rights either NOT to make an appointment and/or appoint the bidder with the lowest price. The KZNERA also reserves its right to negotiate with the awarded bidder to obtain the best market price.

12 PRICING SCHEDULE INCLUDING VAT

12.1. Bidders are required to provide a weighted average rate per hour per the table below. The hourly rate **must be inclusive of all disbursements and VAT**.

STAFF CATEGORY	PROJECT WEIGHTING (%)	RATE / HOUR (INCL)	WEIGHTED AVERAGE RATE (INCL)
Partner/Director			
Manager			
Audit Supervisor			
IT Audit Supervisor			
Auditors			
Trainee/Junior Auditors			
TOTAL WEIGHTED AVERAGE RATE			

STAFF CATEGORY	WEIGHTED AVERAGE RATE (INCL) YEAR 1	WEIGHTED AVERAGE RATE (INCL) YEAR 2	WEIGHTED AVERAGE RATE (INCL) YEAR 3	WEIGHTED AVERAGE RATE (INCL) YEAR 4	WEIGHTED AVERAGE RATE (INCL) YEAR 5
Partner/ Director					
Manager					
Audit Supervisor					
IT Audit Supervisor					
Auditors					
Trainee/Junior Auditors					
TOTAL WEIGHTED AVERAGE RATE PER YEAR					

12.2. Pricing Summary

12.2.1. The internal audit coverage plan will be approximately 1500 hours per year. This will assist service providers in submitting the proposal. The final

coverage will be agreed on an annual basis with the Audit & Risk Committee after consideration of the risk profiles and budget.

12.2.2. Kindly ensure that total estimated pricing is populated in the table below. The KZNERA may choose to increase the number of hours per period depending on the audit area selected.

PERIOD	ESTIMATED COVERAGE HOURS	TOTAL WEIGHTED AVERAGE RATE	TOTAL PRICE (INCL)
YEAR 1	1500		
YEAR 2	1500		
YEAR 3	1500		
YEAR 4	1500		
YEAR 5	1500		
TOTAL BID PRICE	7500		

13 DURATION OF THE CONTRACT

13.1. The duration of the contract shall run over a period of thirty-six (36) months starting after the signing of the SLA with the Entity. There is the option for the KZNERA to renew the contract for a further twenty-four (24) months should it be required.

13.2. The contract will be reviewed on an annual basis to assess the level of performance of the service provider. In the event that it is found that the service is not satisfactory, the KZNERA reserves the right to cancel the contract.

14 EVALUATION

14.1. All quotations will be assessed in terms of functionality (quality) and cost. In order to be deemed technically compliant bidders must achieve a minimum score of **70%** on the functionality points available as per the Evaluation Grid.

14.2. Those bidder/s who are deemed to be technically compliant will thereafter be assessed in terms of price and preference points on a 80/20 preference points system

14.3. All bids will be evaluated in terms of functionality and preference point system which comprises of the following:

EVALUATION	
INITIAL SCREENING PROCESS	Compliance to TOR. Submission of relevant information. Verification of bidder's information on CSD
FUNCTIONALITY EVALUATION	Threshold of 70%
PRICE POINTS	80
SPECIFIC GOALS	20

14.4. Initial Screening Process

14.4.1. In terms of National Treasury instruction note 4A of 2016/17 regarding the National CSD, all bidders must register on the CSD to provide information to be verified through the CSD. Bidder's registration and information on CSD will be verified prior to further evaluation.

14.4.2. All bidders are required to complete the Standard Bid Document (SBD) in full. Failure to do so will result in disqualification.

14.4.3. General conditions of contract must be accepted and signed off. Failure to do so will result in disqualification.

14.5. Functionality Evaluation

14.5.1. Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the TOR. Bidders must, as part of their bid documents, submit supportive documentation for all 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. The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by bidders. **Bidders that fail to provide the information listed on schedule of returnable documents, may be disqualified. Bids that do not achieve a minimum score of 70% for functionality will be disqualified.**

14.6. Price and Specific Goals

14.6.1. Prices must be submitted in South African Rand inclusive of VAT.

14.6.2. 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 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:

- (a) The bid price (maximum 80 Points)
- (b) Specific goals (maximum 20 Points) – See SBD6.1

14.7. Evaluation Grid

EVALUATION CRITERIA					MAXIMUM
EXPERIENCE OF BIDDER					
Reference Letters Bidders must provide signed reference letters on their client's letterheads to whom Internal Audit services are/were provided. The letters must not be older than 5 Years i.e. date of the reference letter.					20
No. of Reference Letters	0	1	2	3 or more	
Points awarded	0	5	10	20	
METHODOLOGY AND APPROACH					
Demonstrate knowledge and understanding of Internal Audit though Methodology and Approach aligned to the terms of reference and latest IA standards					15
Poor		Satisfactory	Good		
0		8	15		
TEAM QUALIFICATIONS AND EXPERIENCE					
Demonstrate Collective Skills and Competencies of the proposed team (Refer to Section 9). Weighted average score to be applied					25
Key Director/ Partner/Expert					
Qualifications - 15					
CA(SA) or CIA - (15 Points) Other relevant qualification - (5 points) No information provided (0 Points) NB: Only *certified copies of qualifications and certificates will be accepted.					

Work Experience (specific to internal audit) - 10 10 years work experience (10 Points) 6 – 9 years work experience (8 Points) 5 years work experience (5 Points) Less than 5 year experience (0 Points) No information provided (0 Points)	
Audit Manager/Specialist Qualifications - 5 Relevant post graduate qualification (5 Points) No information provided (0 Points) NB: Only *certified copies of qualifications and certificates will be accepted. Possession of relevant Professional Certification and Designation - 5 Relevant professional certification and designation (5 Points) No information provided (0 Points) Work Experience - 5 6+ years work experience (5 Points) 4 – 5 years work experience (2.5 Points) 1 – 3 years work experience (1 Points) Less than 1 year experience (0 Points) No information provided (0 Points)	15
IT Auditor/Specialist Qualifications - 5 Relevant post graduate qualification (5 Points) No information provided (0 Points) NB: Only *certified copies of qualifications and certificates will be accepted. Possession of relevant Professional Certification and Designation - 5 Relevant professional certification and designation (2 Points) No information provided (0 Points) Work Experience - 5 3+ years work experience (3 Points) Less than 3 year experience (0 Points) No information provided (0 Points)	15
LOCAL PRESENCE/CAPACITY TO SERVICE KZN	
Office located within KZN Province Proof of office location to be submitted (e.g. lease or utility bill)	10
OVERALL TOTAL SCORE	100
MINIMUM THRESHOLD	70%

*Certified document means a copy of the original document that has been certified as a true copy by a Commissioner of Oaths, in terms of the Regulations Governing the

Administering of an Oath or Affirmation, issued under the Justices of the Peace and Commissioners of Oaths Act, 1963 (Act 16 of 1963). The certification must include the commissioner's full names, designation, signature, and official stamp, as required by law.

For the purposes of electronic submissions, certification effected through a valid advanced electronic signature or electronic commissioner's stamp, as contemplated in the Electronic Communications and Transactions Act, 2002 (Act 25 of 2002), will be accepted as equivalent to physical certification, provided such certification can be verified.

Should the bidder fail to meet these requirements, the respective returnable document will not be accepted and the bidder may be disqualified (see section 9 for more details).

14.8. Declaration by Bidder

14.8.1. I/we, the undersigned hereby take note of the functionality set out. I/we accept that should I/we default in any respect of this requirement, my/our bid will be evaluated as a nil return for submission in terms of functionality of this bid.

NAME OF BIDDER

DATE

SIGNATURE OF BIDDER

15 CENTRAL SUPPLIERS DATABASE

15.1. All bidders are required to be registered on the National Treasury's Central Supplier Database at the date of close of the bid. No award will be made to any bidder who is not registered on the Central Supplier Database. Bidders can register on the Central Supplier Database using the following link:
<https://secure.csd.gov.za/>

16 QUERIES

16.1. All queries in relation to the bid document must be addressed to Mrs Nonhlanhla Blose or Mr Faheem Mahomed on (033) 345 2714 or via email Nonhlanhla.Blose@kznera.org.za or Faheem.Mahomed@kznera.org.za

17 SCHEDULE OF RETURNABLE DOCUMENTS

17.1. The bidder undertakes to adhere to the schedule of returnable documents as set out below. Failure to comply fully with the schedule will impact on the evaluation of this bid. To assist in the evaluation of the bid, bidders must submit their returnable documents as per the list below.

NO.	DESCRIPTION	YES/NO (ATTACHED)
1	Company Profile and Registration Documents	
2	Table of Proposed Team	
4	CV of Internal Audit Team (1. Partner/Director, 2. Audit Manager, 3. IT Audit Manager/Specialist,)	
5	Certified Qualifications of 1. Partner/Director, 2. Audit Manager, 3. IT Audit Manager/Specialist	
6	Reference Letters on Company Letterhead	
8	Copy of B-BBEE Status Level Verification Certificate or B-BBEE Sworn Affidavit.	
9	Tax Clearance Certificate/Pin	
10	Company Resolution Letter/Authority to Sign (Must have all directors signatures and specimen signature of authorised signatory)	
11	Proof of CSD Registration	
12	Proof of Local Office	

18 BID CLOSING

18.1. It is the bidder's responsibility to ensure their bid documents are deposited into the tender box located at the address as specified in the bid document.

19 PACKING OF BID

19.1. Bids are to be placed in a sealed envelope and must be clearly addressed as below. Bidders must submit one original hard copy document, clearly marked "Original" and an electronic version of the Original. **The electronic version must be an exact replica of the Original hard copy document, failure to comply may render your bid non-responsive.**

19.2. Bids must be packaged and addressed as follows:

BID NO: KZNERA001/2025 APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES NAME OF BIDDER: ADDRESS OF BIDDER: CLOSING DATE AND TIME:

20 SUBMISSION OF BIDS

20.1. Bids must be deposited into the tender box located at the address below on or before the closing date and time.

Tender box location: KwaZulu-Natal Economic Regulatory Authority
1st Floor
Marine Building
22 Dorothy Nyembe Street
Durban
4000

Please note that all bids not in the tender box at closing date and time will be considered late.

ANNEXURE 1: CURRICULUM VITAE (MAX 5 PAGES)

Proposed Role in the Project: _____

1. Surname name:
2. First names:
3. Date of birth:
4. Nationality:
5. Key qualifications: (Relevant to the project)

INSTITUTION [DATE FROM - DATE TO]	QUALIFICATION OBTAINED:

6. Membership of professional bodies:
7. Other skills:
8. Present position:
9. Years within the firm:
10. Professional Experience:

DATE FROM - DATE TO	COMPANY	POSITION	DESCRIPTION OF PROJECTS/RESPONSIBILITIES ETC