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NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA

BID DOCUMENT

INVITATION TO TENDER NO: **NHC/02/05/2024**

CLOSING DATE: 14 JUNE 2024

TIME: 11:00AM

RENDERING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS TO THE NATIONAL HERITAGE COUNCIL

Bidder Name: ____

Contact person: _________________________________

Tel No: _________________________________

Email address: _________________________________

CSD Ref No: MAAA______________________

1. BACKGROUND

The National Heritage Council (NHC) of South Africa is a public entity that is responsible for the preservation of the country's heritage. The important areas that the NHC focusses on are policy development for the sector to meet its transformation goals, public awareness and education, knowledge production in heritage subjects that were previously neglected, as well as making funding available to projects that place heritage as a socio-economic resource.

The NHC is a Schedule 3A public entity in terms of the Public Finance Management Act 1 of 1999 as amended by Act 29 of 1999, that came into existence through an amendment of the Cultural Laws Second Amendment Act, Act 69 of 2001, and was officially constituted through the National Heritage Council Act, Act 11 of 1999).

The NHC requires the service of a suitably qualified and experienced internal audit service providers to carry out the internal audit functions of the NHC and enter into a service level agreement for the period of thirty-six (36) months with an option to extend the contract.

The NHC does not guarantee exclusive procurement from the Internal Audit Services company, nor any minimum order or quantity of services. The Internal Audit Services company is expected to win over market share through the quality of services rendered and competitive prices.

Bidders must take note that the NHC is in a process of relocating to new premises and the bidder will be required to render the services from 1 July 2024 at these premises.

2. SCOPE OF WORK: INTERNAL AUDIT SERVICES

The desired scope of work for internal audit services sterns from the NHC's internal audit charter; a document that guides the organization's approach to the provision of internal audit services. The charter is periodically reviewed and approved by the Audit and Risk Committee (ARC). The charter, which is aligned to the requirements of the Institute of Internal Auditors (IIA), explains the purpose, mission and definition of internal audit which is outlined below – principles on which the scope of internal audit is built:

2.1. The purpose of internal audit (within the NHC) is aligned with the definition of internal audit, which is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations.

2.2. The mission of internal audit is to enhance and protect organizational value by providing risk-based assurance, advice and insight. This internal audit charter defines the authority and independence, scope, responsibility and accountability of and within the Internal Audit Activity (IAA).

2.3. Internal audit helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the adequacy and effectiveness of risk management, controls and governance processes.

2.4. Accordingly, the scope of internal audit work entails, but is not limited to, the examination, evaluation and conclusion on the adequacy and effectiveness of the organization's governance, risk management, internal control processes and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated objectives.

2.5. The appointed internal audit service provider will be required to:

2.5.1. Provide effective value adding internal audit services that are innovative and responsive to circumstances of the NHC and the environment it operates in.

2.5.2. Develop and review a rolling three-year strategic Internal Audit Plan based on assessment of key areas of risk for the NHC, having regard to its current operations.

2.5.3. Assist in the improvement of operations proposed in the NHC's corporate or strategic plan and effectiveness of its risk management strategy through risk based audits which are in line with latest IIA standards;

2.5.4. Develop, review and the Implementation of an annual Internal Audit Plan including the following primary audits, but not limited to:

a) Audit of Pre-Determined Objectives / Performance information.
b) Living Heritage
c) Resistance, Liberation, Heritage and Route (RLHR)
d) Human Resource Management
e) Occupational Health and Safety
f) Grant Funding
g) Records Management
h) New Business development
i) Financial Management
j) Information and Communications Technology (ICT)
k) Supply Chain Management and Contract Management
l) Internal Financial Controls Review
m) Stakeholder Management
n) Governance and Risk Management
o) Review of the Annual Performance Plan
p) Financial Statements Reviews
q) Adhoc services as requested by Audit and Risk Committee or management of NHC which may include, but not limited to, Forensic auditing, probity report.

2.6. The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of the organization's systems of internal controls and to make recommendations where applicable. The controls subject to evaluation should encompass the following, but is not limited to:

2.6.1. Review of the effectiveness and efficiency of the risk management process.

2.6.2. Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.

2.6.3. Review internal controls to ensure that financial reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.

2.6.4. Review the systems established by management to ensure compliance with policies, laws, regulations and controls that could have a significant impact on operations and determine whether the entity is in compliance with PFMA No 1 of 1999 and other relevant legislation that governs the entity.

2.6.5. Ensure that the entity adheres to the corporate governance requirements as prescribed by the King IV report and all compliance standards.

2.6.6. Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programs are carried out as planned.

2.6.7. Review a rolling three-year strategic and annual internal audit plan based on the results of the risk review and the execution of audits in accordance with these plans.

2.6.8. Transfer of Skills to the NHC internal audit function staff

2.6.9. The above-mentioned coordinated approach shall be used to maximize internal audit resourced and coverage and to ensure that the service provider provide greatest value to the NHC. Matters to be considered in reviewing the internal audit plans shall include:

i) Significant areas of potential risk of fraud;

ii) The accuracy and completeness of financial reporting;

iii) Major changes in operations, organizational structures, systems and controls;

iv) Safeguarding of assets;

v) Legal unit contract management and compliance.

vi) Compliance with laws, contracts, policies and procedures;

vii) Risk areas identified by management;

viii) Results of previous audits;

ix) Significant areas of risk related to reliability and integrity of financial and operational information or negative reputation exposure;

2.6.10. Liaise and cooperate with the external auditors (Auditor General of South Africa – the AGSA) to prevent duplication of work and share information.

2.6.11. Report on progress of the work against the approved Annual Internal Audit Plan to the Audit Committee

2.6.12. Review the Internal Audit Charter and make recommendations in order to be consistent with the Definition of Internal Audit, Internal Audit Code and Ethics.

2.6.13. Assist in the development and review of the Audit and Risk Committee Charter.

2.6.14. Perform ad hoc services requirements, as requested by Council or the Audit and Risk Committee.

2.6.15. Assist with the development and implementation of combined assurance.

2.7. Execution of audit assignments will be as follows:

2.7.1 Assignments are to be performed in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards).

2.7.2 The execution of each assignment shall be in accordance with the approved three year rolling Internal Audit Plan and Annual Internal Audit Plan.

2.7.3 The appointed service provider is expected to maintain independence and objectivity at all times when engaging on any activities within the NHC.

2.7.4 Timely liaise with the management team during the execution and reporting on its activities.

2.8. Attending Audit and Risk Committee meetings.

3. EXPERTISE AND CAPACITY

The key criteria to be considered for the suitability of the service provider include the following: -

3.1. Have the necessary skills, knowledge, capacity and resources to meet the needs of the NHC and to carry out their obligations, including the availability of:

3.1.1. Forensic audit skills and tools.

3.1.2. Information technology audit skills and tools.

3.1.3. Information technology security capabilities.

3.1.4. Risk management skills.

3.2. Have knowledge and a comprehensive understanding of the public sector; and an understanding of the NHC's enabling legislations.

3.3. The service provider must be able to demonstrate the ability to reach all South African regions within which the NHC operates.

3.4. Have a minimum of two (2) directors including the engagement director. The engagement director must be directly involved in every engagement review undertaken at the NHC. As the engagement director will fill the role of the Chief Audit Executive ("CAE"), the bidder needs to cite experience that the proposed engagement director has in his role.

3.5. At least two (2) company directors must be registered on CIPC. NHC reserves the right to verify the registration.

3.6. Have a quality control department responsible for ensuring the latest IIA standards are appropriately applied. The quality assurance must be clearly stipulated and the person responsible for quality assurance, must be specified in the team.

3.7. Service providers are required to include the company profile with organizational structure in a flow chart, with an outline of the responsibilities of each department.

3.8. Demonstrate that they adhere to the latest IIA standards, particularly as they relate to:

3.8.1. The application of a risk-based approach to auditing.

3.8.2. The use of IT audit resources (including the appropriate tools).

3.8.3. The availability of resources that perform risk management and governance reviews.

3.9. No subcontracting will be allowed.

4. ACCREDITED PROFESSIONAL MEMBERSHIP

4.1. It is mandatory for the senior resources of the preferred service provider (i.e. directors, senior manager and specialists) to have the appropriate professional qualifications(s) enabling them to perform internal audit services. The minimum required membership to be considered is the Certified Internal Auditor (Certified by the Institute of Internal Auditors South Africa and must include, but is not limited, to the following:

4.1.1. Chartered Accountant (SA) (Certified by the South African Institute of Chartered Accountants (SAICA));

4.1.2. Certified Information Systems Auditor (Certified by ICASA);

4.1.3. Certified Risk Management Practitioner (Certified by IRMSA)

All core members of the internal audit team belong to a professional body that regulates the services they offer. Proof of latest current IIA and any four of the listed registrations in 6.3.5 must be included with the bid proposal.

5. EXPECTED OUTCOMES AND DELIVERABLES

The service provider is expected to ensure that the following deliverables and outcomes are addressed in each assignment or project:

5.1. Expected deliverables

5.1.1. Performing Audit assignments

a) Pre-audit survey

b) Audit planning memorandum

c) Minutes of entrance meeting

d) Risk assessment document

e) System descriptions

f) Audit programmes

g) Sampling methodology

h) Mechanisms for follow-up on matters previously reported and feedback to the Audit and Risk Committee.

i) Mechanism to ensure that working papers are reviewed at the appropriate level

j) Record of work performed

k) Audit findings and recommendations, and follow-up

l) Reporting (draft and final internal audit reports); and

m) Value Added services, skills transfer, quality review and succession planning.

5.1.2. Reporting requirements

The structure of the report as a minimum is to be as follows:

a) Introduction

b) Audit objective and scope

c) Background

d) Executive summary highlighting significant findings; and

e) Findings and management response (including recommendation implementation dates.

5.2. Achievable Outcomes

5.2.1. Improved control environment with the NHC

5.2.2. Improved effective risk management; and

5.2.3. Improved governance processes.

6. EVALUATION CRITERIA

The two-stage bidding process will be followed. The Bidder is required to submit the proposal electronically by separating the financial proposal from the functional proposal. The functional proposal will be reviewed first for compliance with mandatory requirements, compliance with minimum requirements and the functional criteria as stipulated before the financial proposal will be accessed to evaluate on the price / bid offer and strategic goals as per phase 3. The evaluation of bid proposals will be done as per the following criteria:

6.1. PHASE 1 – MANDATORY REQUIREMENTS

Bidders will be evaluated according to compulsory and pre-qualification requirements which include submission of mandatory information and/or documentation. Bidders that fail to meet the pre-qualification requirements of the request will not be considered further for evaluation on technical requirements as per Phase 2.

Bidders are required to complete the table. Should the space be inadequate, bidders are required to copy the table and provide the information as an annexure and make reference in this table to the specific page. Failure to complete the table may result that the proposal be regarded as a non-responsive bid.

No	Compulsory requirement	Comply (Yes / No)	Comment / Details to offer
6.1.1.	The bidder must be able to commit at least two (2) directors to the NHC, including the engagement director. The engagement director responsible for the NHC's internal audit must be based in the Gauteng province. In the event of a joint internal audit proposal, both service providers must have sufficient directors to meet the minimum of two (2) directors.		
6.1.2.	The audit team must consist of the following minimum key personnel: - At least two (2) company directors must be registered on CIPC under the Bidder's name. NHC reserves the right to verify the registration. - The quality assurance must be clearly stipulated and the person responsible for quality assurance, must be specified in the team. - Senior auditor - Supervisor		
6.1.3.	The bidder must have at least 3 years' public sector internal audit experience. Bidders must be able to demonstrate the audits they have conducted and provide written references letters from the clients within the past five (5) years. References should attest to the provision of value-added services.		

No	Compulsory requirement	Comply (Yes / No)	Comment / Details to offer
6.1.4.	The bidder must disclose if they have rendered services to the NHC in the past two (2) years. This includes services through contract work allocations. **The bidder must submit a letter from NHC confirming the work done**.		
6.1.5.	The bidder must have a quality control department responsible for ensuring the latest IIA standards are appropriately applied. **Organizational structure in a flow chart must be included with a brief on each unit.**		
6.1.6.	The bidder must have a resource plan that indicate the core team having the necessary skills, knowledge, capacity and resourced to meet the needs of the NHC (i.e. forensic audit skills and tools are well as the appropriate computer audit skills and tools). **The bidder must ensure that the resource plan must be included in the proposal**.		
6.1.7.	Service providers shall include the CV's of professional audit staff of the **core management team proposed** for the engagement and the authorized representative submitting the proposal. Key information should include the position of the individual in the company, the role that the individual will have in the engagement of the audits, the number of years' experience, all tertiary and professional qualifications, professional memberships, experience, and degree of responsibility held in various assignments during the last three (3) years.		

Compulsory documentation that must be submitted with the bid proposal. Non-submission of the documents will result in disqualification.

No	Document required	Compulsory	Comment
6.1.8.	Bidders are required to submit the following documentation as part of the pre-qualification and compulsory requirements:		
	a) Invitation to Bid – SBD 1	Yes	Complete and sign the supplied document
	b) Pricing Schedule – SBD 3.3	Yes	Complete and sign the supplied document
	c) Declaration of Interest - SBD 4	Yes	Complete and sign the supplied document
	d) Preference Point Claim Form – SBD 6.1	Yes	Non-submission or failure to claim points will lead to a zero (0) score on preference points
	e) Registration on Central Supplier Database (SBD)	Yes	The bidder must be registered as a service provider on the

No	Document required	Compulsory	Comment
			Central Supplier Database (CSD). If the bidder is not registered, proceed to complete the registration on the company prior to submitting the proposal. Visit https://secure.csd.gov.za to obtain the vendor number. Proof of registration must be submitted.
	f) General conditions of Contract	Yes	Bidder must initial each page and sign on the last page
	g) B-BBBEE certificate	Yes	Bidders who fail to include the document will score zero (0) on B-BBBEE as per the preference points stipulated
	h) Proof of registration with the Institute of Internal Auditors' (IIA) and compliance with the IIA International Standards for the Profession Practice of Internal Auditing (ISPPIA)	Yes	Proof of registration with IIA
	i) Company Registration (CIPC) documentation with at least two (2) listed Directors as required.	Yes	CIPC documents must be provided. NHC reserves the right to verify contents of the document on the CIPC website for compliance.

6.2. PHASE 2 – FUNCTIONALITY CRITERIA

Only bids that comply with the above criteria as per phase 1, will be considered for evaluation on functional criteria. The minimum qualification score for functionality / technical evaluation is 70%. All bids that fail to achieve the minimum qualification score on functionality shall not be considered for further evaluation on Price and strategic goals.

NB: The NHC reserves the right to invite shortlisted bidders to give a presentation on their service offering.

No	Functional / Technical Evaluation criteria	Weighted score	Points Allocated
6.3.1.	**Internal Audit approach**	**10**	
	The bidder's approach to perform an internal audit, including audit methodology and Quality Assurance processes. Signed letter of undertaking from the bidder to confirm that the bidder adopts a quality assurance improvement programme as per the International Audit Standards for the Professional Practice of Internal Auditing. The methodology to include the following reporting templates used to communicate		

No	Functional / Technical Evaluation criteria	Weighted score	Points Allocated
	- Results of individual assurance and consulting engagements. - Quarterly report to Management and the Audit and Risk Committee; - Annual assessment of governance, risk management and control processes; and - Quarterly report of the Audit and Risk Committee to the board		
	- The quality assurance improvement programme meets the requirements of the International Audit Standards for the Professional Practice of Internal Auditing and bidder has included the reporting templates as indicated in the above description		**10**
	- The quality assurance improvement programme meets the requirements of the International Audit Standards for the Professional Practice of Internal Auditing and bidder has included less than four (4) of the reporting templates as indicated in the above description		**5**
	- Not meeting the Latest IIA standards		**0**
6.3.2.	**Internal Audit experience**	**20**	
	The bidders internal audit services experience in the public sector, including specialized skills, expertise, and value-added services. To demonstrate knowledge and experience, the bidder must submit a minimum of three (3) client references where the bidder has successfully concluded internal audit work within the public sector in terms of scope and complexity in the past five (5) years. The reference letters must signed, clearly specify the date and scope of work conducted and be on the letterhead of the company for which the work was done.		
	- At least three (3) or more three (3) written references		20
	- Two (2)) written client references		10
	- One (1) written client references		5
	- None		0
6.3.3.	**The qualification and experience of the professionals proposed to provide the services**	**20**	
	Assessment of the condensed CVs of personnel who will be assigned to the NHC's account. (Qualification and experiences of proposed resources) For the proposed audit team, a detailed CV for each of the human resources allocated to the NHC must be attached		

No	Functional / Technical Evaluation criteria	Weighted score	Points Allocated
	to the bidder's proposal. Failure to submit the detailed CV will result in no points being allocated. Points will be allocated based on the joint experience. The professional proposed must have at least 80 years' joint experience in **public sector and private sector**.		
	- The professionals proposed have jointly at least 80 years' experience in **public sector and private sector** internal audits		20
	- The professionals proposed have jointly at least 60 years' experience in **public sector and private sector** internal audits		16
	- The professionals proposed have jointly at least 40 years' experience in **public sector and private sector** internal audits		12
	- The professionals proposed have jointly at least 20 years' experience in **public sector and private sector** internal audits.		8
	- The professionals proposed have jointly less than 10 years' experience in **public sector and private sector** internal audits		4
6.3.4.	**Internal audit objectives, scope of work and capacity of the bidder**	**30**	
	A detailed comprehensive proposed three-year plan of action with achievable milestones to achieve the objectives of the internal audit. This plan should cover short, medium and long-term objectives. The bidder must submit a resource plan, including the structure of the core teams to be committed to the NHC; as well as demonstrate that they have the appropriate resources and tools to execute the plan. Points will be allocated based on the information provided in the project which must address the scope of work as indicated, including timeframes, achievable milestones and value-added services.		
	- A detailed comprehensive proposed three-year plan with clearly defined achievable milestones, with value-added services incorporated		30
	- A detailed comprehensive proposed three-year plan of action failing to address one aspect of the requirements		25
	- A proposed three-year plan of action that fails to meet the requirements or not addressing the needs of the NHC		0
6.3.5.	**Professional membership**	**10**	
	The bidder and its directors must submit evidence of its and their registration with a relevant accredited professional		

No	Functional / Technical Evaluation criteria	Weighted score	Points Allocated
	body (latest proof of current registrations as indicated in point 4). The professional membership will be scored based on the number of professional memberships which must include, at least, the IIA.		
	- The IIA, ISACA, SAICA, IRBA, IRMSA and ACCA including relevant internal audit experience		10
	- IIA plus 4 professional bodies with relevant internal audit experience		8
	- IIA plus 3, with relevant internal audit experience		6
	- Other recognized professional membership with relevant internal audit experience		2
6.3.6.	**Geographic reach of the service provider**	**10**	
	The bidder must demonstrate by providing work methodology plan that will be used to service the NHC. The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities, effective well-practiced project management process and technology capabilities to audit remotely.		
	- The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 90% of the functions		10
	- The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 70% of the functions		8
	- The work methodology plan demonstrate that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to audit remotely at least 50% of the functions		6
	- Work method plan demonstrate that the bidder has no practiced project management process and no technology capabilities to audit remotely		1
	Total	**100**	

Bidders who fail to obtain a minimum score of 70% on functionality will not be considered for further evaluation of price and preference points 2022.

6.3. PHASE 3 – EVALUATION ON PRICE AND PREFERENCE POINTS AS PER THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

All quotations will be evaluated based on compliance with compulsory requirements, compliance with specifications / Terms of Reference and the 80/20 preference point system prescribed by the Preferential Procurement Policy Framework Act 5 of 2000 and its Regulations. The lowest acceptable price will score 80 points; the 20 points according to the specific goals will be allocated as follows:

No	Price and Strategic Goals Evaluation Criteria	Weight	Points allocated
6.3.1.	**Price**		**80**
	Bidders must submit a comprehensive and detailed line-item (VAT inclusive) budget, as well as proposed hours and rates of personnel involved with reference to different levels of proposed resources to be utilized and an estimate of the recoverable expenses. (Pricing guide in 9.4 is applicable).		
6.3.2.	**Preference points**		**20**
	The promotion of entities that are B-BBEE compliant. Points will be allocated as follows: - Level 1 B-BBEE level of Contribution – 5 points - Level 2 B-BBEE level of Contribution– 4 points - Level 3 B-BBEE level of Contribution – 3 points - Level 4 B-BBEE level of Contribution – 2 points - Level 5 to 8 B-BBEE level of Contribution – 1 point - Level 9 – non-contributor - 0 points Only bidders that submit a valid current certified copy of the B-BBEE Certificate or original B-BBEE certificate issued by the verification agency accredited by SANAS or Sworn Affidavit signed by the EME representative and attested by a Commissioner of Oaths i.r.o (EMEs), will be considered for scoring.	5	
	The promotion of SMME's	5	
	The promotion of woman owned enterprises - 100% women owned – 5 points - 50% – 99% women owned – 2.5 points - 1% - 49% women owned - 1 point - Not women owned – 0 points	5	
	The promotion of youth owned enterprises - 100% youth owned – 5 points - 50% – 99% youth owned – 2.5 points - 1% - 49% youth owned - 1 point - Not youth owned – 0 points	5	
	Total achievable score		**100**

<u>The formula for the calculation on the price and strategic goals as per the 80/20 principle will be performed as per the following formula:</u>

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

The bidder who complies with all the requirements and scored the highest points, will be considered for appointment.

7. BROAD-BASED BLACK ECONOMIC EMPOWERMENT

7.1. Broad-Based Black Economic Empowerment refers to the Broad-Based Black Economic Empowerment Act, 2003 (Act no. 53 of 2003) and the Codes of Good Practice issued by the Department of Trade and Industry.

NB: Original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a verification agency accredited by the South African National Accreditation System ("SANAS"). In the case of Exempt Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs), an affidavit is to be submitted.

7.2. In the event of a Joint Venture or Consortium(s) / primary bidder, the following requirements will apply:

7.2.1. Bidders who wish to respond to this bid as a Joint Venture (JV) or consortium with strategic goals entities / primary bidder with a subcontractor must state their intention to do so in their tender submission. Such bidders must also submit a signed JV / consortium / subcontracting agreement between the parties clearly stating the percentage (5) split of business (Internal audit fee and work) and the associated responsibilities of each party.

7.2.2. If such a JV or consortium is unavailable, the directors must submit confirmation in writing of their intention to enter into a JV / consortium / subcontracting agreement should they be awarded business by NHC through this tender process. This written confirmation must clearly indicate the percentage (%) split of business (internal audit fee and work) and the responsibilities of each party. In such cases, before contracting, a signed copy of a JV / consortium must be submitted to NHC.

7.2.3. A consortium or joint venture must submit a valid consolidated strategic goals status level verification certificate.

8. PRICING

8.1. Service Providers shall be required to submit pricing for a period of 36 months. The Proposed fee structure must be based on the following:

- Total hours for the duration of the contract (36 months)

- Average hourly rate
- Reimbursement costs such as telephone, travel, stationery, and printing

8.2. All prices quoted are to be in South African Rand (ZAR) and inclusive of Value Added Tax (VAT).

8.3. This is a fixed price tender. No change in the prices submitted shall be considered after the closing date of the bid or after receipt of the response to the bid submission within the validity period of the bid.

8.4. Service providers shall submit a detailed quotation. Failure to submit a detailed quotation will result in the proposal to be considered as a non-responsive quotation.

8.5. The service provider is required to duplicate this table on their company letterhead and submit a quotation accordingly.

8.6. The NHC reserves the right to transfer hours per area that were not utilized to another area and/or to year 2 and year 3 with no additional cost implications to the NHC.

8.7. Prices must include VAT, it if is applicable and all other costs related to the execution of the required services.

8.8. The Bidder agrees not to change the price with VAT or any other TAX subsequent to submitting the tender. This includes subsequent VAT registration.

8.9. Bidders shall ensure that the bid price is valid for the duration of the project.

8.10. The Bidders shall include with the “Financial Proposal” an implementation plan linked to the pricing as per the pricing guide. No services may be rendered without the acceptance of the implementation plan for a NHC purchase order to be issued. No services may be rendered without a purchase order.

8.11. The bidder shall reflect service discounts that they will offer throughout the contract duration.

8.12. The quotation must make provision for the following estimates on the company letterhead or be included in the proposal:

No	Description	Year 1			Year 2			Year 3		
		Estimated hours	**Rate per hour (Incl VAT)**	**Total (Incl VAT)**	**Estimated hours**	**Rate per hour (Incl VAT)**	**Total (Incl VAT)**	**Estimated hours**	**Rate per hour (Incl VAT)**	**Total (Incl VAT)**
i)	Audit of Pre-Determined Objectives/Performance information									
ii)	Living Heritage									
iii)	Resistance, Liberation, Heritage and Route (R & LHR)									
iv)	Human Resource Management									
v)	Occupational Health and Safety									
vi)	Information and Communications Technology (ICT)									
vii)	Grant Funding									
viii)	Records Management									
ix)	New Business development									
x)	Supply Chain Management									
xi)	Contract Management									
xii)	Internal Financial Controls Review									
xiii)	Financial Management									
xiv)	Stakeholder Management									

No	Description	Year 1			Year 2			Year 3		
		Estimated hours	Rate per hour (Incl VAT)	Total (Incl VAT)	Estimated hours	Rate per hour (Incl VAT)	Total (Incl VAT)	Estimated hours	Rate per hour (Incl VAT)	Total (Incl VAT)
xv)	Review of financial statements									
xvi)	Legal Services									
xvii)	Review of Internal Audit Charters									
xviii	Development of a 3-year rolling audit plan									
xix)	Annual plan									
xx)	Risk assessment									
xxi)	Business continuity									
xxii)	Governance and Risk Management									
xxiii	Review of the Annual Performance Plan									
xxiv	Adhoc services as requested by Audit Committee									
xxv	Investigation report on Irregular expenditure, Fruitless and Wasteful Expenditure and any other non-compliance that resulted into financial loss									
	Disbursements									
	Total bid offer for a period of 36 months									

IMPORTANT:

Bidders that failed to submit the proposal as per the provided table, will not be considered and the bid offer will be regarded as a non-responsive bid.

8.13. The estimated hours must be indicated and the applicable cost.

8.14. The NHC will only pay for actual hours worked.

8.15. The successful supplier will be required to work at the NHC offices as per the official working hours of the NHC.

8.16. At least two (2) auditors must be on site.

9. SERVICE LEVEL AGREEMENT

The successful service provider will be required to sign a service level agreement for the duration of the contract. No service may be rendered unless an official purchase order was issued and/or the Service Legal Agreement has been signed.

10. BID SUBMISSION

The completed bid submissions reflecting the bid number and the name of the bidder must must be submitted on the eTender portal at www.etenders.gov.za or via email to tenders@nhc.org.za. The email address is an unattended email used for the submission of bid proposals only. No other submissions will be accepted.

Emailed bid proposals must include in the subject line, the bid number and the bid name / project name applicable to this bid document. The name of the bidder must appear in the email address as well as the contact information. NHC reserves the right to communicate with the bidder via email if the attached document(s) cannot be opened.

Enquiries must be directed via email to c.vanhuyssteen@nhc.org.za, cc procurement@nhc.org.za with the heading that includes the bid number and bid name in the subject line as well as the bidder name in the email.

Bid proposals must be submitted on the eTender portal or via email as stated above not later than the following date and time:

Closing date: **14 June 2024**

Time: **11:00am**

11. LATE SUBMISSION

Bid documents submitted after the closing time and date, will not be considered. **No submissions sent by hand or facsimile will be accepted.** Bid proposals must reach the NHC via eTender or email by no later than the indicated date and time.

Late bid proposals will not be accepted.

12. LEGISLATIVE FRAMEWORK OF THE BID

The following legislation, but not limited to, the following must be adhered to:

12.1 The Constitution of the Republic of South Africa;

12.2 Public Finance Management Act, 1999 (Act no 1 of 1999) as amended by Act 29 of 1999 (PFMA);

12.3 The Treasury Regulations (TR) issued in terms of the PFMA;

12.4 The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (ISPPIA); and

12.5 The COSO framework on internal control, as well as the risk management framework

13. COMPLIANCE WITH GENERAL CONDITIONS OF CONTRACT

No alteration, variation or amendment of the Contract (of which this bid represents the offer) shall be permitted unless otherwise agreed to in writing. Should the prospective bidder, in the case of non-compliance, with to make any amendments to the conditions stipulated by the NHC in this bid, which shall form the offer element of a Contract and if it is accepted by the NHC, then such proposed amendments shall be clearly stipulated by the prospective bidder and where possible, stating the increase or decrease in the cost involved by such proposals. The NHC reserves the right to reject such submissions.

Misrepresentation of facts will result in disqualification and cancellation of the Contract.

14. NATIONAL HERITAGE COUCIL LIABILITY

The NHC does not bind itself to accept the lowest or any bid proposal, nor to assign any reason for the rejection of a bid proposal, not shall it be responsible for or pay expenses or losses that may be incurred by the prospective bidder in the preparation and delivery of its submission.

15. SUBMISSION ACCEPTANCE

No submission shall be deemed to have been accepted, unless and until a formal appointment letter is issued to the successful bidder. Submissions shall remain open for acceptance by the NHC for a period of 90 (ninety) days from the date on which they are returnable in terms of this bid.

16. TERMS OF ENGAGEMENT

16.1 The successful bidder shall not take more than one (1) month from date of bid award unless otherwise indicated and agreed between the bidder and the NHC.

16.2 The bidder shall be available for consultation with the NHC representative.

16.3 The Bidder shall manage confidential all data, information and insights gained in execution of work for the NHC.

16.4 NHC retains the right to negotiate with the successful bidder for partial execution of the proposal.

16.5 NHC retains the right to enter into a non-exclusive agreement with bidders that do not restrict the procurement of goods and services from other service providers.

16.6 NHC retails the right to require the bidder to obtain permission in writing from the NHC prior to replacement of individuals proposed for execution of the bid.

16.7 The proposals presented are to be as comprehensive as possible and NHC reserves the right to request the Bidder to provide more details.

16.8 Bidders shall adhere to the conditions stipulated in the General Conditions of Contract as prescribed by the National Treasury.

16.9 Bidders must ensure that the complete bid document is submitted with all additional required information and any other documents that the bidder wishes to supply to substantiate or clarify specific aspects in the proposal.

17. CONTENTS OF THE SUBMISSION

The bid proposal must be structured in accordance with the requirements stipulated in this bid document, following the guideline as set below:

17.1 Company information, track record and relevant documentation. The bid proposal must include all relevant information about the bidder, which is thought appropriate to assist the NHC to assess its capabilities, capacity, outputs, value adding abilities, competitive advantage, etc.

17.2 Expertise and capacity of the bidder

17.3 Accredited professional membership

17.4 Quality control

17.5 Resource planning

17.6 Core management team proposed

17.7 The breakdown of the complete terms of reference with associated cost.

17.8 All Standard Bidding Documents (SBD) completed and signed.

18. AMPLIFICATION OF SUBMISSIONS

The NHC may, after the opening of submissions, call on the prospective bidder to amplify in writing any matter which is not clear in the prospective bidder's submission and such amplification shall form part of the original submission. In the event of the prospective bidder failing to supply such information, the submission will be liable to rejection.

19. COST OF PROPOSAL

Bidders shall bear the cost associated with the preparation and submission of their proposals, the NHC will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bid.

20. BID DOCUMENTS

This document in its entirely serves as the complete bid document. Proposals offering only part of the requirements will be rejected. The bidder is expected to examine all corresponding instructions, forms, terms and specifications contained in this document. Failure to comply with these documents will be at the Bidder's risk and may affect the evaluation of their proposal.

21. DOCUMENTS COMPRISING THE PROPOSAL

In preparing the technical and price components of the submissions, all references to descriptive material and brochures should be included in the appropriate response paragraph, although material documents themselves may be provided as annexes to the proposal / response. Bidders are requested to focus on the provision of relevant information and to limit the amount of marketing and "boilerplate" material. The successful bidder's proposal may be incorporated in whole or in part in the final contract. Any information that the Bidder considers propriety should be marked as such.

22. INFORMATION

Information that the bidder considers propriety, if any, should be clearly marked "propriety" next to the relevant part of the text and it will be treated as such accordingly.

23. PERIOD OF VALIDITY

Proposals shall remain valid for hundred-and-twenty (120) days after the date of proposal submission. A proposal valid for a shorter period may be rejected by the NHC on the grounds that it is non-responsive.

In exceptional circumstances, the NHC may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing.

24. INTERLINEATIONS

A proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the bidder, in which case such corrections shall be initiated by the person or persons signing the proposal.

25. PAYMENTS

The successful bidder shall be paid upon submission of an invoice for each transaction of satisfactory work detailed in the scope.

26. DUE DILIGENCE EXERCISE

The NHC reserves the right to perform due diligence exercise for the purpose of appointing a credible bidder.

27. CANCELLATION OF THE BID

The NHC reserves the right to cancel the bid at any time of the process should be recommended bidders fail to meet the requirements of the bid.

28. SITE INSPECTION

The NHC reserves the right to conduct a site inspection to the premises of the recommended bidder and/or the recommended bidder's clients at any given time.

29. SUB-CONTRACTING / JOINT VENTURE BUSINESS

Bidders must ensure that both / all bidders submit their tax compliant pin numbers, standard bidding documents and Central Supplier Database report.

The bid must be clear where it is submission by an individual company or Joint Venture or where sub-contracting is done. The agreements must be included and be specific to this bid document. The following, but not limited to, must be included:

27.1. Name of the companies in the Joint Venture

27.2. Tender number and tender description

27.3. Purpose of the agreement

27.4. Names and addresses of members

27.5. Roles and responsibilities / Duties and obligations in terms of this bid for each party

27.6. Percentage share of the work performed

27.7. Start and ending date of the joint agreement

27.8. Resources allocated to this project by each party

27.9. Voting and formal meeting requirements

27.10. Profit or loss allocation

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*NAME OF DEPARTMENT/ PUBLIC ENTITY*)					
BID NUMBER:	**NHC/02/05/2024**	CLOSING DATE:	**2024-06-14**	CLOSING TIME:	**11:00am**
DESCRIPTION	**RENDERING OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 36 MONTHS**				
BID RESPONSE DOCUMENTS MAY BE SUBMITTED TO THE FOLLOWING ONLINE MEDIUMS					
eTender portal www.etender.gov.za					
Email tenders@nhc.org.za					

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	**Ms. Corné van Huyssteen**	CONTACT PERSON	**Ms. Mathabiso Chamane**
TELEPHONE NUMBER	**012 748-3949**	TELEPHONE NUMBER	**012 748-3949**
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS	c.vanhuyssteen@nhc.org.za procurement@nhc.org.za	E-MAIL ADDRESS	m.chamane@nhc.org.za

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELL PHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR**	CENTRAL SUPPLIER DATABASE No:	MAAA

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES 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, 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 (SBD7).**
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: …………………………

PRICING SCHEDULE

(Professional Services)

NAME OF BIDDER: ……………………………………………………………………BID NO.: **NHC/02/05/2024**

CLOSING TIME 11:00am CLOSING DATE: **2024-06-14**

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)

1. The accompanying information must be used for the formulation of proposals.

2. 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…………………………………………………………….
.

3. 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

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

5.1 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……..………
	TOTAL: R……………………………………………		

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

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
---	………………	…………….	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.

……………………………………………………………

……………………………………………………………

……………………………………………………………

……………………………………………………………

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA

Tel: 012-748-3949

Or for technical information –

Ms. Mathadiso Chamane

E-mail: m.chamane@nhc.org.za cc procurement@nhc.org.za

SBD 4

BIDDER'S DISCLOSURE

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**

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.

2.2 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:

………………………………………………………………………………………

………………………………………………………………………………………

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**

2.3.1 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:

1.1 I have read and I understand the contents of this disclosure;

1.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

1.3 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.

1.4 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.

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.

1.5 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.

1.6 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.

1.7 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 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

SBD 5

This document must be signed and submitted together with your bid

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works or services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

1. PILLARS OF THE PROGRAMME

1.1. The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US$ 10 million or other currency equivalent to US$ 10 million will have a NIP obligation. The threshold of US$ 10 million can be reached as follows:

(a) Any single contract with imported content exceeding US$ 10 million.

or

(b) Multiple contracts for the same goods, works or services each with imported content exceeding US$ 3 million awarded to one seller over a 2-year period which in total exceeds US$ 10 million.

or

(c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US$ 10 million.

or

(d) Multiple suppliers of the goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US$ 3 million worth of goods, works or services to be the same government institution, which in total over two (2) year period exceeds US$ 10 million.

1.2. The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30% of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.

1.3. To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

1.4. A period of seven years has been identified at the time frame within which to discharge the obligation.

2. REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in exceed of **R 10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose for reporting details of contracts in excess of the amount of R 10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1 (b) to 1.1 (d) above.

3. BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

3.1. Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

3.2. In order to accommodate multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in exceed of R 10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number
- Description of the goods, works or services
- Date on which the contract was accepted
- Name, address and contact details of the government institution
- Value of the contract
- Imported content of the contract, if possible.

3.3. The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr. Elias Malapane within five (5) working days after award of the contract. Mr. Malapane may be contacted on telephone (012) 394-1401, facsimile (012) 394-2401 or email at Elias@thedti.gov.za for further details about the programme.

4. PROCESS TO SATISFY THE NIP OBLIGATION

4.1. Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

a. The contractor and the DTI will determine the NIP obligation;
b. The contractor and the DTI will sign the NIP obligation agreement;
c. The contractor will submit a performance guarantee to the DTI;
d. The contractor will submit a business concept for consideration and approval by the DTI;

e. Upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
f. The contractor will implement the business plans; and
g. The contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2. The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid Number: **NHC/02/05/2024** Closing date: **2024-06-14**

Name of Bidder: ____

Postal address: ____

____

Signature: ____________________ Name (in print): _____________________

Date: _______________________

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

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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**

(*delete whichever is not applicable for this tender*).

a) The applicable preference point system for this tender is the 80/20 preference point system.

b) The 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:

	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**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \quad \text{or} \quad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

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	$$Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

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 organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each

***preference point system.*)**

The specific goals allocated points in terms of this tender	**Number of points allocated (80/20 system) (To be completed by the organ of state)**	**Number of points claimed (80/20 system) (To be completed by the tenderer)**
B-BBEE level of contribution - Level 1 – 5 points - Level 2 – 4 points - Level 3 – 3 points - Level 4 – 2 points - Level 5 to 8 – 1 point - Level 9 – 0 points	5	
The promotion of SMME's	5	
The promotion of woman owned enterprises: - 100% women owned – 5 points - 50 – 99% women owned – 2.5 points - 1 – 49% women owned – 1 points - None – 0 points	5	
The promotion of youth owned enterprises: - 100% youth owned – 5 points - 50 – 99% youth owned – 2.5 points - 1 – 49% youth owned – 1 point - None – 0 points	5	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm…………………………………………………………….………………

4.4. Company registration number: …………………………………………………………...

4.5. 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]

4.6. 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: ………………………………………………………
ADDRESS: ………………………………………………………
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………………………………………………………
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