



**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	COGHSTA B003/26-27FY	CLOSING DATE:	03 NOVEMBER 2026	CLOSING TIME:	11H00
DESCRIPTION	APPROVAL FOR THE ESTABLISHMENT OF A PANEL OF FIVE (5) AUDIT FIRMS TO RENDER PROBITY AUDIT SERVICES TO LIMPOPO DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS (COGHSTA) IN THE PROCUREMENT OF INFRASTRUCTURE SERVICES, GOODS AND SERVICES FOR THIRTY-SIX (36) MONTHS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
20 RABE STREET					
HENSA TOWERS					
POLOKWANE					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	PHIRI JM		CONTACT PERSON	DOLO LJ	
TELEPHONE NUMBER	015 294 2140		TELEPHONE NUMBER	015 294 2232	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	phirijm@coghsta.limpopo.gov.za		E-MAIL ADDRESS	dololj@coghsta.limpopo.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE 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: COGHSTA B003/26-27FY
CLOSING TIME 11:00	CLOSING DATE: 03 NOVEMBER 2026

OFFER TO BE VALID FOR **240** 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
	.....	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 contributions and skills development levies.

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Name of Bidder:

- 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]

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:

- 3.1 I have read, and I understand the contents of this disclosure.
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect.
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement, or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

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.



- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements, or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 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

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THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 "Day" means calendar day.
 - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
 - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
 - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

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7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

- | | |
|---|---|
| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p> |
| 17. Prices | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p> |
| 18. Contract amendments | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p> |
| 19. Assignment | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p> |
| 20. Subcontracts | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p> |
| 21. Delays in the supplier's performance | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the</p> |

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

**24. Anti-dumping
and countervailing
duties and rights**

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Js General Conditions of Contract (revised July 2010)

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LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
**CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS**

TERMS OF REFERENCE

**FOR THE ESTABLISHMENT OF A PANEL OF FIVE (5)
AUDIT FIRMS TO RENDER PROBITY AUDIT SERVICES TO
LIMPOPO DEPARTMENT OF CO-OPERATIVE
GOVERNANCE, HUMAN SETTLEMENT AND
TRADITIONAL AFFAIRS (COGHSTA) IN THE
PROCUREMENT OF INFRASTRUCTURE SERVICES,
GOODS AND SERVICES FOR THIRTY-SIX (36) MONTHS**

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TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A PANEL OF FIVE (5) AUDIT FIRMS TO RENDER PROBITY AUDIT SERVICES TO LIMPOPO DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS (COGHSTA) IN THE PROCUREMENT OF INFRASTRUCTURE SERVICES, GOODS AND SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS.

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TERMS OF REFERENCE FOR THE ESTABLISHMENT OF A PANEL OF FIVE(5) AUDIT FIRMS TO RENDER PROBITY AUDIT SERVICES TO LIMPOPO DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENT AND TRADITIONAL AFFAIRS (COGHSTA) IN THE PROCUREMENT OF INFRASTRUCTURE SERVICES, GOODS AND SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS.

1. PURPOSE

- 1.1. To contract a panel of audit firms to conduct probity audit services to the Department of Co-operative Governance, Human Settlement and Traditional Affairs (The Department) in the procurement of infrastructure service, goods and services required and planned for a period of thirty-six (36) months.

2. BACKGROUND

- 2.1. The Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) promotes economy, efficiency, effectiveness, and transparency in the use of state resources and one of its key objectives is to eliminate waste and corruption in the use of public resources.
- 2.2. Limpopo Department of Co-operative Governance Human Settlement and Traditional Affairs has a responsibility to drive financial management discipline including the promotion of a good public procurement system that ascribes to the principles of Section 217 of Constitution, i.e., fairness, integrity, transparency, efficiency, competition, and equity ensuring that Accounting Officer's undertake the procurement process in line with Section 217 of the Constitution.
- 2.3. It is imperative that the Department of Co-operative Governance Human Settlement and Traditional Affairs provide independent assurance that the procurement processes followed are transparent and compliant to the PFMA, Preferential Procurement Policy Framework Act (PPPFA) and all Supply Chain Management (SCM) related legislative requirements.
- 2.4. The Department is embarking on the open tender process that goes beyond the legislative requirements and consequently seeks independent audit firms to quality review these processes to ensure its compliance.

3. GOAL OF THE PROJECT

- 3.1. The panel of audit firms are expected to provide probity audit services and quality assure the compliance with procurement processes (open tender process) from specifications to adjudication. The probity audit services will provide assurance whether procedures followed are consistent with appropriate regulations, instructions note, guidelines and best practice principles of openness and transparency. The probity auditors will report any act or omission they have observed in a tendering process that affects, or may affect, its integrity. Probity auditors will have full and free access to all aspects of the process they are engaged to audit.

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4. STAKEHOLDERS

- 4.1. The Department of Co-operative Governance, Human Settlement and Traditional Affairs is responsible for providing services to all the branches which are listed below:
- 4.1.1. Branch: Financial Management Services.
 - 4.1.2. Branch: Corporate Services.
 - 4.1.3. Branch: Traditional Affairs.
 - 4.1.4. Branch: Integrated Sustainable Human Settlement.
 - 4.1.5. Branch: Co-operative Governance.

5. SCOPE OF WORK

- 5.1. The Limpopo Department of Co-operative Governance, Human Settlement and Traditional Affairs procurement spans across various branches of which the key requirements are infrastructure services, goods, and services.
- 5.2. The work of the audit firms will be depended on the projects that are on the departmental procurement plan through which the competitive bidding process is embarked.
- 5.3. The probity audit firms may subject projects above R1 million procured through competitive bidding process for independent review.
- 5.4. The appointed panel of audit firms are expected to audit the competitive bidding process using auditors that are adequately skilled in the work required as well as experienced in Auditing of Supply Chain Management, Internal Auditing, Governance and Risk Management. The minimum resources required per project are:
- 5.4.1. One (1) x Audit Manager (Project Manager) and
 - 5.4.2. Two (2) x Auditors.
- 5.5. The probity audit process must provide quality assurance of the process implemented from specification to the adjudication report ensuring the following compliance areas are adequately addressed in each step of the process:
- 5.5.1. Regulatory Compliance
 - 5.5.2. Administrative Compliance
 - 5.5.3. Compliance with Supply Chain Management prescripts and processes.
 - 5.5.4. Internal controls
 - 5.5.5. Governance arrangements

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6. DELIVERABLES

6.1. PROBITY REPORTS: (REPORTS SUBMISSION):

6.1.1. The following Audit Reports listed below (6.1.2) shall be produced, detailing how the process was implemented and consistent in line with the terms of reference (TOR). Furthermore, audit findings with possible root causes, recommendations and conclusion(s) per each project is provided to the Department to improve risk management, control and governance processes.

6.1.2. Each report must provide assurance of the phase that was audited as it is completed.

- a. The Tender Publication and Closing Report produced within **Three (3) days** after formal handover of the actual project. This report includes minutes from the briefing sessions and closing /opening procedure observed by the Bid Evaluation Committee, Supply Chain Management Unit(secretariat) and Bid Adjudication Committee.
- b. The Specification Report produced within **five (5) days** after formal handover of the actual project. The segment of the report will be shared with the Bid Specification Committee, Supply Chain Management Unit and Bid Adjudication Committee, where applicable.
- c. The Evaluation Report produced within **Ten (10) days** upon completion of the evaluation detailing each phase of the evaluation process with reasons for each bidders' outcome in the evaluation (depending on the complexity of the project). The report must be accompanied by an audit file. The report must be submitted to the Bid Evaluation Committee, Supply Chain Management Unit (secretariat) and Bid Adjudication Committee.
- d. The Final Probity Audit Report issued within **five (5) days** after the review and verification of the BEC report. The report must be submitted to the Bid Evaluation Committee, Supply Chain Management Unit (secretariat) and Bid Adjudication Committee. (Timeframes may be adjusted by mutual agreement depending on the complexity of the procurement).

6.1.3. Project Close Out meetings with the Director: Internal Control and Compliance when the final report is issued. The report must be submitted to the Supply Chain Management, BEC, BAC and HOD. The Director: Internal Control and Compliance or his/her representative will issue the final report based on the departmental protocol.

6.2. PROBITY ADVISORY SERVICES TO BE PROVIDED:

6.2.1. Quality assures the Bid Committees process:

- a. Reviewing the bid committees' structure and all related governance requirements for the sitting of the committee

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- b. Review the specifications and terms of reference ensuring the evaluation and adjudication criteria and evaluation methods are fair, transparent, competitive, and cost effective.
- c. Review the specifications and terms of reference to ensure compliance with all applicable laws and regulations under administrative and mandatory compliance.

6.2.2. Attend and observe the briefing session (where applicable)

6.3. PROBITY AUDIT SERVICES

6.3.1. Attend and Observe the Tender closure/opening session (if applicable).

6.3.2. Audit and Quality Assure the bid evaluation process:

- a. 3rd party accreditation(s) review
- b. Administrative Compliance
- c. Functionality/Technical Scoring
- d. Attend and audit site visits (where applicable)
- e. Audit the pricing and preference process.

7. QUALIFICATIONS AND EXPERIENCE REQUIREMENTS

7.1. Bidders must provide evidence on company experience:

7.1.1 Proof of registration with professional body for the company must be submitted.

7.1.2 Demonstrate the proven experience in Conducting Public Sector Auditing, Governance and Risk Management

- a. Either an Appointment letter, Purchase Order or contract on the letterhead(s) of client/contracting party(s) for the Probity Audit work done by the company over the years of their probity audit services, must be submitted. Accompanied by:
 - Attach reference letters that indicate the following information (Client / Contracting party(s) details, Project Description, Start Date and Completion date). All these should be on the letterhead(s) of client/contracting party(s).

NB: Public Sector Probity Auditing refers to outsourced audit work in any of the three spheres of government including chapter 9 institutions. An example could be commissioning of work by the office of the Auditor General of South Africa or conducting of Forensic Audit in the Departments or Municipalities or the entities thereof.

7.2. At least one of the directors must submit the following:

7.2.1. Copy of proof of designation with either Chartered Accountant {CA (SA)}, Professional Accountant {PA (SA)}, Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA), must be submitted.

7.2.2. Copy of proof of registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA) or Institute of Internal Auditors South

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Africa (IIASA) or South African Institute of Professional Accountants (SAIPA), must be submitted.

7.3. Bidders must provide evidence of set of team qualifications, specialized skills and experience:

7.3.1. AUDIT MANAGER (PROJECT MANAGER)

- a. Designation with either Chartered Accountant {CA (SA)}, Professional Accountant {PA, (SA)}, Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA)
- b. Minimum of 5 years' experience in Probity Auditing in Public Sector.
- c. Registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA) or Institute of Internal Auditors South Africa (IIASA) or South African Institute of Professional Accountants (SAIPA).

7.3.2. AUDITORS

- a. Designation with either Certified Fraud Examiner (CFE); Internal Audit Technician (IAT) or Registered Government Auditor (RGA).
- b. Minimum of 3 years working experience in Probity Auditing in Public Sector.
- c. Registration with the Professional Body - Institute of Internal Auditors South Africa (IIASA); South African Institute of Government Auditors (SAIGA) and Association of Certified Fraud Examiners (ACFE).

NOTE:

Bidder/s must attach certified copies of the qualifications, designations and professional body registrations with CVs of the professionals who will be assigned to the project. Furthermore, it will be expected that in each project the resources designated as Audit Manager (Project Manager) and the two Auditors will be part of the probity audit team deployed in each project with the relevant qualifications and professional body consistently. If the resources used by the bidders during the bidding process qualify for the panel are no longer available, equivalent, with similar experience and qualifications must be put forward to perform the work. Copies of the replacements' qualifications and professional body registrations with CVs must be submitted. The focus will be on the experience and qualifications submitted by the resource. This will be strictly monitored.

8. TRANSFER OF SKILLS

- 8.1. The appointed panel of audit firms will work closely with COGHSTA officials to provide oversight into the SCM process and transfer of skills for continuity of probity auditing skills until the expiry of contract.
- 8.2. Feedback at the end of the project will be documented for the transfer of skills areas to internal officials involved in the probity services.

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9. DURATION

- 9.1. The appointment of a panel of audit firms to provide probity audit services to COGHSTA in the procurement of infrastructure services, goods and services will be for a period not exceeding thirty-six (36) months

10. APPLICABLE LEGISLATIONS, FRAMEWORKS AND POLICIES

- 10.1. CoGHSTA derives its mandate with regards to Supply Chain Management mainly from the legislation and frameworks applicable to public sector. Below are some of the prescripts:

10.2. Enabling Legislation

- a. The Constitution of the Republic of South Africa (1996)
- b. The Public Finance Management Act (PFMA), 1 of 1999 (updated April 2013)
- c. The National Treasury Regulations (2005)
- d. The Preferential Procurement Regulations (2017)

- 10.3. The mandate derived from the above legislation requires COGHSTA to monitor compliance with the implementation of SCM legislations and prescripts to further aid all stakeholders and support where gaps are identified.

- 10.4. The independent audit aims to enhance the role of assurance services provision in fulfilling this mandate.

11. COUNTRY OF ORIGIN

- 11.1. All services shall be rendered by South African companies that are registered with Companies and Intellectual Property Commission (CIPC).

12. GENERAL CONDITIONS

- 12.1. General conditions of bid will be stipulated in Annexures of the Request for Proposal (RFP) pack.

- 12.2. Special Conditions of Contract under RFP document, the bidder confirms that he/she has read, understood, and accepted the special conditions of contract, which are attached as an Annexure of the tender document.

- 12.3. Fees for services rendered will be payable in South African rand on presentation of a probity report after successful completion of each project. Fees are limited to the Auditor General South Africa consultancy rates published annually (*SAICA Rates*).

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- 12.4. Invoice Submission and Tracking as per Section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3 regulates the Payment to suppliers within 30 days of invoice receipt.
- 12.5. The Departments will be applying a competitive bidding process within the panel to procure a suitable service provider. Therefore, all audit firms appointed under the panel will be subjected to Request for Proposal for each tender / project as required by the Department.
- 12.6. Price and Specific Goals will be considered during the Request for Proposal(s) stage.
- 12.7. The allocation of projects within the database will be on a rotational basis. Each audit firm will be limited to two projects per cycle.

13. CONFLICT OF INTEREST

- 13.1 Preferred probity audit firms are required to divulge all potential threats to independence, including conflicts of interest or potential or presumed conflict of interest, at the time of offer or as soon as any conflict or potential or presumed conflict becomes apparent during the probity service engagement.
- 13.2 The probity audit firms are required to provide written assurance that he/she has no conflict of interest in the procurement, can remain objective and impartial throughout the engagement, and will provide notification of any conflict of interest, or compromise to independence, which arises during the probity engagement.
- 13.3 Should the Department identify any possible conflicts within the panel, the conflicted audit firms will be notified and be removed from that project where conflict of interest exists.
- 13.4 The Department reserves the right to appoint another audit firms should the probity auditor(s) in the panel be viewed to be conflicted in any way. If the Department is advised of any threat to independence that has risen during the probity service engagement, its impact on the engagement should be considered including how the threat will be managed.

14. PROFESSIONAL INDEMNITY INSURANCE

- 14.1 Professional indemnity cover is to be provided and maintained by the bidder(s). The bidder shall provide a certificate of proof of insurance within 14 days after inclusion in the database. A minimum Professional Indemnity cover of R1 million is required for the duration of the database from accredited financial institution(s). In case of Joint Venture/Consortium/Partnerships, each bidder must submit their own Professional Indemnity

15. BID EVALUATION CRITERIA

This Bid will be evaluated in terms of the Preferential Procurement Policy Framework Act (Act No. 5 of 2000), 2022 Regulation, Departmental Procurement Policy and related regulations as follows:

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The bid will be evaluated in two phases namely:

Phase 1: Bid Conditions (Phase 1a: Administrative Compliance and Phase 1b: Mandatory Compliance).

Phase 2: Technical/Functionality Evaluation.

The Department reserves the right to accept all, some, or none of the bids submitted – either wholly or in part.

NB: Bid documents must be returned in the original format. Do not rearrange.

15.1 PHASE 1a: Administrative Compliance

The following returnable documents and requirements should be adhered to and be provided in the proposals:

15.1.1 Completed and signed Standard Bid Document (SBD1) which forms part of the tender document.

15.1.2 SBD 3.3 which forms part of the tender.

NB: The successful bidders will be required to sign SBD 7.2 Contract form.

15.2 PHASE 1b: Mandatory Compliance

The following returnable documents and requirements must be adhered to and be provided in the proposals; failure to comply will result in an offer being disregarded and not considered for further evaluation:

15.2.1 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit separate required documents, any other clearance or registration forms.

15.2.2 In the case of a Joint Venture/Consortium/Partnerships submitting a tender, include the following:

a. joint venture agreement indicating the lead partner.

b. resolution by its members authorizing a member of the joint venture to sign the documents on behalf of the joint venture.

c. Both parties must submit proof of registration with professional body for the audit firm.

15.2.3 Proof of authority to sign on behalf of the bidder (e.g., company resolution) must be submitted.

15.2.4 Completed and signed Standard Bid Document (SBD4) which forms part of the tender document. (If the space provided for interest in **related enterprises (2.3.1.)** is insufficient, additional page must be attached, referenced as annexure).

a. Bidders should take note of clause no.3.3 to 3.6 of the SBD 4 form.

15.2.5 Proof of registration with professional body for the company must be submitted.

15.2.6 At least one of the directors must submit the following:

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- a. Copy of proof of designation with either Chartered Accountant {CA (SA)}, Professional Accountant {(PA (SA))}, Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA), must be submitted.
- b. Copy of proof of registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA) or Institute of Internal Auditors South Africa (IIASA) or South African Institute of Professional Accountants (SAIPA), must be submitted.

15.2.7 Audit Manager (Project Manager) required documents.

- a. Copy of proof of designation with either Chartered Accountant (CA), Professional Accountant (PA, SA), Certified Internal Auditor (CIA) or Professional Internal Auditor (PIA), must be submitted.
- b. Copy of proof of registration with the relevant professional body – either South African Institute of Chartered Accountants (SAICA) or Institute of Internal Auditors South Africa (IIASA) or South African Institute of Professional Accountants (SAIPA), must be submitted.

15.2.8 Auditor(s) required documents.

- a. Copy of proof of designation with either Certified Fraud Examiner (CFE); Internal Audit Technician (IAT) or Registered Government Auditor (RGA), must be submitted.
- b. Copy of proof of registration with the Professional Body either - Institute of Internal Auditors South Africa (IIASA); South African Institute of Government Auditors (SAIGA) and Association of Certified Fraud Examiners (ACFE), must be submitted.

15.2.9 Period of contract is for 36 months from appointment date.

15.2.10 This bid is subject to the General Condition of Contract (GCC).

15.2.11 Closing time and closing date for all bids is as indicated on SBD1. Bids received after the specified closing time on the closing date shall be regarded as late and will not be accepted.

15.2.12 Bids submission is as indicated on SBD1.

15.2.13 Bids submitted other than as indicated on SBD1 will not be considered.

15.2.14 Bidders must make use of the prescribed bid documents. Do not retype or copy.

15.2.15 Bid documents must be returned in the original format. Do not rearrange.

15.2.16 Use of correction pen is prohibited.

15.2.17 No amendments without initialing will be accepted.

15.2.18 The Department will not enter into a contract with service providers who are not registered on the Centralized Supplier Database (CSD).

15.2.19 Deviation from Specifications/Terms of Reference is not permitted.

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7.4. Phase 2: Technical Evaluation (Functionality)

100% (80 points) will be allocated for technical requirements in accordance with the following rating scale:

0 = Poor, 1 = Below Average, 2 = Average, 3= Good, 4= Very Good, 5 = Excellent

With regard(s) to functionality the following criteria will be applicable, and the maximum weight of each criterion is indicated hereunder:

Criteria A: Tenderer's experience			Points
Demonstrate the proven experience in Probity Auditing Services Either an Appointment letter, Purchase Order or contract on the letterhead(s) of client/contracting party(s) for the Probity Audit work done by the company over the years of their probity audit services, must be submitted. Accompanied by: • Attach reference letters that indicate the following information (Client / Contracting party(s) details, Project Description, Start Date and Completion date). All these should be on the letterhead(s) of client/contracting party(s). NB: Public Sector Probity Auditing refers to outsourced audit work in any of the three spheres of government including chapter 9 institutions. An example could be commissioning of work by the office of the Auditor General of South Africa or conducting of Forensic Audit in the Departments or Municipalities or the entities thereof.		Number of project(s) completed in Probity Auditing in Public Sector: Rating scale 5 (5 and more completed projects = 30 points) Rating scale 4 (4 completed projects = 24 points) Rating scale 3 (3 completed projects = 18 points) Rating scale 2 (2 completed projects = 12 points) Rating scale 1 (1 completed project = 6 points) Rating Scale 0 (0 completed project = 0 point)	30
Criteria B: Technical team or Resource Capacity and Capability			
Criteria	Qualifications	Relevant Work Experience	Points
Audit Manager (Project Manager)	CVs clearly indicating projects managed and minimum of 5 years' experience in Probity Auditing in Public Sector Proof of designation with either: - CA (SA), - PA (SA),	Experience as an Audit Manager (Project Manager) Rating scale 5 (9 years and above = 20 points) Rating scale 4 (8 but less than 9 year = 16 points) Rating scale 3 (7 but less than 8 years = 12 points) Rating scale 2 (6 but less than 7 years = 8 points)	20

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	- CIA, - PIA.	Rating scale 1 (5 but less than 6 years = 4 points) Rating scale 0 (0 but less than 5 years = 0 points)	
Criteria B: Technical team or Resource Capacity and Capability			
Criteria	Qualifications	Relevant Work Experience	Points
1 x Auditor	CVs clearly indicating projects managed and minimum of 3 years' experience in Probity Auditing in Public Sector Proof of designation with either: - CFE - IAT - RGA	Experience as an Auditor in Probity Auditing in Public Sector Rating scale 5 (7 years and above = 15 points) Rating scale 4 (6 but less than 7 year = 12 points) Rating scale 3 (5 but less than 6 years = 9 points) Rating scale 2 (4 but less than 5 years = 6 points) Rating scale 1 (3 but less than 4 years = 3 points) Rating scale 0 (0 but less than 3 years = 0 points)	15
1 x Auditor	CVs clearly indicating projects managed and minimum of 3 years' experience in Probity Auditing in Public Sector Proof of designation with either: - CFE - IAT - RGA	Experience as an Auditor in Probity Auditing in Public Sector Rating scale 5 (7 years and above = 15 points) Rating scale 4 (6 but less than 7 year = 12 points) Rating scale 3 (5 but less than 6 years = 9 points) Rating scale 2 (4 but less than 5 years = 6 points) Rating scale 1 (3 but less than 4 years = 3 points) Rating scale 0 (0 but less than 3 years = 0 points)	15
GRAND TOTAL			80

IMPORTANT NOTE:

A bid which scores less than sixty percent (60% or 48 points) in respect of the requirements in Technical or Functionality Evaluation will be deemed to be non-responsive.

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16. SERVICE LEVEL AGREEMENT

The Department will enter into a Service Level Agreement with the appointed Audit Firms.

17. SUBMISSION PROCEDURE

All bids must be submitted in the Bid Box @ 20 Rabe Street, Cnr Landdros Mare & Rabe Streets, Polokwane addressed to:

The Chief Director

Supply Chain Management

Department of Co-operative Governance, Human Settlements & Traditional Affairs

Private Bag X9485

Polokwane

0700

18. ENQUIRIES

Should additional information or clarification be required regarding the terms of reference before the closing date of bid, contact may be made through telephone or email with the following officials:

NAME	TELEPHONE	EMAIL ADDRESS
Technical Enquiries		
Dolo LJ	015 294 2232	DoloLJ@coghsta.limpopo.gov.za
Administrative Enquiries		
Phiri JM	015 294 2140	PhiriJM@coghsta.limpopo.gov.za
Peta MM	015 294 2154	PetaMM@coghsta.limpopo.gov.za

DBSC SIGNATURES

Chairperson

Deputy Chairperson

Member

Member

Member

HOD

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