

CBE 3/2022

**APPOINTMENT OF A SERVICE PROVIDER TO
PROVIDE INTERNAL AUDIT SERVICES TO THE CBE
FOR A PERIOD OF 3 YEARS**

Acronyms

ARC	Audit and Risk Committee
BEPCs	Built Environment Professions Councils
BBBEE	Broad Based Black Economic Empowerment
CBE	Council for the Built Environment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICT	Corporate Governance of ICT
COBIT	Control Objectives for Information Technology
Council	Appointed members of the fourth term CBE Council
FMPPI	Framework for Managing Programme Performance Information
GRAP	Generally Recognised Accounting Principles
IIA	Institute of Internal Auditors
PFMA	Public Finance Management Act
SAICA	South African Institute of Chartered Accounts

1. BACKGROUND

The Council for the Built Environment (CBE) is a Schedule 3A Public Entity which reports to the National Department of Public Works and Infrastructure. The entity is a statutory body established under the Council for the Built Environment Act (No. 43 of 2000) (the CBE Act). It is an overarching body that coordinates the six Councils for the Built Environment Professions (Architecture, Landscape Architecture, Engineering, Property Valuers, Project and Construction Management, and Quantity Surveying). The objects of the CBE are to:

- promote and protect the interests of the public in the built environment;
- promote and maintain a sustainable built environment and natural environment;
- promote ongoing human resource development in the built environment;
- facilitate participation by the built environment professions in integrated development in the context of national goals;
- promote appropriate standards of health, safety and environmental protection within the built environment;
- promote sound governance of the built environment professions;
- promote liaison in the built environment in the field of training, both in the Republic and elsewhere, and to promote the standards of such training in the Republic;
- serve as a forum where the representatives of the built environment professions may discuss the relevant required qualifications; standards of education; training and competence; promotion of professional status; and legislation impacting on the built environment.
- ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

2. MAIN OBJECTIVES OF THIS PROJECT

The overall goal is to appoint a company to provide internal audit services in line with National Treasury Regulations, to undertake the following responsibilities for the duration of a three (3) year contract:

- 2.1 To provide assurance and consulting services in order to assist the CBE to accomplish its objectives;

- 2.2 To assist Council and the Audit and Risk Committee (ARC) to provide a systematic and disciplined approach to evaluate and improve the effectiveness of risk management; and
- 2.3 To assist Council and the ARC to monitor controls and governance processes with a mission to add value and improve the operations.

The appointed Internal Audit service provider may be called upon to provide advice on controls and related matters; however, this will be subject to an identified need to maintain objectivity and to consider resource constraints. The appointed Internal Audit service provider will have no executive role, nor will it have any responsibility for the development, implementation or operation of systems.

Any input by internal audit in respect of systems development work will be undertaken as specific assignments, and as such will be part of a separate and further negotiated specification. In order to preserve independence and objectivity, any such involvement in systems development activities will be restricted to the provision of advice and ensuring key areas in respect of control and risks are addressed. The appointed Internal Audit service provider will not be expected to take the lead.

Furthermore, the appointed Internal Audit service provider's scope of work will not include questioning of appropriateness of policy decisions made by CBE Executive Management.

However, the Internal Audit service provider may draw to the attention of the CBE Audit and Risk Committee instances where there are illegal acts or contraventions of Standing Orders, Standing Financial Instructions or Statutory powers and Regulations. The Internal Audit service provider may also examine the management arrangements for making, monitoring and reviewing all such policy decisions.

3. REQUIRED EXPERTISE

The appointed internal audit service provider must have the following competencies:

- 3.1 Knowledge and understanding of CBE and its business
- 3.2 Knowledge and experience working with public entities
- 3.3 Technical proficiency in Generally Recognised Accounting Principles (GRAP)
- 3.4 Knowledge and practical understanding and implementations of the Public Finance Management Act (PFMA), National Treasury Regulations, the Framework for Managing

Programme Performance Information (FMPPI), GRAP, King IV and governance principles

- 3.5 Knowledge and practical understanding of information and communication technology in the public sector i.e.: Control Objectives for Information Technology (COBIT), Corporate Governance of ICT (CGICT), disaster recovery and business continuity
- 3.6 Knowledge and practical understanding of cursory investigations for tip offs received
- 3.7 The service provider must be registered with Institute of Internal Auditors (IIA) or South African Institute of Chartered Accounts (SAICA).

4. PLANNING

The Audit Committee shall approve an audit risk assessment; including an audit universe of auditable systems before internal audit work is commenced. The audit risk assessment will be reviewed annually and updated for changes in systems in the organisation and in the National Treasury Internal Audit control framework.

Audit plans, based on risk assessment, should be drawn up by the Internal Audit Service Provider, and agreed with the CBE Executives prior to submission to the Audit and Risk Committee.

The CBE's Audit and Risk Committee (ARC) and Chief Executive Officer (CEO) will endeavour to ensure management's perspective of internal audit is positive and that a participative approach is adopted. Therefore, the Internal Audit service provider will be expected to actively involve, and keep auditees informed during all stages of internal audit assignments. This is particularly crucial during the testing and evaluation stages when it would be more appropriate to inform management of the emerging findings in a report at a later date. The circumstances where this approach would be appropriate would be:

- 1. Where there may be a material loss to the organisation unless action is taken quickly; and
- 2. Where there is a serious breach of law/regulations.

There will be occasions when this approach is, however, not appropriate (i.e. where fraud or irregularities are suspected) and involvement of the CEO must be sought.

The appointed Internal Audit service provider will be responsible for delivering an economic and efficient quality audit, whilst ensuring that the internal audit service is delivered according to the terms of this specification. The service provider will also have a responsibility to the ARC, CEO and Chief Financial Officer (CFO). Broadly, this encompasses the following areas:

1. Planning logical and comprehensive coverage that reflects the degree of risk associated with each business process;
2. Determining standards;
3. Monitoring delivery and quality assured work produced;
4. Effecting appropriate changes;
5. Promoting the work of internal audit and the ARC as a contribution to the control environment within the CBE;
6. Audit reporting; and
7. Attendance at all ARC and Council meetings as well as other regular meetings with statutory auditors.

The audits that will need to be taken into account at CBE are amongst others:

1. Quarterly IT governance and implementation audit
2. Human resources management
3. Corporate governance
4. Legal compliance and reviews
5. Fraud and risk management
6. Finance management
7. Supply Chain Management
8. Quarterly performance information
9. Follow-up on previous external and internal audit findings
10. Managing requests for unplanned work for the CEO, CFO, ARC or Management members
11. Investigations on tip-offs received, if applicable.
12. Consulting services if required
13. Annual review of Risk - Fraud policies, Frameworks, strategies and applicable charters.
14. Annual Risk maturity assessment of the CBE
15. Audits on strategic and operational risk registers
16. Review of Annual Financial Statements and Annual Performance Report
17. Verification of levy income received by the six Built Environment Professional Council (BEPC)'s at their premises on behalf of the CBE

5. REPORTING

5.1 Purpose

The main purpose of Internal Audit reports is to provide management and the Audit and Risk Committee with information on effectiveness of systems of internal controls, compliance with laws and regulations, conclusions and recommendations. Full Internal Audit reviews of systems must be carried out as part of the identified annual audit programme.

5.2 Structure of report

The structure of the report is to be as follows:

- 5.2.1 Introduction;
- 5.2.2 Audit objective and scope;
- 5.2.3 Background;
- 5.2.4 Executive summary, highlighting significant findings;
- 5.2.5 Findings, recommendations and management response (including implementation dates);
- 5.2.6 All audits as carried out according to the Internal Audit Plan and as approved by ARC; and
- 5.2.7 Conclusion.

5.3 Progress Reporting

The CEO will receive periodic reports detailing progress against the agreed annual plan, together with notification of any significant breaches of the timescales within the approved reporting protocol. For each individual assignment within the plan, the following will be reported:

- 5.3.1 Planned days;
- 5.3.2 Actual days to date;
- 5.3.3 Planned start date;

5.3.4 Date of each milestone; and

5.3.5 Audit opinion (where applicable).

Progress reports will also be presented to each ARC in an agreed format.

6. QUALITY CONTROL AND QUALITY MEASUREMENTS

The appointed service provider will be held accountable by the ARC for performance, and is therefore responsible for ensuring that quality standards are defined, agreed, monitored and reported. These aspects of quality should be enshrined in the Quality Plan, and reported within the Annual Internal Audit report.

7. LIAISON WITH EXTERNAL AUDITORS

Chapter 6, Section 58 of the PFMA provides the accounts of the CBE to be audited by auditors appointed by the Minister of Finance of the Republic of South Africa.

The Internal Audit service provider will be expected to maintain a close working relationship with the Statutory Auditors on matters of mutual interest, and to provide them with copies of all formal internal audit reports. The Statutory Auditor must be allowed access, on request, to all internal audit working papers and Final/Draft reports.

As part of their remit, the Statutory Auditors will make an annual assessment and report on the performance of internal audit, based on the objectives set out in the strategic audit plans. The Statutory Auditors will decide whether to place reliance on the work of internal audit and consequently whether to reduce the scope and/or coverage of their own work based on this assessment.

8. VALUE FOR MONEY AUDITS

It will be the responsibility of the appointed service provider, as part of the general review of systems of internal control, to review, appraise and report to management the extent to which the CBE's assets and interests are accounted for and safeguarded against losses of all kinds

arising from fraud and other offences, waste, extravagance and inefficient administration, poor value for money or other cause.

This shall be achieved by the inclusion of, within the audit space (and therefore the strategic audit plan), those systems of service monitoring and performance measurement that are critical for the attainment of value for money, including the systems for best value and cost reduction.

9. PROJECT TIMEFRAME

The tenure of the contract is three (3) years, commencing on the date of signing the contract.

10. TECHNICAL PROPOSAL

The written tender application should focus on the following aspects to qualify and be considered. Please submit proof of the information listed below, according to the specified appendices (i.e.: A, B, C, D):

A. The firm's experience in internal audit services, including specialised skills, expertise and value-added services.

- i. Demonstration of the firm's substantial internal audit experience.
- ii. Specialised skills, expertise and value-added services in the field of internal audit, with an emphasis on best practice methodology, tools and technology used.
- iii. Availability of forensic audit skills and tools.
- iv. Availability of ICT audit skills and tools.

B. Firm's experience in internal audits of public entities.

- i. Five years' experience in the auditing of public entities, with a minimum of three reference letters.
- ii. External references, the size of audits and the size of the client base.

C. Qualifications and experience of team members.

- i. The relevant individuals must be registered with the IIA or SAICA.
- ii. Detailed CVs of the auditor/s who will be responsible for managing the internal audits, and the person who will be signing the audit plan and reports. Bidders must note that the proposed engagement partner and engagement audit manager will be the contracted resources and should preferably be South African. The project team must at least have the following experience:

Team member	Qualification/Experience
Engagement Partner	Registered Internal Auditor, 10 years' experience
Engagement Audit Manager	Registered Internal Auditor, 5 years' experience

D. Ability to provide the services and adequate institutional support.

- i. Professional staff numbers.
- ii. The latest satisfactory IIA firm-level quality review results

E. Other information

- i. ID copies of the shareholders/directors
- ii. CIPC documents

Note: A contract will be entered into with the successful bidder, and the audit plan and execution will be in line with the internal audit charter.

11. FINANCIAL PROPOSAL

The Financial Proposal must indicate the proposed annual cost for the service which gives an indication of the following:

- 11.1 Overall fixed price for the three year period must be inclusive of VAT and disbursements. Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.47% for the next two years. The 4.47% escalation is based on the current average three year CPI forecast as per the latest MTEF National Treasury Guidelines.

- 11.2 A breakdown of these anticipated out-of-pocket expenses (disbursements) must be provided.
- 11.3 The pricing must be based on a total number of 1 450 hours per year (Average actual hours for the last two financial years and the budgeted hours for the current financial year). The split of the hours for the different levels of proposed resources can be determined by the bidder.
- 11.4 Fees must be quoted at an inclusive rate for the different levels of proposed resources to be utilised, as listed below.

Category	No of audit personnel (A)	Hours per resource (B)	Total Hours (C=AxB)	Rate per hour (D)	Total Cost (CxD)
Partner					
Senior Audit Manager					
IT Audit Specialist					
Senior Auditor					
Junior Auditor					
Other (specify)					
Total excluding VAT			1 530		
Disbursements					
Vat @ 15%					
Total audit costs inclusive of VAT - Year 1			1 530		
Total audit costs inclusive of VAT escalated at maximum of 4.47% - Year 2					
Total audit costs inclusive of VAT escalated at maximum of 4.47% - Year 3					
TOTAL					

The hours indicated above will be split as follow:

Description of service	Total hours per year
Basic audits outlined in par 4	820
Ad hoc management requests	120
Audits on risk registers	80
Investigations	170
Consulting	100
Risk -, Fraud policies, Frameworks, strategies and applicable charters	80
Probity audits on tenders	160
Total	1 530

12. EVALUATION PROCESS

After the closing date, an appointed Bid Evaluation Committee will evaluate the proposals received. The following evaluation process shall be followed:

12.1 Pre-qualification criteria:

Bidders must meet the following pre-qualification criteria. Failure to meet these requirements will result in the disqualification of your proposal.

- a) Potential service providers must be registered on the National Treasury's Central Supplier Database (CSD); The CSD registration report must be submitted. Prospective bidders must be tax compliant. **This proposal will not be awarded to any bidder who is not registered on the CSD, or whose tax matters are not in order and/or is a restricted supplier.**
- b) Only **B-BBEE Level 1** and **Level 2** contributors must submit a response to this bid. An original or originally certified copy (it must be fresh ink and not a copy) of a correct and valid B-BBEE certificate (**only SANAS accredited certificates will be accepted**) OR valid original sworn affidavit (whichever is applicable) must be submitted to confirm your Level 1 or 2 status. Failure to submit a B-BBEE certificate or sworn affidavit will result in the disqualification of your bid. Failure to submit a correct and valid certificate or sworn affidavit will result in the disqualification of your

bid. Any enquiries in respect of B-BBEE Status Level Verification Certificates may be directed to the B-BBEE Commission at 012-649 0918. Bidders must note that sworn affidavits must adhere to the requirements set out in The Broad Based Black Economic Empowerment Practice Guide 1 of 2018, Determining the validity of a Broad-based Black Economic Empowerment verification certificate, B-BBEE certificate and sworn affidavit, par 17 (Annexure A). (Please ensure that your affidavit complies with the requirements set out under this paragraph. If one or more requirements are not met, it will render the affidavit invalid).

Special note: Bidders must please ensure that affidavits indicate the title of the deponent i.e. director or member or owner (please circle/underline the relevant title applicable to you); and the full financial year must be stated i.e. date, month and year (not only the calendar year). Your empowering supplier status must also be indicated.

- c) **Audit partners must be registered with the IIA or SAICA and proof of registration must be submitted with the proposal.**
- d) **Detailed statement confirming the independence of the bidder and the proposed internal audit team as per Annexure B.**

**** The CBE reserves the right to verify the authenticity of the information submitted. The results of the verification will take precedence.**

12.2 Evaluation Phases:

- Phase 1: Functionality Evaluation

The service provider's proposal will be evaluated against the set criteria indicated under paragraph 12.3 below. A form will be used which will reflect the name of the service provider and the different criteria with space provided to record the points awarded and motivation for points awarded. The allocation of points will not be effected on a basis of consensus.

The following scoring matrix will be used:

Unable to evaluate	Does not comply with the requirements	Partial compliance with requirements	Full compliance with requirements	Exceeds requirements	Exceptionally exceeds requirements
0	1	2	3	4	5

The following formula will be used to convert the points scored against the weight:

$$Ps = \left(\frac{So}{Ms} \right) \times 100$$

Where:

Ps = Percentage scored for functionality by proposal under consideration
 So = Total score of proposal under consideration
 Ms = Maximum possible score

Service providers will be expected to achieve a minimum threshold score of 65% in order to proceed further in the evaluation.

A due diligence process will be conducted in respect of all short-listed bidders to determine the capability and ability of short-listed bidders to execute this contract.

The CBE reserves the right to utilise any one or more of the below due diligence methods:

- Presentation by bidders with pre-determined questions being posed by the CBE. A set of pre-determined questions based on the submitted proposal will be posed. This will be evaluated based on a grading scheme of either consistent or not consistent with the proposal. Should more than 20% of the responses not be consistent to the bidder's proposal their proposal will be disregarded.
- An investigation by the CBE of the bidder's previous contracts carried out, availability of skills or knowledge, existing workload
- Confirmation of the authenticity and content of the reference letters submitted (bidders must provide a minimum of **three** signed reference letters of the same work undertaken even if this method is not selected for due diligence). Purchase orders will also be accepted, subject to the CBE verifying the authenticity of the information submitted.

Should negative feedback be obtained from the aforementioned that will render the bidder unsuitable to execute the assignment, their proposal will be disregarded at this point and they will not proceed for further evaluation.

It must be noted that if a service provider has previously undertaken work for the CBE to which a positive report is on record, such report may be used for the purpose of due diligence in the event that the selected method(s) above is/are unsuccessful.

Should the bidder meet the requirements of due diligence, their proposal will proceed to Phase 2.

- Phase 2: Calculation of points

Please note that the proposals will be evaluated using the 80/20 preference point system where:

- 80 points are allocated for price and 20 points are allocated for the service provider's B-BBEE Level of Contribution.

During phase 2, points for price will be calculated for all shortlisted service providers in accordance with the following formula:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

P_s	=	Points scored for price of proposal under consideration
P_t	=	Rand value of proposal under consideration
$P_{\min}$	=	Rand value of lowest acceptable proposal

The final points will be calculated as follows:

Points for price:	<u>80 points</u>
B-BBEE Status Level of Contribution:	<u>20 points</u>
Final points:	<u>100 points</u>

In accordance with section 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000, the CBE reserves the right to apply the following objective criteria, based on current case law, in determining the final outcome of the award irrespective of which bidder scores the highest final points:

- (1) the rotation of contracts amongst suppliers; following two (2) awards by the CBE to the same supplier within a period of 12 months
- (2) protection of the environment
- (3) the receipt of an abnormally low or high price i.e. more than 10% below the estimated price or more than 5% above the estimated price

A recommendation for award will then be formulated for approval by the relevant delegated authority. The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.

13. EVALUATION CRITERIA

The following criteria and weights shall apply when considering the proposal:

CRITERIA FOR FUNCTIONALITY	WEIGHT	SCORING GUIDELINE
Experience and methodology relevant to the assignment Bidders must submit a company profile illustrating the following information: • Provide a detailed proposal of the methodology/ approach to be used to carry out the scope of work, conforming to International Standards for the Professional Practice of Internal Auditing, outlined above and clearly demonstrate how the audit deliverables will be achieved. (10) • Provide evidence of an information systems audit unit and functions of the unit within the proposed approach (10)	30	0= No information submitted on the methodology/approach 1 = Poor (Unacceptable, does not meet set criteria) 2 = Fair (Compliance with some of the technical and administrative requirements) 3 = Good (Satisfactory in terms of understanding the technical requirements and should be adequate to achieve the end result but do not display the ability to perform the necessary project administration functions) 4 = Very good (Above average understanding of the technical aspects and proposed solution of the project and displaying the ability to perform the necessary project administration functions) 5 = Excellent (Meets and exceeds the expected level in terms of understanding the problem, proposed approach to achieve the end result, and displaying the ability to perform the necessary project administration functions) 0= No information in respect of an Audit Information Systems unit 1 = Insufficient evidence of an existing Audit Information Systems unit 3 = Evidence of existing contracted outsourced Audit Information Systems function 4 = Evidence of a singular capacitated in house Audit Information Systems unit 5 = Evidence of a fully functioning Audit Information Systems unit within the operational structure of the firm

• Provide evidence of capacity to perform cursory/forensic investigations (10)		0= No information in respect of a forensic unit 1 = Insufficient evidence of an existing forensic unit 3 = Evidence of existing contracted outsourced forensic function 4 = Evidence of a singular capacitated in house forensic unit 5 = Evidence of a fully functioning forensic unit within the operational structure of the firm
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Firm's Experience in internal audits of public entities - Minimum of 5 years' experience in the public sector (10) - Provide a minimum of three signed reference letters where the bidder has successfully concluded similar audit work in the public sector in terms of scope and complexity. (10)	20	0 = No experience 1 = Below 3 years 2 = 3-4 years 3= 5 years 4 = 6-9 years 5 = Above 10 years 0 = No letters 1 = List of contactable references 2 = Below 3 reference letters relevant to the assignment 3 = 3 letters relevant to the assignment 4 = 4 letters relevant to the assignment 5 = 5+ letters relevant to the assignment								
Professional Registration and experience of team members The bidders must submit, as part of its proposal the following: - The structure and composition of the proposed team, clearly outlining the main disciplines/ specialities (professional registration) of this audit and the key personnel responsible for each speciality. - Engagement Partner (10) - Engagement Audit Manager (5)	30	<table border="1"> <thead> <tr> <th>Score</th><th>Professional Registration of Engagement Partner</th><th>Professional Registration of Engagement Manager</th></tr> </thead> <tbody> <tr> <td>0</td><td rowspan="2">N/A. Refer to Pre-qualification criteria.</td><td>No Evidence of registration</td></tr> <tr> <td>1</td><td>Relevant Degree but no professional registration</td></tr> </tbody> </table>	Score	Professional Registration of Engagement Partner	Professional Registration of Engagement Manager	0	N/A. Refer to Pre-qualification criteria.	No Evidence of registration	1	Relevant Degree but no professional registration
Score	Professional Registration of Engagement Partner	Professional Registration of Engagement Manager								
0	N/A. Refer to Pre-qualification criteria.	No Evidence of registration								
1		Relevant Degree but no professional registration								

- Experience of senior project team members. - Engagement Partner (10) - Engagement Audit Manager (5) Submit the condensed CV's of the key resources to work on the project. <i>If more than one resource is proposed for the Engagement Partner and the Engagement Audit Manager, each resource's experience will be scored separately and then be averaged to give a final score {score will be rounded off to the nearest 2 decimal places (where applicable)}.</i>		2		Not registered with IIA or SAICA but another professional registration i.e ACFE, ISACA etc
		3	Registered internal auditor	Registered internal auditor
		4	Registered internal auditor and one other relevant Registration i.e. ACFE, ISACA etc.	Registered internal auditor and one other relevant Registration i.e. ACFE, ISACA etc.
		5	Registered internal auditor and two other relevant Registrations i.e. ACFE, ISACA etc.	Registered internal auditor and two other relevant Registrations i.e. ACFE, ISACA etc.
		Score	Experience of Engagement Partner	Experience of Engagement Manager
		0	No Evidence of experience	No Evidence of experience
		1	Below 5 years	Below 3 years
		2	5 – 9 years	3-4 years
		3	10 years	5 years
		4	11-14 years	6-8 Years
		5	15+ years	9+ years experience

Ability to provide the services and adequate institutional support The bidders must submit, as part of its proposal the following: • Evidence of the latest satisfactory IIA firm-level quality review results. (5) • Evidence of at least two partners (5)	10	0 = Unsatisfactory review result / No evidence 3 = Satisfactory internal quality review result 4 = Satisfactory external quality review result 0 = No evidence of number of registered partners 2 = 1 partner 3 = 2 partners 4 = 3-5 partners 5 = 5+ partners
Empowering supplier	10	5 = 100% black female/ youth owned entity 4 = 100% Black owned entity 3 = More than 51% black owned entity 0 = No information submitted An additional point will be allocated if an entity has demonstrated that it employees or is owned by disabled persons.
Total	100	
Threshold Score	65	

Important Conditions of Bid:

- Protection of Personal Information - All bidders agree that personal information of persons related to or linked with bidders or respondents to this request/Bid for quotations/request for proposals or tender document is/may be required to fulfil the requirements for submitting a bid. All bidders agree that the CBE may collect, keep and process such information provided that the aforesaid uses shall be for purposes of evaluating the bid submitted. Where the information is sought to be used for other purposes, further and specific consent shall be obtained.
- Bidders shall note that any personal information that they may disclose to or share with the CBE pursuant to this request/Bid may be processed by the CBE in terms of the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). By disclosing or sharing any personal information, the bidder is unconditionally consenting to the processing thereof by the CBE, its stakeholders or partners of such personal information for purposes related to this request/Bid. Further, the bidder declares all consents required by the POPI Act or any other law applicable in respect of all personal information disclosed has been duly and legally obtained. Thus, the bidder hereby indemnifies the CBE against any civil or criminal action, administrative fine or other penalty or loss that may arise as a result of the processing of any personal information disclosed to the CBE pursuant hereto.
- Service providers are required to submit a detailed breakdown of their pricing as per the Table under paragraph 11.4.
- The price quoted must be inclusive of VAT (if applicable).
- Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.47% for the next two years.
- All Supply Chain Management compliant (required) documents must be completed in full and submitted. These include SBD 1, 4 and 6.1.
- Bidders must submit the company registration documents (CIPC), share certificate and ID documents of all Directors.
- Any award made to a Bidder under this proposal is conditional upon the Bidder accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which the CBE is prepared to enter into a contract with the successful Bidder.
- The General Conditions of Contract (GCC) are to be acknowledged and returned with your bid.

- All parties forming a joint venture or consortium for the purpose of this assignment must submit a separate CSD report for each party and all SBD forms and GCC must be completed by each party to the joint venture or consortium and submitted accordingly.
- Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements (where applicable). The CBE will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.
- The CBE reserves the right to disregard a bidders' proposal should it be found that work was previously undertaken for the entity to which poor performance was noted during the execution of such contract that subsequently led to the cancellation of said contract in the last five years. Documentary evidence of poor performance without a cancellation of the contract may also result in the disqualification of the bidders' proposal.
- Any communication between the closing date and the award of the proposal by Bidders is discouraged.
- Whilst all due care has been taken in connection with the preparation of this proposal, the CBE makes no representations or warranties that the content of the proposal or any information communicated to or provided to Bidders during the bidding process is, or will be, accurate, current or complete. The CBE and its employees and advisors will not be liable with respect to any information communicated which may not be accurate, current or complete.
- If a Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this proposal or any other information provided by the CBE (other than minor clerical matters), the Bidder(s) must promptly notify the CBE in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the CBE an opportunity to consider what corrective action is necessary (if any).
- Any actual discrepancy, ambiguity, error or inconsistency in the proposal or any other information provided by the CBE will, if possible, be corrected and provided to all Bidders without attribution to the Bidder(s) who provided the written notice.
- Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such proposals.

- The CBE supports the spirit of broad based black economic empowerment and recognises that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the CBE condemns any form of fronting.
- The CBE, in ensuring that Bidders conduct themselves in an honest manner may, as part of the evaluation process, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the proposal / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the CBE may have against the Bidder / contractor concerned.
- A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this BID. In the event that the CBE allows a Bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the Bidder and the CBE will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.
- Bidders who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.
- The following are extracts from the PPPFA Act:
 - a) 11(8) "A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an Exempted Micro Enterprise (EME) that has the capability and ability to execute the sub-contract."
 - b) 11(9) "A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract."
- If a Bidder breaches the conditions of this proposal and, as a result of that breach, the CBE incurs costs or damages (including, without limitation, the cost of any investigations,

procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidder indemnifies and holds the CBE harmless from any and all such costs which the CBE may incur and for any damages or losses the CBE may suffer.

- **Proposals must be emailed to renusha@cbe.org.za.** Bidder(s) are required to submit their technical and pricing proposal as two separate files/attachments. Bidders must please note that the CBE server can receive files to a maximum size limit of 150mb (inclusive of message content and attachment). Should files exceed this size limit, bidders may either send their files in separate emails or alternatively compress the files and submit.
- The original or originally certified BBEE Certificates or original sworn affidavits must be hand delivered to 169 Corobay Avenue, Corobay Corner (Block A – 2nd Floor), Menlyn, Pretoria and deposited into the bid box before the closing date and time stipulated below, as the documents must be original or originally certified copies.
- It is the responsibility of prospective bidders to ensure that their proposal documents are submitted before the closing date and time of the proposal.
- Proposals received after the closing time and date will not be considered for evaluation.
- The CBE reserves the right not to award this contract.
- The CBE will enter into a formal contract with the successful bidder.
- Any change of information provided in the bid document that may affect service delivery by the successful bidder must be brought to CBE's attention as soon as possible. Failure to comply may result in the contract being terminated.
- Should the bidder present information intentionally incorrectly/fraudulently their proposal will be disqualified.
- It must be noted that payment will be made upon satisfactory delivery of the service and receipt of an invoice.
- The invoice will be paid within 30 days of receipt thereof. No deposit, advance and lump-sum payments will be made. A shorter payment period may be agreed upon by the CBE and the successful supplier and a supplier development agreement will be signed in this regard. To be considered for the shorter payment period the service provider must meet the following requirements:
 - Be at least 51% black owned.
 - Be an Exempt Micro Enterprise (EME) (Turnover under R10 million) or a Qualifying Small Enterprise (QSE) (Turnover less than R50 million), subject to the specific Sector Code.
- The closing date for submission of proposals is **10 November 2022 at 11:00am**.
- Proposals will be valid for a period of **150 days** after the closing date of the proposal.

- **** Special Note: The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.**

Written enquiries:

Supply Chain Management

Procurement Specialist: Mrs R Nanthlall Ganesh

Tel: 012 346 3985

Email: renusha@cbe.org.za

Technical

Manager: Finance: Mrs S Treeby

Tel: 012 346 3985

Email: sarie@cbe.org.za

ANNEXURE B: Confirmation of Independence

Council for the Built Environment
2nd Floor Corobay Corner
169 Corobay Ave
Waterkloof Glen

Date

To Whom it May Concern,

Letter of confirmation of independence from the Council for the Built Environment

[Insert Firm name] hereby confirms that independence and ethical requirements by all team members proposed for this assignment, are communicated during the planning, field work and finalisation phases of the audit and are monitored on a continuous basis.

I hereby confirm that our firm is independent with regard to the Council for the Built Environment and its related parties. I further confirm that all proposed members of the above engagement are in compliance with independence requirements as set out in the Internal Auditing Standards and the Quality Control Policies and Procedures of the firm and no matters have occurred during the duration of the financial year ending 31 March 2020 and the pre-planning phase of the audit which may impair the firm's independence.

I hereby confirm that [insert Firms name] currently does not do, nor have we done any work for the Council for the Built Environment which may result in a direct conflict of interest.

I hereby confirm that there is no conflict of interest between the Council for the Built Environment and any of the staff members involved in the audit. The capabilities and competence of the staff assigned to the audit was also assessed and found to be sufficient.

I further confirm that none of the directors of our firm sit on any audit or advisory committees of the Council for the Built Environment.

I hereby confirm that [Insert Firms name] has not been subject to any issues regarding ethical misconduct and the firm is currently not involved in any scandals which may impact our reputation.

Yours sincerely,

Name of audit Partner