

National Arts Council (NAC)

INVITATION FOR BID

YOU ARE HEREBY INVITED TO SUBMIT BIDS

Appointment of a service provider to provide Internal Audit Services to the National Arts Council for a period of three (3) years on the 80/20 PPPFA.

BID NUMBER	NAC 01-2024/25
CLOSING DATE	08 November 2024
CLOSING TIME	11h00 (no late, hand delivered and or facsimile will be accepted)
BID VALIDITY PERIOD	180 days (commencing from closing date 08 November 2024)
DESCRIPTION:	Appointment of a service provider to provide Internal Audit Services to the National Arts Council for a period of three (3) years on the 80/20 PPPFA.
<u>BID DOCUMENTS MAY BE ADDRESSED TO:</u> Supply Chain Management - Attention Esona Zandile supplychain@nac.org.za	

BIDS MUST BE EMAILED TO:

Bid documents are to be emailed to Supplychain@nac.org.za

File sent to be less than 10MB per email.

Conditions of the bid

- Bidders should ensure that bids are submitted in time to the correct email address. Late proposals shall not be accepted for consideration.

- All bids must be submitted on the official forms – (not to be re-typed)/ no alteration should be made on bid document
- This bid is inter alia subject to the general conditions of contract (GCC) and, if applicable, any other special conditions of contract.
- **Disclaimer: The NAC reserves the right not to make an appointment.
The NAC reserves the right not to accept the lowest quote received.**

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1. PURPOSE OF THE BID

The National Arts Council of South Africa (NAC) seeks to appoint a service provider to provide Internal Audit Services to the National Arts Council for a period of three (3) years on the 80/20 PPPFA.

2. ENQUIRIES

2.1 Should it be necessary for a bidder to obtain clarity on any matter arising from or referred to in this bid document, please refer your enquiries, in writing, to the contact person(s) listed below. NAC reserves the right to place responses to such queries on the website.

Esona Zandile	Telephone	(011) 838 1383
	E-mail	supplychain@nac.org.za

3. ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used in this proposal and must be similarly used in the proposal submitted in response and shall have the meaning ascribed thereto below.

Abbreviations/Acronyms	Description
BBBEE	Broad Based Black Economic Empowerment.
CPI	Consumer Price Index.
FDS	Functional Design Specification
HDI	Historically Disadvantaged Individuals
PPPFA	Preferential Procurement Policy Framework Act
RFB	Request for Bid
RSA	Republic of South Africa
NAC	National Arts Council of South Africa
SLA	Service Level Agreement

4. GENERAL RULES AND INSTRUCTIONS

4.1 Confidentiality

4.1.1 Some of the information contained in this document may be of a confidential nature, and must only be used for purposes of responding to this RFB. This confidentiality clause extends to bidder partners and/ or implementation agents, whom you may decide to involve in preparing a response to this RFB.

- 4.1.2 For purposes of this process, the term “Confidential Information” shall include all technical and business information, including, without limiting the generality of the foregoing, all secret knowledge and information (including any and all financial, commercial, market, technical, functional and scientific information, and information relating to a party’s strategic objectives and planning and its past, present and future research and development), technical, functional and scientific requirements and specifications, data concerning business relationships, demonstrations, processes, machinery, know-how, architectural information, information contained in a party’s software and associated material and documentation, plans, designs and drawings and all material of whatever description, whether subject to or protected by copyright, patent or trademark, registered or un-registered, or otherwise disclosed or communicated before or after the date of this process.
- 4.1.3 The receiving party shall not, during the period of validity of this process, or at any time thereafter, use or disclose, directly or indirectly, the confidential information of NAC (even if received before the date of this process) to any person whether in the employment of the receiving party or not, who does not take part in the performance of this process.
- 4.1.4 The receiving party shall take all such steps as may be reasonably necessary to prevent NACSA’s confidential information coming into the possession of unauthorised third parties. In protecting the receiving party’s confidential information, NAC shall use the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorised use or disclosure of the confidential information as the receiving party uses to protect its own confidential information.
- 4.1.5 Any documentation, software or records relating to confidential information of NAC, which comes into the possession of the receiving party during the period of validity of this process or at any time thereafter or which has so come into its possession before the period of validity of this process:
- Shall be deemed to form part of the confidential information of NAC,
 - Shall be deemed to be the property of NAC;
 - Shall not be copied, reproduced, published or circulated by the receiving party unless and to the extent that such copying is necessary for the performance of this process and all other processes as contemplated in; and
 - Shall be surrendered to NAC on demand, and in any event on the termination of the investigations and negotiations, and the receiving party shall not retain any extracts

4.2 **News and Press Releases**

Bidders or their agents shall not make any news releases concerning this RFB or the awarding of the same or any resulting agreement(s) without the consent of, and then only in co-ordination with NAC

4.3 **Precedence of Documents**

4.3.1 This RFB consists of a number of sections. Where there is a contradiction in terms between the clauses, phrases, words, stipulations or terms and herein referred to generally as stipulations in this RFB and the stipulations in any other document attached hereto, or the RFB submitted hereto, the relevant stipulations in this RFB shall take precedence.

4.3.2 Bidders shall refrain from incorporating any additional stipulations in its proposal submitted in terms hereof other than in the form of a clearly marked recommendation that National Arts Council may in its sole discretion elect to import or to ignore. Any such inclusion shall not be used for any purpose of interpretation unless it has been so imported or acknowledged by National Arts Council.

4.3.3 It is acknowledged that all stipulations in the PPPFA are not equally applicable to all matters addressed in this RFB. It however remains the exclusive domain and election of as to NAC which of these stipulations are applicable and to what extent. Bidders are hereby acknowledging that the decision of NAC in this regard is final and binding. The onus to enquire and obtain clarity in this regard rests with the bidder (s). The bidder (s) shall take care to restrict its enquiries in this regard to the most reasonable interpretations required to ensure the necessary consensus.

4.4 **Preferential Procurement Reform**

4.4.1 B-BBEE is one of the essential objectives of NACSA In accordance with government policy, NAC insists that the private sector demonstrates its commitment and track record to B-BBEE in the areas of ownership (shareholding), skills transfer, employment equity and procurement practices, (SMME Development) etc.

4.4.2 NACSA will apply the principles of the Preferential Procurement Policy Framework Act, (Act No. 5 of 2000) to this proposal.

4.4.3 Bidders shall complete the preference certificate attached to this proposal. In the case of a consortium, the preference certificate must be completed for each legal entity.

4.5 **Language**

Bids shall be submitted in English.

4.6 **Gender**

Where applicable any word implying any gender shall be interpreted to imply all other genders.

4.7 **Headings**

Headings are incorporated into this proposal and submitted in response thereto, for ease of reference only and shall not form part thereof for any purpose of interpretation or for any other purpose.

4.8 **Formal contract**

This RFB, all the appended documentation and the proposal in response thereto read together, forms the basis for a formal contract to be negotiated and finalised between NAC and the successful service provider to whom NACSA will award the bid to either in whole or in part.

4.9 **Procedure for the submission of a proposal**

4.10.1 Bids must be submitted in a prescribed response format herewith reflected as **Response Format**.

4.10.2 Bids must be submitted to supplychain@nac.org.za on or before **08 November 2024** not later than **11h00**.

4.10.3 All Bids in this regard shall only be accepted if they have been submitted before or on the closing date and stipulated time.

5 **RESPONSE FORMAT**

Bidders shall submit response in accordance with the response format specified below; failure to do so may result in a disqualification of bidder's response.

6 **MANDATORY DOCUMENTS**

Schedule1: Original Valid Tax Clearance Certificate

Original and valid tax clearance certificate (no certified or scanned copy will be accepted). If a Consortium or Joint Venture, Original and valid Tax Clearance Certificate must be submitted for each member.

Schedule2: Executive Summary

The executive summary must cover the following:

- **Paragraph 1:** The Bidder needs to indicate to us that he is responding as a Prime contractor, joint venture, consortium or partnership and list the parties concerned
- **Paragraph 2:** The Bidder needs to inform us that as the executive committee of the company we have duly designated the following employee name and surname to act on our behalf for the consortium, joint venture, partnership or Prime contractor.
- **Paragraph 3:** The Bidder markets themselves by informing us that they have done similar work for other companies and must provide us with contact details as references.
- **Paragraph 4:** The Bidder gives us a short summary or clarification of their response.

Schedule 3: Functional response

Schedule 4: Presentations

Schedule 5: Price and Specific Goals Evaluation

Schedule 6: Standard Bid documents

The following attached SBD documents must be completed:

- Checklist
- SBD 1 – (Invitation to bid)
- SBD 3.1 - (Pricing schedule)
- SBD 4 - (Bidders Disclosure)
- SDB 6.1 - (Preference Points claim form)
- SBD 7.2- Contract form - rendering of services

Schedule 7: Bidders profile

- Individual company/joint venture/consortium shareholders certificate(s)
- Credentials of the company/consortium members etc
- Structure of the company/ consortium members etc.
- Legal agreement between Partners, sub-contractors, joint venture or consortium

Schedule 8: Bidder background information materials:

- Bidder Operating Organisation – Provide an overview of the operating structure and geographical locations of the company at the national, regional, and local levels.
- Company Contact(s)– Provide the name, title, street address, city, state, telephone and fax numbers and e-mail of the primary company's contact person, and for any sub-Contractors.

7 POSSIBLE REASONS FOR THE DISQUALIFICATION OF BIDDERS

NAC will disqualify any bidder who does not meet any of the abovementioned requirements. Listed below is a list of possible reasons for disqualification of bidders; disqualification may take place without prior notice to the offending bidder:

- Bidders who submit incomplete information and documentation contrary to the requirements of this RFB.
- Bidders who do not submit a valid and original Tax Clearance Certificate.
- Bidders who submit information that is fraudulent, factually untrue or inaccurate, for example memberships that do not exist, B-BBEE credentials, experience, etc.
- Bidders who received information not available to other bidders.
- Bidders who do not meet the cut-off mark or functional/technical mandatory requirements as stipulated in this RFB.
- Bidders who do not provide the required number of bid responses
- Bidders who have been blacklisted as per the National Treasury database.
- Bidders who do not comply with the special conditions or any other condition set out in the bid document.

8 SPECIAL CONDITIONS

- 8.10 Only bidders who score at least 68 points out of 80 points for functionality information will be considered for further evaluation.
- 8.11 A service level agreement shall be signed with the preferred bidder. The successful bidder may not alter its BBEE status during the contract period. NAC reserve the right to terminate the contract should the successful bidder no longer meet the BBEE requirement.
- 8.12 NAC reserves the right to invite short listed suppliers/companies to present their bid proposals for final decision.
- 8.13 **Disclaimer: The NAC reserves the right not to make an appointment.
The NAC reserves the right not to accept the lowest quote received.**

All questions in respect of this proposal must be addressed to the relevant Supply Chain Management Officer via e-mail only. The following email address shall be used for this purpose: supplychain@nac.org.za

9 BID PREPARATION

- 9.1 All additions to the proposal documents i.e. appendices, supporting documentations, technical specifications and other support documentation covering the equipment offered etc. shall be neatly bound as part of the schedule concerned.

10 GENERAL COMMERCIAL CONDITIONS OF CONTRACT/BID

Bidders shall provide full and accurate answers to the questions posed in this document, and, are required to explicitly state either "Comply/Accept (with a ✓)" or "Do not comply/Do not accept (with an X)" regarding compliance to the requirements. Where necessary the bidder shall substantiate their response to a specific question.

10.1

The laws of the Republic of South Africa shall govern this RFB and any agreement entered into. Bidders accept hereby that the courts of the Republic of South Africa shall have jurisdiction.	Accept	Do not accept

10.2

National Arts Council shall not be liable for any costs incurred by the bidder in the preparation of response to this RFB. The preparation of response will be made without obligation to acquire any of the items included in any bidder’s proposal or to select any proposal, or to discuss the reasons why such bidder’s or any other proposal was accepted or rejected.	Accept	Do not accept

10.3

National Arts Council may request written clarification or further information regarding any aspect of this proposal. The bidders must supply the requested information in writing within two (2) days after the request has been made, otherwise the proposal may be disqualified.	Accept	Do not accept

10.4

In the case of consortium, Joint Venture or subcontractors, bidders are required to provide copies of signed agreements stipulating the work split and Rand value.	Accept	Do not accept

10.5

National Arts Council reserves the right to; cancel/reject any proposal and not to award the proposal to the lowest bidder or award parts of the proposal to different bidders, or not to award the proposal at all.	Accept	Do not accept

10.6

By submitting a proposal in response to this RFB, the bidders accept the evaluation criteria as it stands.	Accept	Do not accept

10.7

The bidder should not qualify the proposal with own conditions. Caution: If the bidder does not specifically withdraw its own conditions of proposal when called upon to do so, the bid response may be disqualified.	Accept	Do not accept

10.8

Should the bidder withdraw the proposal before the proposal validity period expires, the National Arts Council reserves the right to recover any	Accept	Do not accept

additional expense it incurs by having to accept any less favourable proposal or the additional expenditure it incurs in the preparation of a new RFB and by the subsequent acceptance of any less favourable proposal.		
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10.9

Should the parties at any time before and or after the award of the proposal and prior to, and or after conclusion of the contract fail to agree on any significant product price or service price adjustments, change in technical specification, change in services, etc. National Arts Council shall be entitled within 14 (fourteen) days of such failure to agree, to recall the letter of award and cancel the proposal by giving the bidder not less than 90 (ninety) days written notice of such cancellation, in which event all fees on which the parties failed to agree increases or decreases shall, for the duration of such notice period, remain fixed on those fee/price applicable prior to the negotiations. Such cancellation shall mean that NAC reserves the right to award the same proposal to next best bidders as it deems fit.	Accept	Do not accept

10.10

In the case of a consortium or Joint Venture each of the authorised enterprise's members and/or partners of the different enterprises must co-sign this document.	Accept	Do not accept

10.11

Any amendment or change of any nature made to this RFB shall only be of force and effect if it is in writing, signed by a National Arts Council authorised signatory and added to this RFB as an addendum.	Accept	Do not accept

10.12

Failure or neglect by either party to (at any time) enforce any of the provisions of this proposal shall not, in any manner, be construed to be a waiver of any of that party's right in that regard and in terms of this proposal. Such failure or neglect shall not, in any manner, affect the continued, unaltered validity of this proposal, or prejudice the right of that party to institute subsequent action.	Accept	Do not accept

10.13

Bidders who make use of sub-contractors_ The proposal will however be awarded to the bidder as a primary contractor who will be responsible for the management of the awarded proposal. No separate contract will be entered into between NAC and any such sub-contractors. Copies of the signed agreements between the relevant parties must be attached to the proposal responses.	Accept	Do not accept

10.14

No interest shall be payable on accounts due to the successful bidder in an event of a dispute arising on any stipulation in the contract.	Accept	Do not accept

10.15

Evaluation of Bids will be performed by an evaluation panel established by NAC Bids will be evaluated on the basis of conformance to the required specifications as outlined in the RFB. Points will be allocated to each bidder, on the basis that the maximum number of points that may be scored for a combination of functionality and price is 80, and the maximum number of preference points that may be claimed for Specific Goals (as per PPPFA) is 20.	Accept	Do not accept

10.16

National Arts Council will not be held liable for any expenses incurred by bidders, in preparing and submitting the proposal.	Accept	Do not accept

10.17

If the successful bidder disregards contractual specifications, this action may result in the termination of the contract.	Accept	Do not accept

10.18

The bidders' response to this bid or parts of the response may be included as a whole or by reference in the final contract.	Accept	Do not accept

10.19

All bidders' who do not sign the declaration forms will not be considered for preference points.	Accept	Do not accept

10.20

In the evaluation of proposal, the Authority reserves the right to conduct independent reference checks.	Accept	Do not accept

10.21

National Arts Council will not respond to any enquiries seventy-two (72) hours before the closing date of the bid.	Accept	Do not accept

10.22

Should the bidder change any wording or phrase in this document, the bid will be evaluated as though no change has been effected and the original wording or phrasing will be used.	Accept	Do not accept

10.23

Should the evaluation of this bid not be completed within the validity period of the bid, National Arts Council has discretion to extend the validity period.	Accept	Do not accept

10.24

Upon receipt of the request to extend the validity period of the bid, the bidder must respond within the required timeframes and in writing on whether or not s/he agrees to hold his/her original bid responses valid under the same terms and conditions for a further period.	Accept	Do not accept

10.25

National Arts Council will not make any upfront/deposit payments to a successful service provider. Payments will only be made in accordance to the deliverables that will be agreed upon by the both parties.	Accept	Do not accept

10.26

All bidders must make disclosure of any potential conflict of interests. The Authority will make the final determination as to whether the potential conflict of interest precludes the award of the tender to the service provider.	Comply	Not Complied
Substantiate / Comments		

10.27

Respondents may not alter the wording of any criterion/question posed in this document. During the evaluation, it shall be assumed that all criteria/questions are worded as they were in the original document and the answers shall be evaluated on this basis	Accept	Do not accept

10.28

International companies are required to partner with local companies. International companies are requested to provide an agreement between themselves and the local entity.	Comply	Not Complied

10.20

Bidders are required to submit a B-BBBEE Rating Certificate from a SANAS accredited B-BBEE rating agency or letter from an Auditor or Sworn Affidavit due to exempted micro enterprise status if their annual turnover is less than R5m.	Comply	Not Complied

- The Council reserves the right not to accept the lowest bid price from a service provider.
- Similarly, the Authority reserves the right not to select any of the prospective service providers submitting proposals.
- The Council will take into consideration black economic empowerment, proof of this to accompany the bid response.
- The 80/20 preferential point system will be applied to evaluate the Bid.

11 EVALUATION OF THE BID

11.1 The following evaluation approach will be applied:

- The 80/20 preferential point system will be applied to evaluate the Bid.
- Phase 1** Will be the screening of mandatory documents, ensuring compliance thereof and Compliance with National Legislation & Requirements in the bid document. Bid responses that do not meet all the pre-qualification requirements will be disqualified and will not be considered for further evaluation on the technical and Functional requirements.
 - Phase 2** All bid responses that pass the initial screening of mandatory documents (Phase 1) will be evaluated for technical and functional requirements.
 - Phase 3** Bidders that meet all technical and functional requirements according to (Phase 2) will go to the third stage of the evaluation process which will be presentations. Bidders who score 68 points out of 80 points (85%) or more in total for the functional/technical requirements, will be shortlisted for Presentations
 - Phase 4** Bidders scoring more than 68 points out of 80 points will conduct presentations.
 - Phase 5** will be evaluation on Price and Specific Goals.

	Preference Point Criteria	Points Allocation
1.	Price	80
2.	Specific goals	20
Total Points		100

¹ Specific Goals for this tender and points that may be claimed are indicated per table below:

Specific goals	80/20 Preference Point System
Black Ownership	10
30% Black Women Ownership	4
Youth Ownership	3
Disability 30% Ownership	3

Black ownership: 100% black owned entities will score the full 10 points and between 51% - 99.99% black owned entities will score 4 points.

ANNEXURE A: TERMS OF REFERENCE FOR INTERNAL AUDIT SERVICES FOR A PERIOD OF THREE (3) YEARS FOR THE NATIONAL ARTS COUNCIL OF SOUTH AFRICA

The National Arts Council (NAC) is a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA). The NAC is governed by the National Arts Council Act 56 of 1997 as amended by the Cultural Laws Amendment Act 36 of 2001.

The mandate of the NAC, as set out in Section 3 of the NAC Act is:

- to provide, and encourage the provision of, opportunities for persons to practice the arts;
- to promote the appreciation, understanding and enjoyment of the arts;
- to promote the general application of the arts in the community;
- to foster the expression of a national identity and consciousness by means of the arts;
- to uphold and promote the right of any person to freedom in the practice of the arts;
- to give the historically disadvantaged such additional help and resources as are required to give them greater access to the arts;
- to address historical imbalances in the provision of infrastructure for the promotion of the arts;
- to promote and facilitate national and international liaison between individuals and institutions in respect of the arts;
- to develop and promote the arts and to encourage excellence in regard to these.

Section 51 (1) (a) (ii) of the Public Finance Management Act: No.1 of 1999 states that an accounting authority for a public entity must ensure that, that public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with section 27.2.2 regulations. Its role and functions are explained under sections 27.2.5 up to 27.2.11 of the Treasury Regulations.

OBJECTIVE

The objective of this bid is to appoint a suitable independent Internal Audit firm which complies with the **Institute of Internal Auditors'** (IIA) standards and can provide an appropriate Internal Audit function to the NAC. In terms of the Public Finance Management Act (PFMA), the NAC must have an effective internal audit function.

Internal Audit should be an independent appraisal function which provides management with a systematic review and evaluation of the operations for determining compliance, economy, efficiency and effectiveness of policies, procedures, practices and the overall internal control within the NAC.

The objective of internal audit is to add value by assisting the Management and Audit and Risk Committee in effectively discharging their responsibilities, including the promotion of effective internal controls at reasonable costs as well as compliance with the provisions of the PFMA, Treasury Regulations and King IV Report on Corporate Governance (when applicable).

REPORTING

The Internal Audit will report to the Audit and Risk Committee on the following:

- Independence of internal audits
- Internal Audit reports on completed audit assignments
- Progress against the approved plan
- Overall conclusion on the audited control environment
- Implementation of audit recommendations

SCOPE OF WORK

The scope of the internal audit work should entail testing and evaluating the adequacy and effectiveness of the organisation's systems of internal control and make recommendations, where applicable

The NAC invites tenders from professional audit firms for internal audit services for a three-year period.

- a) The successful bidder will be required to perform, inter alia, the following types of internal audits:
 - Risk based audits (this includes, but are not limited to, audits on the Financial, Human Resource and Supply Chain Management processes);
 - Grant audits including Presidential Employment Stimulus Programmes (PESP)/ any special DSAC funding/conditional grants;
 - Compliance audits;
 - Audits on predetermined objectives (performance information);
 - Information Technology (IT) audits;
 - Any ad hoc project and consulting services as requested by the Council or Audit and Risk Committee.

- b) The scope of internal audit work should entail testing and evaluating the adequacy and effectiveness of the organisation's systems of internal control and to make recommendations, where applicable. The controls subject to evaluation should encompass the following, but is not limited to:
 - Review the effectiveness and efficiency of the risk management process.
 - Co-ordinate with other internal and external providers of assurance to ensure proper coverage and minimal duplication of effort.
 - Assist the Accounting Authority in maintaining effective controls by evaluating those controls and developing recommendations for enhancement or improvement.
 - Appraising the economy, effectiveness and efficiency with which resources are employed and identifying opportunities to improve operating performance.

- Review the reliability and integrity of financial and operating information and the means used to identify measure, classify and report such information.
 - Review the systems established by management to ensure compliance with those policies, laws, regulations and controls that could have a significant impact on operations and determine whether the entity is in compliance with PFMA Act No 1 of 1999 and other relevant legislation that governs the entity.
 - Reviewing operations or programmes to ascertain whether the results are consistent with established objectives or goals and whether the operations or programs are being carried out as planned.
 - Develop 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.
 - Report on progress of the work against the approved Annual Internal Audit Plan to the Audit and Risk Committee.
 - Review the Internal Audit Charter and make recommendations in order to be consistent with the best practice.
 - Perform ad hoc requirements, as requested by Council or the Audit and Risk Committee.
 - The Internal Audit function must, in consultation with ARC and Management, prepare:
 - ❖ A rolling three-year strategic Internal Audit Plan based on its assessment of key areas of risk for the NAC, having taken into consideration the NAC's current operations, the operations proposed in its strategic plan and its risk management strategy.
 - ❖ An annual Internal Audit Plan.
 - ❖ Plans indicating the scope, cost and timelines of each audit in the Annual Internal Audit.
 - ❖ Audit reports directed to ARC and Management detailing its performance against the plan to allow effective monitoring and intervention, when necessary.
- c) Execution of audit assignments will be as follows:
- Assignments are to be performed in accordance with the International Standards for the Professional Practice of Internal Auditing (*Standards*) and the bidder must demonstrate their capability to perform the internal audit in accordance with these standards and practices, and any relevant legislation.
 - Such work may further be subjected to an external quality assurance if considered

necessary and appropriate by the Audit and Risk Committee. The Internal Audit provider will be required to submit the latest Quality Assurance Review results

- The execution of each assignment shall be in accordance with the approved Annual Internal Audit Plan.
 - In carrying out the work, the successful bidder must ensure its staff maintains their objectivity by remaining independent of the activities they audit.
 - Internal Audit must attend Audit and Risk Committee meetings and report on internal audits completed, the management of risks
 - All audit reports and working papers will become the property of the NAC
- d) Advisory /Consulting services
- The Internal Audit company should provide guidance on corporate governance requirements as prescribed by King IV report.
 - Review compliance with policies, regulations and contractual requirements.
 - Review the achievement of established operational goals and objectives;
 - Develop, review and update where necessary the risk management strategy.
 - Conduct Risk workshops (if required).
- e) Internal Audit must include a regular review of the control environment and provide an overall conclusion to the Audit and Risk Committee.
- f) Location of services

The required service of internal audit will be rendered at NAC's offices situated at 66 Margaret Mcingana Street (Cnr Gwigwi Mrwebi) Newtown.

TECHNICAL REQUIREMENTS

The following information must be submitted as part of technical requirements;

- a) Explanation of the approach to performing an internal audit, including the audit methodology, nature, timing and extent of audit procedures to be performed;
- b) Demonstration of experience and expertise of internal auditing in the public sector by providing an activity plan (project plan) of actions to achieve the objectives of the internal audit function, specifying budgeted hours, timelines and amounts for its audit procedures and level of staff (including their rates) to be assigned. Disbursements e.g. travel and meeting costs should be included. For budgeting purposes, please assume that the audit of NAC will require **900 hours** per annum, inclusive of ad-hoc assignments, i.e. a total of **2700 hours** for the 3-year period. Please complete the budget template attached in addition to SBD 3.1
- c) CV's of the proposed professional staff of the core management team for the engagement and the authorised representative submitting the proposal must be included. 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, 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. CV's must be maximum one (1) page per staff member. It is mandatory for the senior resources of the preferred service provider (i.e. senior manager and specialists) to be Certified Internal Auditors.

- d) It is mandatory for all core members of the internal audit team to be registered with the Institute of Internal Auditors South Africa South Africa
- e) . The minimum required designations for other professionals on the team shall include, but be limited, to the following:
 - i. Certified Information Systems Auditor (CISA):- Information Systems Audit and Control Association(ISACA)
 - ii. Chartered Accountant (SA):-South African Institute of Chartered Accountants (SAICA)
 - iii. Registered Auditor: Independent Regulatory Board for Auditors IRBA
- f) Proof of experience in performing internal audit services must be provided. List current and past public sector internal audit clients along with the name of the organisation, contact person, designation, contact number, nature of the internal audit service (outsourced / co-sourced) and length of the appointment for at least six (6) public sector organisations where you have rendered internal audits services in the last three (3) years.
- g) Proposals must remain valid for the 3-year period of the service.
- h) A motivation on why their firm should be chosen.

EVALUATION CRITERIA

Proposals will be evaluated on the 80/20 preference points scoring system for the full 3-year period: that is, 80 points awarded will be based on price, and 20 points awarded will be based on Specific Goals.

Functionality evaluation criteria

No	Description	Weight
1	Experience, Skills and Ability of Service Provider <ul style="list-style-type: none"> • Past experience in similar work of this nature <ul style="list-style-type: none"> ➤ 7 years or more (20) ➤ 5-6 years (16) ➤ 4 years (12) ➤ 2-3 years (8) ➤ 0-1 year (4) 	20
2	Technical Approach and Execution Plan	40

	<ul style="list-style-type: none"> • Team member experience in the PFMA and Schedule 3A Public Entities (accompanied by brief CV's and proof of qualifications) <ul style="list-style-type: none"> ➤ 7 years or more with both PFMA and Schedule 3A experience (10) ➤ 7 years or more with either PFMA or Schedule 3A experience (7) ➤ 5 years with both PFMA and Schedule 3A experience (5) • Overall project manager for all NAC audits must have a minimum of seven (7) years of experience (10) • Detailed project plan that includes how the audits will be executed, and delays remedied (15) • Letter of assurance that 80% of the team per the bid proposal will remain the same, or at least a team with equivalent experience will be used as replacement (5) 	
3	<p>References</p> <ul style="list-style-type: none"> • At least seven (7) signed written references from contactable clients that were serviced in the past 36 months. References must be in a form of signed reference letters on a client's business letterhead stating the scope and description of the services rendered, contract duration, with contact name, contact number and position of the referee with the level of performance rendered. Reference letters must not be older than thirty-six (36) months by closing date of this Tender. <ul style="list-style-type: none"> ➤ 7 or more valid reference letters attached = 20 points ➤ 6 valid reference letters attached = 18 points ➤ 5 valid reference letters attached = 16 points ➤ 4 valid reference letters attached = 14 points ➤ 3 valid reference letters attached = 12 points ➤ Less than three reference letters attached = 0 	20
4	Presentations	20

Note: Bidders who score 68 points out of 80 points (85%) or more in total for the functional/technical requirements, will be shortlisted for Presentations. Presentations will only be extended to the top five (5) service providers who achieve the highest scores on functional/technical requirements.

PRESENTATION BY SHORT LISTED CANDIDATES

The short-listed companies who score a minimum of **68 points** out of **80 points** on functionality will be invited to deliver a 20-minute presentation of their detailed proposal to the NAC.

Companies will be advised of the presentation date and time at least a week prior to the presentation. Presentations will only be extended to the top five (5) service providers who achieve the highest score on functional/technical requirements.

PRESENTATION EVALUATION CRITERIA

ELEMENT	WEIGHT
Methodology and approach demonstrating that the bidder has the required resources, skills, capabilities and effective well-practiced project management process to successfully audit the NAC	5
Engagement approach of risk-based audits and reporting	5
Retention strategy	5
Success factors and how the success rate was measured	5
TOTAL	20

All bids that fail to achieve the minimum overall qualifying score of 85% on functional/technical requirements, including presentations, will not be considered for further on Price and Specific Goals.

CONTRACT MANAGEMENT

The successful service provider must be prepared to enter into a service level agreement with the National Arts Council of South Africa. The service level agreement will be performance based and reviewed on an annual basis. The NAC reserves the right to terminate or cancel the contract due to unsatisfactory performance.

ANNEXURE B: BIDDING STRUCTURE

Indicate the type of Bidding structure by marking with an 'X'	
Individual Bidder	
Joint Venture	
Consortium	
With Sub Contractors	
Other	

If Individual or with a Sub contractor / other:	
Name of Bidder	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
E-mail Address	
Fax Number	
Postal Address	
Physical Address	

If Joint Venture or Consortium, indicate the name/s of the partners:	
Company Name	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cell phone Number	
Fax Number	
Postal Address	
Physical Address	

**HAS AN ORIGINAL VALID TAX CLEARANCE CERTIFICATE/S BEEN SUBMITTED OF CONSORTIUM,
JOINT VENTURE AND/OR SUB CONTRACTORS**

Yes		No	
-----	--	----	--

PLEASE INDICATE THE TYPE OF YOUR ENTITY E.G. PRIVATE/PUBLIC ENTITY, CLOSED CORPORATION, OTHER, JOINT VENTURE, CONSORTIUM, SOLE PROPRIETOR, FOREIGN COMPANY, PARTNERSHIP, TRUST, SECTION 21 COMPANY OR GOVERNMENT / PARASTATALS.

Indicate the type of Company	
------------------------------	--

DECLARATION OF ANY CONFLICT OF INTEREST OF ANY NATURE WHATSOEVER:

.....
.....
.....

I/We the undersigned acknowledge(s) that the information provided in this document is both true and correct and that any conflict of interest is declared.

SIGNATURE OF BIDDER:

DATE:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

Total Bid Price:

(In words).....
.....

ANNEXURE C: CHECKLIST OF BIDDING DOCUMENTATION BEFORE SUBMITTING

CHECKED BY BIDDER

CHECKED BY SCM OFFICIALS

(for departmental use only)

NB!! Have the following forms been completed, signed and submitted with your proposal?

REMARKS by SCM, IF ANY:

<input type="checkbox"/>	Invitation to bid – SBD1	<input type="checkbox"/>
<input type="checkbox"/>	Valid, Original Tax Clearance Certificate – SBD 2	<input type="checkbox"/>
<input type="checkbox"/>	Pricing schedule (Professional services) - SBD 3.1	<input type="checkbox"/>
<input type="checkbox"/>	Bidders Disclosure - SBD 4	<input type="checkbox"/>
<input type="checkbox"/>	Preference points claim-SBD 6.1	<input type="checkbox"/>
<input type="checkbox"/>	Contract form (rendering of services) - SBD 7.2	<input type="checkbox"/>

NB!! PLEASE TAKE NOTE THAT ALL STANDARD BIDDING DOCUMENTS (SBD) FORMS MUST BE COMPLETED, SIGNED AND SUBMITTED WITH YOUR PROPOSAL. FAILURE TO DO SO MAY INVALIDATE YOUR BID.

**SBD 1
PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	NAC 01-2024/25	CLOSING DATE:	08 November 2024	CLOSING TIME:	11:00
DESCRIPTION					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
supplychain@nac.org.za					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Esona Zandile	CONTACT PERSON	Esona Zandile		
TELEPHONE NUMBER		TELEPHONE NUMBER			
FACSIMILE NUMBER		FACSIMILE NUMBER			
E-MAIL ADDRESS	supplychain@nac.org.za	E-MAIL ADDRESS	supplychain@nac.org.za		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
---	--	--	---

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? YES
 NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA? YES
 NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
 YES NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?
 YES NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? YES
 NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (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:

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of the bid that the taxes of the successful bidder **must** be in order

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for Tax Clearance Certificate)" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders/individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from date of approval.
3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the **original** and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
4. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for Tax Clearance Certificate" form are available at any SARS branch office nationally or on the website www.sars.gov.za.
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za

ANNEXURE D PRICING SCHEDULE

(Professional Services)

NAME OF BIDDER:	BID NO.: NAC 01-2024/25
CLOSING TIME 12:00 ON : 08 November 2024	

NB: TO BE COMPLETED BY ALL BIDDERS. FAILURE TO COMPLETE THIS QUESTIONNAIRE MAY RESULT IN DISQUALIFICATION

OFFER TO BE VALID FOR 180 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY
		INCLUSIVE OF <u>VALUE ADDED</u>
<u>TAX</u>		

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 VAT 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
DAILY RATE
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

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

DESCRIPTION OF EXPENSE TO BE INCURRED	QUANTITY	AMOUNT	RATE
R-----			-----
R-----			-----
R-----			-----
R-----			-----

TOTAL: R.....

5.2 Other expenses, for example accommodation (specify, e.g. 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	QUANTITY	AMOUNT	RATE
.....		
		R.....	
.....		
		R.....	
.....		
		R.....	

TOTAL: R.....

5. Period required for commencement with project after acceptance of bid

.....

6. Estimated man-days for completion of project.

.....

7. Are the rates quoted firm for the full period of contract?

.....

8. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

.....

NB: all costs must be inclusive of VAT.

ANNEXURE E BUDGET TEMPLATE

Audit company name	Average hourly rate (Incl VAT)	Number of Hours	Total Value
		2 700 Hours	
Total Value should include Audits & Risk Committee Meetings			
Total Value should include 1 Risk Workshop Facilitation per annum			
Total Value should include 3 Ad hoc Assignments @ 40 hours per assignment			
Total Value should include Advisory /Consulting services			
Total Value should include any and all disbursements.			
Bidders should indicate the hourly rate per level of employees that will be utilized during the contract period.			
The nature and number of audits to be conducted on an annual basis will be decided on the approved final annual internal audit plan and the above indicated rates will be used to calculate the service provider's budget for the specific year.			
	Number of resources	Hourly Rate (inclusive of VAT)	Total Hourly Rate (inclusive of VAT)
Director			
Senior Manager			
Audit Manager			
Senior Auditor			
Auditor			
Trainee			
Average Hourly Rate			

Submitted By:

Name & Surname:..... Signature:..... Date:.....

Telephone number:.....

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.

2.2

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.

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.
- 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.

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.

3.5 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

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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point system is 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

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

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 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 PREFERENCE POINT SYSTEM

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

80/20

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

Where

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

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 points is allocated for price on the following basis:

80/20

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of

this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, the 80/20 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, the 80/20 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 the 80/20 preference point system.

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

Note to tenderers: The tenderer must indicate 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)
Black Ownership	10	
30% Black Women Ownership	4	
Youth Ownership	3	
Disability 30% Ownership	3	

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:

CONTRACT FORM - RENDERING OF SERVICES

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

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

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... At the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other

person regarding this or any other bid.

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

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES	
1
2
DATE.....	