

NSG/BID/06/2024/2025

INTERNAL AUDIT SERVICES TO THE NATIONAL SCHOOL OF GOVERNMENT (NSG) FOR A PERIOD OF THIRTY-SIX (36) MONTHS

BIDDING DOCUMENT

SBD 1	Invitation to Bid
RFQ	Terms of Reference and Special Conditions of Contract
Annexure A	Technical Evaluation Criteria
Annexure B	Pricing Schedule (submitted in separate envelope)
Annexure C	Detailed Proposed Team
Annexure D	Contactable References completed by the bidder's clients
Annexure E	Summary of Past Experience
SBD 3.3	Pricing Schedule
SBD 4	Declaration of Interest
SBD 6.1	Preference points claim form in terms of Preferential Procurement Regulations 2022
GCC	General Conditions of Contract

Advertising Date: 12 December 2024

Closing Date: 17 January 2025

Closing Time: 11:00

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)			
BID NUMBER:	NSG/BID/06/2024/2025	CLOSING DATE:	17 JANUARY 2025
		CLOSING TIME:	11:00
DESCRIPTION	RFP: Internal Audit Services for the National School of Government for a period of thirty-six (36) months		
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)			
National School of Government			
ZK Matthews Building			
70 Meintjies Street (walk-in) or 20 Greeff Street (visitor parking)			
Sunnyside, PRETORIA			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		TECHNICAL ENQUIRIES MAY BE DIRECTED TO:	
CONTACT PERSON	Anet de Beer	CONTACT PERSON	Takalani Madzole
TELEPHONE NUMBER	n/a	TELEPHONE NUMBER	n/a
FACSIMILE NUMBER	n/a	FACSIMILE NUMBER	n/a
E-MAIL ADDRESS	Annetha.debeer@thensg.gov.za	E-MAIL ADDRESS	nsginternalaudit@thensg.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
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 PART B:3]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?		<input type="checkbox"/> YES <input type="checkbox"/> 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 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:

.....



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

**REQUEST FOR PROPOSAL FOR THE PROVISION OF
INTERNAL AUDIT SERVICES FOR THE NATIONAL
SCHOOL OF GOVERNMENT (NSG)
FOR A PERIOD OF 3 (THREE) YEARS**

NSG/BID/06/2024/2025

Date issued: 12 December 2024

Closing date and time: 17 January 2025 at 11:00

Bid Validity Period: 120 days

TENDER BOX ADDRESS:

ZK Matthews Building

70 Meintjies Street (walk in facility)

or

20 Greeff Street (Drive in, park and drop)

Trevenna / Sunnyside

Pretoria

NATIONAL SCHOOL OF GOVERNMENT

1. TERMS OF REFERENCE: NSG/BID/06/2024/2025

APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF AN INTERNAL AUDIT SERVICE FOR A PERIOD OF THREE (3 YEARS)

1.1 OVERVIEW OF THE NATIONAL SCHOOL OF GOVERNMENT (NSG)

The NSG is a government department within the portfolio of the Ministry for Public Service and Administration. The NSG is the primary vehicle through which government is addressing capacity and skills development needs of public servants at all employment levels. In terms of its capacity building role, the NSG is a key player in contributing to the developmental agenda of government, as well as transformation and service delivery in the public service with a vision of building an ethical and capable public sector in service of the people. More information about the NSG can be obtained at www.thensg.gov.za

The NSG is committed to ensure a high performance working environment and quality of work life by, amongst others, providing an internal auditing service to support the Accounting Officer and to achieve organisational objectives in accordance to The Public Finance Management Act, No 1 of 1999, as amended, requires the establishment of an effective internal audit function under the control and direction of an Audit Committee (Section 51(1)a)(ii)). The NSG wishes to strengthen its Internal Audit function by establishing in-house Internal Audit capacity, whilst also co-outsourcing this function.

1.2 PURPOSE OF THE REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidders for the rendering of internal audit services to the NSG.

This RFP document details and incorporates the tasks and responsibilities required by the NSG for the rendering of internal audit services to the NSG.

This RFP does not constitute an offer to do business with the NSG, but merely serves as an invitation to bidder(s) to facilitate a requirements-based decision process.

1.3 SCOPE OF THE TERMS OF REFERENCE

The Terms of Reference (ToR) are intended to provide a scope of work and deliverables to appoint Internal Auditors in terms of Treasury Regulations 27.2.7 for the provision of Internal Audit Services for a period of three (3) years.

1.4 ROLE OF INTERNAL AUDIT

In terms of Treasury Regulation 27.2.5, the Accounting Officer must have an internal audit function that must, in accordance with the Accounting Officer, be formally defined in an audit charter and must be consistent with the Institute of Internal Auditors (IIA). The preferred service provider is required to provide an internal audit service to the NSG.

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

The internal Audit Function must assist the Accounting Officer in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the organisational processes.

Bidders should indicate the process they propose to follow should they receive a request to conduct special assignments and investigations on behalf of the Audit Committee or Accounting Authority into any matter or activity affecting the probity, interest and operating efficiency of the NSG.

The internal audit function must apply due care and professionalism during the performance of audits to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the Accounting Authority or the Audit Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularity is uncovered.

1.5 ORGANISATIONAL STATUS OF INTERNAL AUDIT

The internal audit function reports administratively to the Accounting Officer and functionally to the Audit Committee. The Internal Auditors must be independent of activities that are audited, with no limitation on access to information.

The internal audit function is an integral part of the organisation and functions under the policies established by NSG. The purpose, authority and responsibility of the internal audit function are formally defined in the Internal Audit Charter which is consistent with the Institute of Internal Auditors (IIA) definition of internal auditing.

The charter clarifies the purpose of the Internal Audit function, specify the unrestricted scope of this function, and declare that the Internal Auditors shall not be involved in any operational work.

1.6 SERVICES REQUIRED

The NSG requires the services of an independent service provider to conduct internal audit projects according to the approved internal audit plan that may include the following areas:

- 1.6.1 Assurance audits of operational areas, such as but not limited to Training and delivery audits, quality assurance and accreditation, Human resource management, asset management, supply chain management, procurement and contract management.
- 1.6.2 Financial and related Audits, including Financial Statement reviews in accordance with the relevant accounting framework.
- 1.6.3 Performance information reviews, including but not limited to the review of strategic plan and annual performance plans against relevant frameworks; and assessment of efficiency and effectiveness of controls to address the reliability of quarterly performance information reports.
- 1.6.4 Information Communication Technology (ICT), including ICT General Controls, Application Controls, Network Security, ICT Governance, System Development Life Cycle (SDLC) and post implementation reviews. Knowledge of Microsoft Dynamics, BAS, PERSAL, LOGIS and SAGE PASTEL is required.

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

- 1.6.5 Enterprise Risk Management Audits.
- 1.6.6 Combined assurance, including assisting with inputs to policies, frameworks, plans, and related reporting.
- 1.6.7 Governance and Ethics Audits.
- 1.6.8 Compliance Audits. Knowledge of the PFMA and Treasury Regulations is required, and other relevant laws and regulations.
- 1.6.9 Determination tests for irregular, fruitless and wasteful expenditure, or material irregularities identified by the Auditor-General of South Africa (AGSA) – if such cases are referred to Internal Audit. NSG has the right to establish its own panel of service providers to conduct determination tests or investigations under the Loss Control Function, independent of internal audit.
- 1.6.10 Audit technical related opinions.
- 1.6.11 Consulting / advisory services, including policy and procedure reviews.
- 1.6.12 Quality Assurance Reviews and internal quality assurance assessments.
- 1.6.13 Performance audits (economy, efficiency, effectiveness)
- 1.6.14 Ad-hoc audits as and when requested by NSG management, the Audit Committee or Accounting Authority.
- 1.6.15 Execute allocated audit assignments at the NSG in line with the standards set by the International Institute of Internal Auditors. The work will also be subjected to an external quality assurance review, if necessary.
- 1.6.16 Assist NSG to strengthen its internal control environment by considering fraud risks in allocated internal audit projects. All serious defects in internal controls that could result in malpractice must be identified and reported to the Deputy Director: Internal Audit.

1.7 QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The bidder should maintain a quality assurance methodology/plan designed to assist the NSG Internal Audit function in adding value, improving NSG's operations and providing assurance that the Internal Audit services of the NSG are in conformity with the Standard and the Code of Ethics of the IIA and should have certified personnel certified by the Institute of Internal Auditors as a quality reviewer will perform the final quality review on all audit files and reports to ensure that the objectives of the projects were met, that working papers and reports are of acceptable standards and confirm to the relevant requirements, and that final reports are supported by appropriate documented evidence.

1.8 SERVICE PROVIDERS' INDEPENDENCE AND OBJECTIVITY OF PERSONNEL

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

The independent service provider shall ensure that their staff maintains their objectivity by remaining independent of the NSG and the activities that will be audited.

The staff should maintain their objectivity by remaining independent of the activities they audit. The service provider shall:

- Have no executive or managerial powers, functions or duties.
- Not be involved in the day-to-day operations of the NSG; and
- Not be responsible for the detailed development or implementation of new systems and procedures.

The key personnel and nominated representatives of the independent service provider shall always be available to meet the requirements that will be agreed upon.

1.9 COMPETENCY AND EXPERTISE REQUIREMENTS

Team members	Qualifications and minimum experience
Internal Audit Engagement Director and Manager	CA / CIA with five years' experience in internal auditing.
Internal Audit Team members	Degree or relevant qualification in auditing / internal auditing with three years' experience in internal auditing
ICT Manager	CISA with five years' experience in computer auditing, cyber security reviews, SDLC audits.
ICT Audit Team members	CISA or relevant computer audit qualification with three years' experience in computer auditing, cyber security reviews, SDLC audits.
Forensic Manager (for integrated audit teams and/or determination tests)	CFE with five years' experience in forensic auditing
Forensic Team members (for integrated audit teams and/or determination tests)	CFE or studying towards CFE with three years' experience in forensic auditing
Quality Control Reviewer	IIA certification for quality assessment with at least 5 years' experience in quality control reviews.

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

- 1.9.1 Preference will be given to firms registered in terms of the Registered Accountants and Auditors Act, Act 80 of 1991 (PAAB) and of the Institute for Internal Auditors (IIA) or the Institute of Public Finance and Auditing (IPFA).
- 1.9.2 Preference will be given to firms with a dedicated Internal Audit business unit and dedicated internal audit staff of which the staff within the unit are registered members of the IIA. The service provider shall not assign or cede in whole or in part any of the rights or obligations to perform under the contract.
- 1.9.3 An organogram or list of partners, managers, specialists and assistants together with CV's of the resources that will be available for the duration of the assignment. Any possible staff changes during the course of the audit must be done in consultation and with the approval of the NSG.
- 1.9.4 The core management team proposed for this assignment should at least have the CIA or related professional qualification, e.g. CA, CISA; and should possess current knowledge of the standards and a minimum of 5 years experience.
- 1.9.5 It is essential that the service provider has and shall make use of dedicated internal audit resources who have a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge and understanding of Government practices (A minimum of 3 years experience)
- 1.9.6 The service provider must be well versed in the best practices of the profession and have membership with the Institute of Internal Auditors (IIA), South African Institute of Chartered Accountant (SAICA), Information Systems Audit and Control Association (ISACA).
- 1.9.7 Bidders should indicate their current and previous involvement and knowledge of the NSG or the sector within which the NSG operates and its regulations.
- 1.9.8 Demonstrate the audit approach and methodology to be used in planning for and conducting allocated audits and provide a detailed plan of how and when the work will be conducted.
- 1.9.9 Bidders should submit a list of clients confirming current and past internal audit experience of at least three (3) years experience in the public sector performing Assurance reviews, ICT, Financial, Financial Reviews and Forensic.
- 1.9.10 The service provider should have at least five (5) years of recent experience in the practice of internal auditing as a company.
- 1.9.11 The proposal must demonstrate an understanding of the importance of skills transfer, the methodology and approach to ensure skills transfer to:
 - NSG internal audit staff, other units within the NSG e.g. Finance, Supply Chain, Strategy and HR.
 - Clear commitment to skills transfer indicated through skills transfer implementation plan.

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

- Indicate how skills will be transferred to NSG staff.
- Availability of internal training to teams as a value add.

Bidders should use the template provided in **Annexure D** for contactable references of at least three (3) OR Five (5) current or previous clients performing Assurance reviews, ICT, Financial, Financial Reviews and Forensic.

(In case your company has provided similar services to the NSG, NSG cannot be used as one of the references)

NB: Bidders will be expected to do a presentation to the evaluation committee.

1.10 GENERAL MANAGEMENT OF THE INTERNAL AUDIT FUNCTION

The internal audit must be conducted in accordance with the Standards for the Professional Practices of Internal Auditing and Code of Ethics set by the Institute of Internal Auditors (IIA).

The key performance indicators shall be agreed upon at the beginning of each project by the parties at the time of the commencement of the project.

Key Performance Indicators of Internal Audit:

- Review and update of the Internal Audit and Audit Committee Charters in compliance with the regulatory requirements.
- Conduct risk-based audit assessments as per the standards and guidelines set out by the South African Institute of Internal Auditors.
- Develop a three-year rolling audit plan and an annual internal audit plan indicating the scope of each audit and costing of all activities at an average hourly tariff based on an assumption of **1200 hours** per annum.
- In carrying out its support functions to the : Internal Audit, produce at least the following:
 - Quality assured audit files that comply with the Institute of Internal Audit's International Standards for the Professional Practice of Internal Auditing and other relevant standards for specialised audits.
 - Working papers required per the service providers Methodology must includes, but is not limited to the following:
 - Notification letter.
 - Team assignment forms
 - Team independence declarations
 - Audit Planning Memorandum for approval by engagement Director indicating detail of budgets, timeframes and the detailed scope of the allocated internal audit.
 - Minutes of the opening/entrance meeting.
 - System Description (Process analysis document).
 - Risk and Control matrix document.
 - Audit Programme.
 - Audit working papers.
 - Draft internal audit report.

REQUEST FOR PROPOSAL-INTERNAL AUDIT SERVICES

- Final internal audit report signed off by the project director.
- Follow-up of prior year findings.
- Customer satisfaction survey.
- Quality review checklist
- Quarterly progress reports directed to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention, when necessary, once the reports are signed off with management and the Accounting Authority.
- A close-off report at the end of each financial year in line with the Annual Internal Audit Plan for presentation to the Audit Committee.
- Perform any ad hoc assignments requested by the Audit Committee and management of the NSG as and when necessary.
- Liaison with the Auditor General and ensuring alignment of the audit work to be performed to ensure reliance where applicable and minimise duplication of audit effort.
- Bidders should demonstrate how it intends to assist in building of the internal audit capacity and how it will transfer skills to the NSG's internal resources, with emphasis on the latest developments in the internal audit profession.

1.11 PRICING AND PAYMENTS

Bidders must take note of the prescribed rates as set out by the Auditor General and must use such rates as a guideline to develop a detailed costed activity plan per year over the three-year period and annual audit plan.

Invoices will be payable upon receipt of the complete project file by the NSG that has been through all the relevant internal processes.

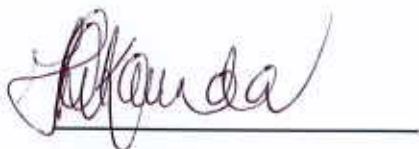
1.12 CONTRACT PERIOD

The NSG will enter into a Service Level Agreement with successful bidder who will be appointed for a period of three years with effect from the 01 April 2025 to 31 March 2028.

However, the NSG reserves the right to terminate the agreement for whatever reason by, giving the service provider three months written notice.

1.13 APPROVAL

Approval for request for proposal, terms of reference: Internal Audit Service for the NSG



PRINCIPAL

DATE 09/12/2024



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

SPECIAL CONDITIONS OF CONTRACT

Provision of Internal Audit Services to the National School of Government (NSG), 70 Meintjies Street, Sunnyside, Tshwane, for a period of thirty-six (36) months

NSG/BID/

CLOSING DATE AND TIME OF BID: 17 JANUARY 2025 AT 11:00

BID VALIDITY PERIOD: 120 DAYS

NATIONAL SCHOOL OF GOVERNMENT

SPECIAL TERMS OF CONTRACT

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SPECIAL TERMS OF CONTRACT

LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CSD	Central Supplier Database
NSG	National School of Government
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations 2022
SA	South Africa
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
VAT	Value Added Tax

SPECIAL TERMS OF CONTRACT

RETURNABLE DOCUMENTS

Table 1: Returnable Bid Document Checklist and Submission format

#	Document Name	Included in the published bid document?	To be returned by bidder
LEGISLATIVE REQUIREMENTS DOCUMENTS			
1	SBD 1 Invitation to bid	Yes	Yes
2.	SBD 3.3 – Pricing	Yes	Yes
2	SBD 4 Declaration of Interest	Yes	Yes
3	SBD 6.1 Preference Points Claim Form	Yes	Yes
PHASE I: MANDATORY REQUIREMENTS			
4	Legislative Requirements Documents	Yes	Yes
PHASE II: TECHNICAL REQUIREMENTS EVALUATION – DESKTOP EVALUATION			
5	Documentation and evidence as per the Terms of Reference	No	Yes
PHASE III: PRESENTATION			
6	Bidders will be expected to do a presentation to the evaluation committee.	Yes	Yes
PHASE IV: PRICE AND SPECIFIC GOALS (Annexure B)			
7	Pricing Schedule	Yes	Yes

#NB 1: All the prospective bidders are required to return these documents as per the above sequence.

#NB 2: The above table for returnable documents is a guide only on how and which documents must be submitted.

#NB 3: It is the responsibility of the bidder to ensure that they read each paragraph in the Special Conditions of Contract and Bid to determine all documents required and templates must be completed and submitted accordingly.

1. LEGISLATIVE AND REGULATORY FRAMEWORK

1.1 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 Regulations. The Special Conditions of Contract (SCC) are supplementary to that of General Conditions of Contract. However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

SPECIAL TERMS OF CONTRACT

1.2 Standard Bidding Documents

The following standard bidding documents must be submitted with the bid at the closing date and time of bid.

- SBD 1 – Invitation to bid
- SBD 3.3 – Pricing
- SBD 4 – Declaration of interest
- SBD 6.1 – Preference Points Claimed

1.3 Tax Compliance Requirement

- 1.3.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 1.3.2 The Tax Compliance status requirements are also applicable to potential foreign bidders/individuals who wish to submit bids.
- 1.3.3 It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an ongoing basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 1.3.4 Bidders are required to be registered on the Central Supplier Database (CSD) and NSG shall verify the bidder's tax compliance status through the CSD or through SARS.
- 1.3.5 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS.

SPECIAL TERMS OF CONTRACT

2. SPECIFICATIONS AND SCOPE OF WORK

2.1 REFER TO ALL ANNEXURES

- **Annexure A – Evaluation Criteria**
- **Annexure B – Pricing Schedule (to be submitted in a separate envelope)**
- **Annexure C – Detailed Proposed Team**
- **Annexure D – Contactable References completed by the bidder's clients**
- **Annexure E – Summary of Past Experience**

SPECIAL TERMS OF CONTRACT

SECTION A

CONDITIONS OF BID

3. PART 1: EVALUATION CRITERIA

The bid shall be evaluated in four (4) phases as per the table below:

Table 2: Evaluation Criteria

PHASE I	PHASE II	PHASE III	PHASE IV
Compliance with mandatory and other standard bidding documents	Technical Evaluation Desktop Evaluation	Presentation	Price and Preference Points
Compliance with mandatory and other bid requirements	Documentation and evidence as per TOR evaluation criteria	Bidders will be expected to do a presentation to the evaluation committee	Bids evaluated in terms of the 80/20 preference system

3.1 PHASE I: MANDATORY BID REQUIREMENTS

3.1.1 Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

SBD 1 – Invitation to bid.

SBD 3.3 – Pricing + Annexure on Price Structure

SBD 4 - Declaration of interest

SBD 6.1 (Complete and signed the document, non-submission will lead to a zero (0) on Preference Points

Other Mandatory requirements - Documents that must be submitted in Phase I	
Service Provider Profile	The bidder MUST submit a company profile that includes but not limited to the following: <ul style="list-style-type: none"> Overview of the company; A clear Description of the services rendered; A risk mitigation strategy to ensure continued service delivery; and Physical Address (or National Footprint of the company where applicable.

SPECIAL TERMS OF CONTRACT

Company Financial Statements	The bidder shall submit a copy of the bidder's latest available reviewed or audited financial statements, alternatively submit a confirmation from the bidder's auditors that the bidder is a going concern, with the bid documents at the closing date and time of the bid
Shareholding Portfolio	The bidder MUST submit valid proof of registration of the company with CIPRO/CIPC with the bid documents at the closing date and time of the bid. If by law registration with CIPRO/CIPC is not required, proof of ownership/shareholding must be provided.
Proof of registration with relevant Institutions	The Bidder must be registered with the Institute of Internal Auditors or the South African Institute of Chartered Accountants.
Registration on the Central Supplier Database (CSD)	The bidder must be registered as a service provider on the CSD. If the bidder is not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Submit proof of registration. In the event where a bidder submits a hard copy of the Tax Clearance Certificate, the CSD verification outcome will take precedence
Pricing Submission – (Annexure B)	Complete and sign – to be submitted in a separate sealed envelope.

3.2 PHASE II EVALUATION: TECHNICAL EVALUATION: DESKTOP EVALUATION (ANNEXURE A)

Bidders' must submit all required documents indicated hereunder with the bid documents at the closing date and time of the bid. During this evaluation phase, bidder's responses will be evaluated based on the documents submitted under mandatory requirements. Bidders who fail to comply with any of the mandatory criteria will be disqualified.

3.2.1 The Bid Evaluation Committee will evaluate in terms of technical requirements and a bidder who scores a minimum of 70% will be evaluated further.

3.3 PHASE III: PRESENTATION

3.3.1 Bidders will be expected to do a presentation to the evaluation committee and a bidder who scores a minimum of 70% will be evaluated further.

3.4 PHASE IV: PRICE AND PREFERENCE POINTS (80/20 CRITERIA)

3.4.1 Value Added Tax

All bid prices must be inclusive of fifteen percent (15%) Value Added Tax. Failure to comply with this condition may invalidate the bid.

SPECIAL TERMS OF CONTRACT

3.4.2 Pricing Structure

3.4.2.1 The Pricing Schedule (see **Annexure B** attached) must be included in the bid document and submitted at the closing date and time of bid.

3.4.2.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.

3.4.3 Preferential Point System

3.4.3.1 In terms of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 80/20 preference point system in terms of which points are awarded to bidders based on:

- i. The bid price (Maximum of 80 points)
- ii. Points awarded for specific goals (maximum 20 points)

3.4.3.2 The following formula will be used to calculate the points for price:

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

Where

P_s = Points scored for the comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

3.4.3.3 A maximum of 20 points may be allocated to a bidder for specific goals indicated in the bid in accordance with the table below:

Table 3: Preference Point System

GOAL	Points out of 20 (80/20)
(HDI/Black Owned)	Max = 8 Points
100% Black Owned	8 Points
75% - 99% black owned	6 Points
60% - 74% Black owned	4 Points
51% - 59% Black owned	2 Points
0 – 50% Black Owned	0 Point

SPECIAL TERMS OF CONTRACT

Black Women Owned	Max = 5 Points
100% Black Owned	5 Points
75% - 99% black owned	4 Points
60% - 74% Black owned	3 Points
51% - 59% Black owned	2 Points
0 – 50% Black Owned	0 Point
Black Youth	Max = 4 Points
100% Black Owned	4 Points
75% - 99% black owned	3 Points
60% - 74% Black owned	2 Points
51% - 59% Black owned	1 Point
0 – 50% Black Owned	0 Point
Black People with Disability	Max = 3 Points
100% Black Owned with disability.	3 Point
75% - 99% black owned with disability.	2 Points
60% - 74% Black owned with disability.	1 Point
51% - 59% Black owned with disability.	1 Point
0 – 50% Black Owned with disability	0 Point

- 3.4.3.4 Bidders are required to complete the preference claim form SBD 6.1 and submit valid proof of the CIPC Certificate and copies of IDs at the closing date and time of the bid in order to claim the points for specific goals indicated.
- 3.4.3.5 The points scored by a bidder in respect of the specific goals will be added to the points scored for price.
- 3.4.3.6 Only bidders who have completed and signed the declaration part of the preference claim form and who have submitted a **valid CIPC certificate and copies of IDs** will be considered for preference points.
- 3.4.3.7 The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.
- 3.4.3.8 The points scored will be rounded off to the nearest two (2) decimals.

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- 3.4.3.9 In the event that two (2) or more bids have scored equal total points, the award will be to the bidder scoring the highest number of preference points for specific goals.
- 3.4.3.10 Should two (2) or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- 3.4.3.11 A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

4. RECOMMENDATION AND APPOINTMENT OF BIDDERS

- 4.1 The Bid Evaluation Committee will recommend a preferred responsive bidder based on the evaluation criteria stipulated above.
- 4.2 The award of the Contract is subject to meeting all the requirements of the bid.

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5. PART 2: ADDITIONAL BID REQUIREMENT

5.1 Introduction

All bidders must comply with the requirements below as well as submit all required documents referred to below. Unless the requirements specifically provide for mandatory compliance, the National School of Government reserves the right to disqualify a bid that does not comply with any of the requirements.

6. TERMS AND CONDITIONS

6.1 Third Party Agreements and Subcontractor Agreements

6.1.1 No Agreement between the bidder and any third party will be binding to the State.

6.1.2 The bidder must declare as required in terms of SBD 6.1 its intention to subcontract voluntarily and the percentage of subcontracting thereof and must provide full description of the subcontractor.

7. SUPPLIER DUE DILIGENCE

7.1 The State reserves the right to conduct supplier due diligence during bid evaluation, prior to final award, or at any time during the contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof and the contract may be terminated.

7.2 The Department also reserves the right to request presentation and/ or verification of services/ hardware rendered/ provided where it deems appropriate.

8. COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders may result in the invalidation of such bids.

9. FRONTING

9.1 The NSG supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, the NSG does not support any form of fronting.

9.2 The NSG, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the DTI, be established during such enquiry/investigation, the onus will be on the bidder to prove that fronting does not exist. Failure to do so by the bidder within a period of fourteen (14) days from date of notification by NSG may invalidate the bid / contract and may also result in the restriction of the bidder from conducting business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the NT may have against the bidder concerned.

SPECIAL TERMS OF CONTRACT

10. RIGHT OF AWARD

The State reserves its following rights:

- To award the bid in part or in full.
- Not to make any award in this bid.
- Award the bid to more than one (1) bidder for the same item.
- Request further technical information from any bidder after the closing date.
- Verify information and documentation of the service provider.
- Not to accept any of the bids submitted.
- To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to the closing of the bid and post award; and
- If an incorrect award has been made to remedy the matter in any lawful manner it may deem fit.

11. NEGOTIATION

The State reserves the right to negotiate with the preferred bidders in line with the legislative requirements.

12. SUBMISSION OF BIDS

12.1 Bidders must respond to the bid as follows:

12.1.1 Bidders **MUST** be submitted at the National School of Government, 70 Meintjies Street (walk-in) or 20 Greeff Street (visitor parking), Trevenna, Sunnyside, Deposit the bid in the tender box at the reception.

12.1.2 **Bidders need to submit 1 x printed hard copy and 1 (one) x USB containing a pdf version of the hard copy saved on the USB.**

12.1.3 **Pricing proposals 1 x original copy and 1 x USB with a pdf version of the hard copy must be submitted in a separate envelope, if price submissions together with the SBD 3.3 are not submitted the proposal will be disregarded.**

12.1.4 Bidders must ensure that the bid is submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

12.1.5 **#NB:** Bid documents are required to be submitted in the order as indicated in **Table 1** – Returnable Documents Checklist, and **Annexure A** – Evaluation Criteria.

13. LATE BIDS

Bids received after the closing date and time, will NOT be accepted for consideration and where practicable, be returned unopened to the bidder.

14. COMMUNICATION AND CONFIDENTIALITY

14.1 The Supply Chain Management Unit within the Office of the Chief Financial Officer (CFO) may communicate with bidders where clarity is sought after the closing date

SPECIAL TERMS OF CONTRACT

and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

- 14.2 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NSG (other than minor clerical matters), the bidder must promptly notify the NSG in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the NSG an opportunity to consider what corrective action is necessary (if any).
- 14.3 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the NSG will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.
- 14.4 All communication between the bidder and the National School of Government must be done in writing.

15. CONTACT DETAILS

15.1 General

National School of Government,
Office of the Chief Financial Officer
Supply Chain Management Unit,
70 Meintjies Street,
Trevenna,
Sunnyside
0001

15.2 Bid Enquiries

All enquiries should be in writing to :

Annetha.debeer@thensg.gov.za / Nkhensani.Nkuna@thensg.gov.za

15.3 Technical Enquiries

All enquiries should be in writing to nsginternalaudit@thensg.gov.za

SPECIAL TERMS OF CONTRACT

SECTION B:

CONDITIONS OF CONTRACT

16. CONCLUSION OF CONTRACT

- 16.1 The Contract between the National School of Government and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.
- 16.2 The Service Provider (s) shall be appointed in terms of this bid.
- 16.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent. For purpose of Section B, the term "service provider" shall refer to the preferred bidder appointed in terms of the contract.

17. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

17.1 Supplier Performance Management

- 17.1.1 Supplier performance management will be the responsibility of the Project Leader and where supplier performance disputes cannot be resolved between the contractor and the relevant purchasing institution, NSG Legal Services and/or NSG SCM must be contacted for corrective actions.

18. SECURITY AND CONFIDENTIALITY INFORMATION

- 18.1 The Supplier will regard all information that he/she obtains or is entrusted with concerning the NSG whilst executing the contract, as confidential, secret or top secret.
- 18.2 The Supplier, his/her employees, sub-contractors, or agents may not make any such information obtained or entrusted with to any other person or to the media.

19. MERGERS, TAKEOVERS AND CHANGES IN SUPPLIER DETAILS

- 19.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the NSG in writing 90 days prior to such event of relevant details.
- 19.2 NSG reserves the right to agree to the transfer of contractual obligations to the new supplier under the prevailing conditions of the contract or to cancel the contract
- 19.3 A contracted supplier must inform the NSG within 7 days of any changes of address, name, contact or banking details.

20. REGISTRATION ON DATABASES OF PARTICIPATING AUTHORITIES

- 20.1 Awarded bidder must ensure continuous compliance with all statutory requirements which may affect their complying status on the Central Supplier Database managed by National Treasury.

SPECIAL TERMS OF CONTRACT

21. TERMINATION

21.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –

- The service provider decides to transfer the contract or cede the contract;
- The service provider does not honour contractual obligations including submission of information;
- The service provider is provisionally or finally liquidated, making it impossible for the service provider to perform its functions in terms of this contract;
- The service provider enters into settlement arrangements with their creditors;
- The service provider commits an act of insolvency;
- In the event that the service provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes.
- There is a change in ownership of the service provider that has the effect that over 50% ownership of the service provider belongs to the new owner without prior written approval of the State.
- Overall poor performance rating during the contract period



school of government

Department:
National School of Government
REPUBLIC OF SOUTH AFRICA

ANNEXURE A
**PROVISION OF INTERNAL AUDIT SERVICES FOR THE NATIONAL SCHOOL OF
GOVERNMENT (NSG)
FOR A PERIOD OF 3 (THREE) YEARS
NSG/BID/06/2024/2025**

EXAMPLE OF A RATING SCALE THAT BID EVALUATION COMMITTEE MEMBERS WILL USE

Rating	Definition	Score
Excellent	Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	5
Good	Satisfies the requirement with minor additional benefits . Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	4
Acceptable	Satisfies the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with supporting evidence.	3
Minor Reservations	Satisfies the requirement with minor reservations . Some minor reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	2
Serious Reservations	Satisfies the requirement with major reservations . Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	1
Unacceptable	Does not meet the requirement . Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource & quality measures required to provide the goods / services, with little or no supporting evidence.	0

The Bidders will be evaluated according to the technical evaluation criteria in the scorecard below.
 Bidders must indicate their ability to do the following and to substantiate as required with supporting documentation.

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
	TO BE COMPLETED BY THE TENDERING INSTITUTION				
	DESKTOP EVALUATION	100			TO BE COMPLETED BY THE BIDDER
	QUALIFICATIONS AND EXPERIENCE OF AUDIT MANAGERS AND STAFF	40			
1.1	Qualifications per engagement Director <ul style="list-style-type: none"> o <u>Internal Audit: CA/CIA (CIA is preferred) and a minimum of at least 5 years experience – 3 points.</u> o <u>Computer Audit: CISA – 3 points</u> o <u>Forensic s: CFE – 3 points</u> o <u>Construction: Practical Engineer / Quantity surveyor – 3 points</u> o <u>Quality Control: QAR certified by IIA: 3 points.</u> Other qualifications - 0 points	15	ToR Section 1.9.4		
1.2	Experience per manager Managers have at least 5 years experience in each relevant field <ul style="list-style-type: none"> o <u>Internal Audit Manager: CIA 5 years experience - 3 points</u> o <u>Computer Audit Manager: CISA 5 years experience - 3 points</u> o <u>Forensic Audit Manager: CFE 5 years experience – 3 points</u> o <u>Quality Control: IIA certification for quality assessment with at least 5 years' experience in</u> 	15	ToR Section 1.9.4		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION					
	quality control reviews. 3 points Less than 5 years experience in the above = 0 points				TO BE COMPLETED BY THE BIDDER
1.3	<p>Team member qualifications and experience All team members have a degree – 5 points</p> <ul style="list-style-type: none"> o All team members have at least 3 years relevant experience – 5 points <i>Not all team members have relevant qualifications; and experience = 0 points</i> <p>Note: The Audit Manager will be responsible for management of the audit projects and will spend at least 20% of their time on the projects when assigned to specific audits.</p>	10	ToR 1.9.5		
2 SERVICE PROVIDER EXPERIENCE					
2.1	<p>2.1 Public Sector experience in internal auditing and specific items as highlighted in scope.</p> <p><u>2.1.1 Public sector experience –</u></p> <p>5 points (Annexure D)</p> <ul style="list-style-type: none"> o Experience in Schedule 3A public sector audits – 5 points o Experience in other public sector audits (other public entities, departments, SOCs etc) – 2 points 	5	ToR and Section 1.9.7, 1.9.9 and 1.9.10		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION					
	<ul style="list-style-type: none"> o No public sector audit experience – 0 points. <u>2.1.2 Experience of completed projects in the following broad audit areas (letters must collectively reflect deliverables) – 10 points.</u> <ul style="list-style-type: none"> o Assurance audits – operational areas o Financial audits, including financial statement reviews. o Performance information reviews o Probity audits (e.g. supply chain management, funding allocation processes) o Information technology audits, such as: <ul style="list-style-type: none"> ➢ ICT general control reviews ➢ ICT application control reviews ➢ ICT network security ➢ ICT Governance reviews ➢ ICT system development lifecycle (SDLC) o Performance audits (economy, efficiency, effectiveness) o Governance and ethics audits o Enterprise risk management reviews o Combined assurance assessment and reporting o Compliance audits o Specialist audits, such as <ul style="list-style-type: none"> ➢ Determination tests into irregular, fruitless and wasteful expenditure, and material irregularity assessments ➢ Technical opinions 	10			TO BE COMPLETED BY THE BIDDER

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
	TO BE COMPLETED BY THE TENDERING INSTITUTION				
	<ul style="list-style-type: none"> o Consulting / advisory services o Quality assurance reviews and assessments (internal and/or external) <p>Experience in all areas = 10 points Experience in some areas only = 0 points</p>				
2.2	<p><u>Evidence of successful provision of similar services</u>(of at least three (3) years experience in the public sector performing Assurance reviews, ICT, Financial, Financial Reviews and Forensic) <u>as per client reference letter ratings – 15 points.</u></p> <p>Guideline: Overall average rating per client reference letters is used as follows:</p> <ul style="list-style-type: none"> o Poor / Below average = 0 o Average = 1 o Good / satisfactory = 3 o Very good = 4 o Excellent = 5 <p>Maximum points = 5</p> <p>points x 3 clients = 15</p>	15	ToR Section 1.9.9 and 1.9.10		
					TO BE COMPLETED BY THE BIDDER

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION					
	Note: Reference letter (Annexure D) to be completed by bidder's clients and include contactable references. NSG reserves the right to contact the references prior to award.				

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION					
3	Professional membership of allocated staff	10			
3.1	The service provider must be well versed in the best practices of the profession and have membership with the Institute of Internal Auditors (IIA), or South African Institute of Chartered Accountant (SAICA), or Information Systems Audit and Control Association (ISACA).	10	TOR Section 1.9.6		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
TO BE COMPLETED BY THE TENDERING INSTITUTION					
	<ul style="list-style-type: none"> • All mentioned above= (5) • Two mentioned above= (3) • One mentioned above= (1) • None of the above= (0) 				
4.	TRANSFER OF SKILLS – METHODOLOGY, APPROACH AND STEPS TO TRANSFERS SKILLS TO NSG INTERNAL AUDIT AND OTHER UNITS STAFF	10			
4.1	<ul style="list-style-type: none"> • The proposal must demonstrate an understanding of the importance of skills transfer, the methodology and approach to ensure skills transfer to: <ul style="list-style-type: none"> ➤ NSG internal audit staff, other units within the NSG e.g. Finance, Supply Chain, Strategy and HR. • Clear commitment to skills transfer indicated through implementation plan. 	10	ToR section 1.9.11		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
	TO BE COMPLETED BY THE TENDERING INSTITUTION				TO BE COMPLETED BY THE BIDDER
	<ul style="list-style-type: none"> ▪ Indicate how skills will be transferred to NSG staff. ▪ Availability of internal training to teams as a value add. ○ Comprehensive skills transfer implementation plan submitted outlining skills transfer = 10 points ○ Less comprehensive skills transfer implementation plan = 5 points ○ Irrelevant skills transfer plan, or no skills transfer plan = 0 points 				
5	APPROACH AND METHODOLOGY	10			
5.1.	<ul style="list-style-type: none"> • Demonstrate the audit approach and methodology to be used in planning for and conducting allocated audits • Provide a detailed plan of how and when the work will 	10	ToR Section 1.9.8		

#	TECHNICAL EVALUATION CRITERION	WEIGHT	REFERENCE IN BID DOCUMENT	REFERENCE PAGE IN BIDDERS PROPOSAL	COMMENTS
	TO BE COMPLETED BY THE TENDERING INSTITUTION			TO BE COMPLETED BY THE BIDDER	
	be conducted				

Cost Breakdown Matrix **Annexure B** to Terms of Reference (This is a guide on possible audits in a year within the NSG, depending on the risks these audits will change each year)

<ul style="list-style-type: none"> IT Security Management IT Governance (Contract/Outsourced IT Services) IT Disaster Recovery 	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost						
Human Resources: Perform a real time review to assess if the various projects are being delivered on time, are cost effective within budget and meets quality requirements Key projects; <ul style="list-style-type: none"> Skills Audit Internal Trainer capacity assessment Operational management framework 	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost						
Operational Review: Perform an adequacy and effectiveness review as it relates to key operational controls to ensure the delivery of the training targets. The review will focus on the following key processes <ul style="list-style-type: none"> Planning and Resourcing; Contract Management of Consultants & Facilitators; Execution and delivery of training (all spheres of government); Management and issuing of certificates. 	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost						
Quality Assurance Review of: <ul style="list-style-type: none"> Policies and Procedures Quality Assurance Framework Professional Practice and Communication Internal & external assessment Peer review mechanism Capacity assessment and training needs identification. 	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost						
Training Management System Review(Data Integrity and Security)	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost	Rate	Hour	Cost						

ANNEXURE D

(TO BE COMPLETED BY THE CLIENT REFERENCE IN THEIR LETTERHEAD)

NAME OF THE BIDDER: _____

Name:	
Contact Person:	
Designation/ Position:	
Contact Details:	
E-mail address	
Telephone Number	
Cellular Number	

Work performed				
Description	Period		Hours	Project fee
	From	To		

performance assessment of the bidder.
Scores must also be assessed in terms of ratings below:

1	Performance unacceptable
2	Performance not fully effective
3	Performance satisfactory
4	Performance significantly above expectations
5	Outstanding performance

Function	Rating
• Internal Audit Services (Assurance Reviews)	
• Review of Strategic Documents(Strategic Plan, Annual Performance Plan and Quarterly performance information reviews	
• Computer/ ICT Audit	
• Conduct Strategic and Operational Risk Assessments	
• Review of Annual Financial Statements	
• Consultation Services and forensic	
Average rating;	

ANNEXURE E

SUMMARY OF PAST EXPERIENCE (attach reference letters for verification)

Project Description	Client Name	Client Contact Details	Contract Start Date	Contract End Date	Contract Value
		Name: Number: E-mail:			
		Name: Number: E-mail:			
		Name: Number: E-mail:			
		Name: Number: E-mail:			

PRICING SCHEDULE
(Professional Services)
NSG – Internal Audit Services – 2024/2025

NAME OF BIDDER:	BID NO.: NSG/BID/06/2024/2025
CLOSING TIME 11:00	CLOSING DATE 17 JANUARY 2025

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

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

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

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION

HOURLY RATE DAILY RATE

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

R.....

R.....

R.....

R.....

R.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

R..... days

R..... days

R..... days

R..... days

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

DESCRIPTION OF EXPENSE TO BE INCURRED

RATE QUANTITY AMOUNT

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

..... R.....

..... R.....

..... R.....

..... R.....

TOTAL: R.....

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

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]

Any enquiries regarding bidding procedures may be directed to the –

The NSG:

A de Beer
Annetha.debeer@thensg.gov.za

Or for technical information –

Takalani Madzole (Project Specialist)
nsginternalaudit@thensg.gov.za

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 systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 Preference Points System

The applicable preference point system for this tender is the **90/10** preference point system.

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) Either the **90/10 or 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 The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) \text{ or } P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

SPECIFIC GOALS AND POINTS ALLOCATION

GOAL	Points out of 20 (80/20)	Points out of 10 (90/10)
(HDI/Black Owned)	Max = 8 Points	Max = 4
100% Black owned	8 Points	4 Points
75% - 99% black owned	6 Points	3 Points
60% - 74% Back owned	4 Points	2 Points
51% - 59% Black owned	2 Points	1 Point
0 – 50% Black Owned	0 Point	0 Point
Black Women Owned	Max = 5 Points	Max = 2 points
100% Black Owned	5 Points	2 Points
75% - 99% black owned	4 Points	1 Point
60% - 74% Back owned	3 Points	0 Point
51% - 59% Black owned	2 Points	0 Point
0 – 50% Black Owned	0 Point	0 Point
Black Youth	Max = 4 Points	Max = 2 Points
100% Black Owned	4 Points	2 Points
75% - 99% black owned	3 Points	1 Point
60% - 74% Back owned	2 Points	0 Point
51% - 59% Black owned	1 Point	0 Point

0 – 50% Black Owned	0 Point	0 Point
Black People with Disability	Max = 3 Points	Max = 2 Points
100% Black Owned with disability.	3 Points	2 Points
75% - 99% black owned with disability	2 Points	1 Point
60% - 74% Black owned with disability.	1 Point	0 Point
51% - 59% Black owned with disability.	1 point	0 Point
0 – 50% Black Owned with disability	0 Point	0 Point

Refer to page 7 to indicate the points claimed for each specific allocated goal.¹

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

¹ For points claimed by the bidder, the required valid proof must be submitted together with SBD 6.1. Failure to submit **valid proof** will result in the claimed points not allocated to the bidder.

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:

.....

SPECIFIC GOALS AND POINTS ALLOCATION

FOR POINTS CLAIMED BY THE BIDDER, THE REQUIRED VALID PROOF MUST BE SUBMITTED TOGETHER WITH SBD 6.1. FAILURE TO SUBMIT VALID PROOF WILL RESULT IN THE CLAIMED POINTS NOT ALLOCATED TO THE BIDDER.

GOAL	Points out of 20 (80/20)	Valid Evidence (Proof) to substantiate Points Claimed	Actual Points Claimed	Proof Attached Yes / No
(HDI/Black Owned)	Max = 8 Points	Valid CIPC Certificate and copy of IDs		
Black Women Owned	Max = 5 Points	Valid CIPC Certificate and copy of IDs		
Black Youth	Max = 4 Points	Valid CIPC Certificate and copy of IDs.		
Black People with Disability	Max = 3 Points	Valid CIPC Certificate and copy of IDs. <i>To claim points on disability the person / bidder needs to provide proof of disability (medical report, letter from authorised body or person before points can be claimed in this category).</i>		

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.

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

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 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.
- 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.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 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.

18. Contract amendments

- 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.

19. Assignment

- 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.

20. Subcontracts

- 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.

21. Delays in the supplier's performance

- 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.
- 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.
- 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.
- 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

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.