



MEMO

REQUEST FOR BIDS -GRAP COMPLIANT FIXED ASSETS REGISTER 2022

Terms of reference for Asset Management

Proposal compile a GRAP Compliant asset register

Proposals are invited from potential service providers with proven TVET/Government financial expertise in the asset management to assist Ikhala TVET College in compiling a complete fixed asset register compliant to GRAP 17 and re-evaluation of Movable and Immovable assets per Directive.

Background

Ikhala TVET College has been receiving negative audit opinions due to the fact that did not appropriately account for and disclose property, plant and Equipment in accordance with GRAP 17, Property, Plant and Equipment in accordance with GRAP 17, Property, Plant and Equipment.

Requirements

- o A service provider should be qualified chartered accountants with a combined experience of more than five Years in dealing with assets. Certified SAICA registration is a requirement.
- o Qualification and expertise of the team of professionals to be involved in the project should be demonstrated and should meet the minimum required of at least three years in accounting of assets.
- o Proven track record in preparing GRAP compliant fixed asset register for a college or any government institution. Three contactable and verifiable references for unqualified audit report from any government institutions/ municipalities in the last five years where the service provider has produced a GRAP Compliant asset register is a minimum requirement.

Project deliverable

Further details on the specifications on the projects will be available during the compulsory site briefing to be held on 19 September 2022 at 11:00 at the Ikhala TVET College- Admin Centre. 2020 Zone D, Gwadana drive, Ezibeleni

Detail specifications:

- o Project implementation plan (Mobilization, planning and project management)
- o Physical Identification, verification and re-evaluation of all movable and immovable assets owned and controlled by the Ikhala TVET College.
- o Confirm that all infrastructure assets and other assets have been properly unbundled. All newly identified infrastructure assets should be unbundled as per GRAP.
- o Determine the value of all assets in terms of Accounting Directives and reconcile the values to the accounting records. (Minor, Major assets and Intangible assets)
- o Ensure that all assets are properly valued including heritage buildings
- o Reconcile work in progress (WIP) to payment certificates and accounting records.
- o Review useful lives, residual values of assets and assets for impairment and prepare necessary journals if required.
- a Determine GPS coordinates for all immovable assets
- o Recalculation of depreciation of all assets
- o Correct the errors in the value of Movable and Immovable assets
- o Reconcile the fixed asset register with verification reports, general ledger, supporting documentations and ensure accurate and correct reporting of Fixed Assets as per GRAP17 including disclosure notes.
- o Ensure that a detailed audit file relating to asset management, which includes over and above asset purchases, disposals, reconciliations etc. is developed and maintained on monthly basis.
- o Ensure that asset management officials are trained on job and skills are transferred to officials during the period of the contract
- o Provide audit assistance during January 2022 — June 2023

Verification Methodology

The following procedures are to be followed during verification exercise.

- o Listing of assets by description and asset code as per asset register.
- o Confirmation whether the asset number on the asset agrees with that in the asset register
- o Add all assets that are not in the asset register

General Findings

After exercise, a report is prepared summarizing the recommendations, actions and decisions required in order to get approvals from the management/council on the recommendations, actions and decisions, especially write offs.

This is necessary to ensure a clean asset register that will tally with physical assets. The results of the verification exercise should be summarized in the following sections for each asset category *showing*:

- o Normal assets
- o Number of assets tagged
- o Obsolete /spoilt assets
- o Lost assets
- o Recommendations

Quotation/ Proposal Requirements:

Your proposal must be based on total costs and should take into account the following:

- o The anticipated time to be spent on the above deliverables.
- a Travelling and accommodation costs to delivery sites of Ikhala TVET College; Ezibeleni Engineering Campus, Ezibeleni Admin Centre, Queenstown /Komani Campus Queen Nonesi Campus, Aliwal North Campus and Sterkspruit Campus
- o VAT Incl.

Estimated number of assets per delivery site will be provided on request

Evaluation Criteria:

Evaluation will be done on the following 2 stage process:

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Stage1 — Assessment of functionality. Only services providers who will achieve a minimum score of 60 points of the total available points will qualify for stage two of the evaluation.

- Stage 2 — 80/20 preference points system will be used for evaluation.

The criteria to be used to evaluate proposed for functionality will be as follows:

Quotation/ Proposal Requirements:

Your proposal must be based on total costs and should take into account the following:

- o The anticipated time to be spent on the above deliverables.
- o VAT Incl.

Number of assets per delivery site

CATERGORY	NO	SITE	SIZE	HEAD OFFICE
1. STUDENT FURNITURE				
Student chair	1	All Sites	N/A	ADMIN CENTRE
Student Desk	1	All Sites	N/A	ADMIN CENTRE
Typist Chair	1	All Sites	N/A	ADMIN CENTRE
Notice Board	1	All Sites	N/A	ADMIN CENTRE
Board	1	All Sites	N/A	ADMIN CENTRE
2.OFFICE FURNITURE				ADMIN CENTRE
Office Chair	1	All Sites		ADMIN CENTRE
Office Table/Desk	1	All Sites		ADMIN CENTRE
3.OFFICE EQUIPMENT				ADMIN CENTRE
Air-Conditioner	1	All Sites		ADMIN CENTRE
Oil Heater	1	All Sites		AMIN CENTRE
Recording Machine	1	All Sites		ADMIN CENTRE
4.COMPUTER EQUIPMENT				ADMIN CENTRE
Laptop	1	All Sites		ADMIN CENTRE
Monitor	1	All Sites		ADMIN CENTRE
CPU	1	All Sites		ADMIN CENTRE
5. INTAGABLES				ADMIN CENTRE
software	1	All Sites		ADMIN CENTRE
6.MOTOR VEHICLES				ADMIN CENTRE
Taxi Quantum	1	All Sites		ADMIN CENTRE
Bukkie	1	All Sites		ADMIN CENTRE
Small Vehicles	1	All Sites		ADMIN CENTRE
7. MEDIA EQUIPMENT				ADMIN CENTRE
Television 74 cm	1	All Sites		ADMIN CENTRE
Speakers	1	All sites		ADMIN CENTRE
8. BUILDINGS				ADMIN CENTRE
Prefabs	1	Sterkspruit	Msindo	ADMIN CENTRE
	1	Queen	Msindo	ADMIN CENTRE

		Nonesi		
	1	Queenstown	Msindo	ADMIN CENTRE
	1	Soot	Msindo	ADMIN CENTRE
Buildings – Queenstown Campus	1	Queenstown	Msindo	ADMIN CENTRE
Aliwal North	1	Aliwal North	Msindo	ADMIN CENTRE
Queen Nonesi	1	Lady Frere	Msindo	ADMIN CENTRE
Ezibeleni campus	1	Ezibeleni	Msindo	ADMIN CENTRE
Sterkspruit	1	Sterkspruit	Msindo	ADMIN CENTRE
Admin centre	1	Ezibeleni	Msindo	ADMIN CENTRE
9. LAND				
Aliwal North –RF number	1	Aliwal North	Msindo	ADMIN CENTRE
Sterkspruit - RF number	1	Sterkspruit	Msindo	ADMIN CENTRE
10. KITCHEN EQUIPMENT				
Fridge	1	All Sites		ADMIN CENTRE
Microwave	1	All Sites		ADMIN CENTRE
Stoves	1	All Sites		ADMIN CENTRE
Washing machine	1	All Sites		ADMIN CENTRE
Vacuum cleaner	1	All Sites		ADMIN CENTRE
				ADMIN CENTRE
11 GARDEN EQUIPMENT				
Brush Cutter Machine	1	All Sites		ADMIN CENTRE
Water Tanks	1	All Sites		ADMIN CENTRE
Trolley	1	All Sites		ADMIN CENTRE
Tank stands	1	All site		ADMIN CENTRE
12. EQUIPMENT & TOOLS				
Gas Analyzer Machine	1	All Sites		ADMIN CENTRE
Engine For Small Vehicle	1	All Sites		ADMIN CENTRE
Vehicles	1	All Sites		ADMIN CENTRE
Industrial Machine	1	All sites		ADMIN CENTRE
13. WORK IN PROGRESS	1			ADMIN CENTRE

Your proposal must meet all the above requirements and include your approach to this assignment, should you be successful.

CONDITIONS

The bidder must comply with all general requirements outlined below.

- The College does not commit to accepting the lowest bid or to award the bid after its closing date if it considers awarding such bid will not be in its best interest. A decision by the College regarding the acceptance or otherwise of a bid shall be final.
- The College reserves the right to sign and conclude the Service Level Agreement (SLA) or contract.
- The College reserves the right to negotiate the price with the preferred bidder.
- The bidders shall furnish such additional information that the College may reasonably require.
- All costs that the bidder may incur due to the preparation of quotation, proposal and project plan for these services shall be the sole responsibility of the bidder.
- The College reserves the right to cancel the Terms of Reference (TOR's) at any stage if the College determines that time frames and standards have been or are likely to be compromised or if determined that it is not in the best interest of the College to proceed with the TOR's.

SPECIAL CONDITIONS

- The College reserves the right to reject any proposals found to be inadequate or non-compliant to the Terms of Reference.

GENERAL REQUIREMENTS

The bidder must submit:

- A proposal (project plan) addressing the tasks specified in this document,
- Completed pricing schedule,
- Valid and Original Tax Clearance Certificate,
- A certified B-BBEE Status level verification certificate in order to qualify for preference points for B-BBEE. Failure to provide proof will result in no equity points being awarded.
- A Central Supplier Database (CSD) proof of registration

TECHNICAL AND FUNCTIONAL

The bidder must also submit:

- Company profile,
- Brief resume of the bidder which shows experience/proven record in providing similar services and provide 3 recent contactable references to verify experience and track record.
- Brief resume of the Project Manager to be assigned to manage this project which shows experience/proven record in providing similar services and provide 3 recent contactable references to verify experience and track record.

PRICING

The bidder must take the following into consideration when completing the Pricing Schedule:

- o The quotation price must be inclusive of all applicable taxes and have the final totals.
- o The College will require a costed project plan that clearly indicates the in line with may require breakdown of rates on any of the items priced, the bidder shall be required to provide this information at no additional cost.

EVALUATION CRITERIA

- o The bid will be evaluated in accordance with the 80/20 principle. The criteria will consist of technical aspects, price and preference points. The two-phase evaluation process will unfold thus;

FIRST PHASE

- o Bidders will be required to score at least 60% in this phase (functionality) in order to be considered for the second phase evaluation. The areas that will be assessed and the weighting of each area are as follows;

AREA ASSESSED	WEIGHT
A. Relevant Company Experience	20
B. Relevant experience & registration of Company and Project key personnel	40
C. Local Presence	10
D. Project/Quality Assurance Plan	30
TOTAL	100

COMPETENCE CRITERIA	KEY ASPECTS OF CRITERION	POINTS ALLOCATION		TOTAL POINTS
A. <u>RELEVANT COMPANY EXPERIENCE</u> (20)	Proof of similar projects and references to be provided. A minimum of three references letters is required not older than 3 years in similar GRAP environments (educational). Reference letters to contain value of project, it must state the Audit Outcomes and projects done in the past.	No submission	0	10
		One reference in educational environment	1	
Two references in educational environment		5		
Three or more references in educational environment		10		
	Company registration with relevant professional accountancy body (Copy of Registration document to be attached)	No submission	0	10
		Proof of Registration (Company)	10	
B. <u>RELEVANT EXPERIENCE OF PROJECT LEADER + KEY PERSONNEL</u> (40)	Experience of Company and Project leader (Attach proof) Reference letters to contain value of project, it must state the Audit Outcomes and projects done in the past.	No submission	0	20
		Less than 2 years of relevant experience (Company & Project Leader)	5	
		Between 2 and 5 years of relevant experience (Company & Project Leader)	10	
		5 or more years of relevant experience (Company & Project Leader)	20	
	Number of qualified staff in the project team (minimum of 1	No clarification on Project Team or team consisting of one	0	10

COMPETENCE CRITERIA	KEY ASPECTS OF CRITERION	POINTS ALLOCATION		TOTAL POINTS
	staff member at College at all times)	person		10
		Two	1	
		Three/Four	5	
	Five/Six	10		
	Registration with the relevant statutory council (SAICA)	No submission	0	
Proof of membership (Document attached)		10		
C. LOCAL PRESENCE (10)	Has a fully operational practice in the area	No submission	0	10
		Fully operational practice in South Africa	1	
		Fully operational practice in the Eastern Cape	5	
		Fully operational practice within the Chris Hani District Municipality (SUBMIT PROOF)	10	
COMPETENCE CRITERIA	KEY ASPECTS OF CRITERION	POINTS ALLOCATION		TOTAL POINTS
D. PROJECT PLAN / QUALITY ASSURANCE PLAN (30)		No project plan attached	0	30
		Project Plan not detailed	5	
		Detailed Project plan without cash flows	10	
		Detailed Project plan with cash flows	20	
		Detailed project plan with activities, time frames, costing and involvement of Project Team	30	
TOTAL				100

1.2 Second phase

This phase will be assessed as per the table below:

AREA ASSESSED	WEIGHT
Price	80
B-BBEE level of contributor	20
TOTAL	100

To enable a meaningful and consistent price / value for money comparison to be carried out, the following assumptions should be made in the preparation of the quotation;

- The quotation should be prepared with reference to the deliverables noted in this document.

The budget should detail the activities proposed and should specify the hourly charge out rates of staff members assigned to the project. All assumptions made in preparing the budget, including all cost factors such as subsistence and travel should be detailed.

2. VALIDITY OF PROPOSALS

The Bidder is required to confirm that it will hold its proposal valid for 90 days from the closing date of the submission of the proposals. The service provider would be expected to provide any additional information that the College may require and may be required to make a presentation of the proposal submitted.