



KWAZULU-NATAL LEGISLATURE

AN ACTIVIST PEOPLE-CENTRED LEGISLATURE

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www.kznlegislature.gov.za

DESCRIPTION: APPOINTMENT OF PANEL OF FIVE INTERNAL AUDIT SERVICE PROVIDERS THAT WILL OPERATE ON A CO- SOURCED BASIS FOR A PERIOD OF THREE YEARS

Bid No. : **KZNL 1/2021**

COMPANY NAME : _____

Registration No. _____

Type of Bidder (Tick One Box)

One-person Business/Sole Trader	<input type="checkbox"/>
Close corporation	<input type="checkbox"/>
PTY (Ltd)	<input type="checkbox"/>
Private Company	<input type="checkbox"/>
Partnership	<input type="checkbox"/>
Consortium/Joint Venture	<input type="checkbox"/>
Co-operative	<input type="checkbox"/>

RETURN OF PROPOSAL

Proposal must be deposited in the **Bid box situated at Ground Floor, KZN
Legislature, 244 Langalibalele Street PIETERMARITZBURG 3201** The Senior
Manager: Supply Chain Management.

KWAZULU-NATAL LEGISLATURE

TABLE OF CONTENTS.

SECTION		CONTENTS	PAGE
Section A – K – Standard Bid Documentation	Section: A	Invitation to Bid	1-2
	Section: B	Special Instructions and Notices to Bidders regarding the completion of Bidding Forms	3
	Section: C	Tax Clearance Certificate Requirement	4
	Section: D	Declaration of Interest	5-7
	Section: E	Preference Points Claim Form in Terms of the Preferential Procurement Regulations 2017	8-12
	Section: F	Conditions of bid	14-15
	Section: G	Authority to Sign a Bid	16-19
	Section: H	Declaration of Bidders Past Supply Chain Management Practices.	20
	Section: I	Certificate of Independent Bid Determination	21-22
	Section: J	Special Conditions of Contract	22-26
	Annexure: A	Specification/ Tor & Price page/schedule	27-37
	Annexure B	General Conditions of Contract	38-39

SECTION A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF
THE KWAZULU-NATAL LEGISLATURE

BID NUMBER:	KZNL 1/2021	COMPULSORY BRIEFING SESSION	n/a	CLOSING DATE:	3 May 2021	CLOSING TIME:	11:00
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DESCRIPTION: APPOINTMENT OF PANEL OF FIVE INTERNAL AUDIT SERVICE PROVIDERS THAT WILL OPERATE ON A CO-SOURCED BASIS FOR A PERIOD OF THREE YEARS

CONTRACT PERIOD: **Three years**

VALIDITY PERIOD: **120 DAYS**

The successful bidder will be required to fill in and sign a written Contract Form (SBD 13.1 or 13.2) depending on the nature of the supply/service

BID DOCUMENTS DELIVERED BY HAND MUST BE DEPOSITED IN THE BID BOX SITUATED AT: Ground Floor, KZN Legislature 244 Langalibalele Street PIETERMARITZBURG 3201	THE BID BOX IS AVAILABLE ON THE FOLLOWING DAYS AND TIME: MONDAY TO FRIDAY (EXCLUDING PUBLIC HOLIDAYS) 08:00 TO 16:00
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Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO WILL RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER _____

POSTAL ADDRESS _____

STREET ADDRESS _____

TELEPHONE NUMBER CODE _____ NUMBER _____

CELLPHONE NUMBER _____

FACSIMILE NUMBER CODE _____ NUMBER _____

E-MAIL ADDRESS _____

VAT REGISTRATION NUMBER _____

CENTRAL SUPPLIER DATABASE (CSD) NO. _____

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (Section B) YES NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (Section F) YES NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

[TICK APPLICABLE BOX]

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA).....

A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR.....

A REGISTERED AUDITOR

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE 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? YES NO
[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE: FOR 36 MONTHS: R _____

BID PRICE IN WORDS: _____

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE(SCM) MAY BE DIRECTED TO:

Contact Person: Mr N Ngcamu
Tel: 033 355 7548 /060 569 2722
E-mail address: ngcamun@kznleg.gov.za

ANY ENQUIRIES REGARDING THE TECHNICAL SPECIFICATION MAY BE DIRECTED TO:

Contact Person: Ms R Moodley
Tel: 033 355 7500/083 790 9505
E-mail address: MOODLEYR@kznleg.gov.za

SECTION B

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and visa versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted.
3. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
4. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
5. Bids submitted must be complete in all respects. (All sections must be completed).
6. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
7. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
8. All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
9. A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
10. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
11. No bid submitted by telefax, telegraphic or other electronic means will be considered.
12. Bidding documents must not be included in packages containing samples. Such bids may be rejected as being invalid.
13. Any alteration made by the bidder must be initialled.
14. Use of pencil and correcting fluid is prohibited.
15. Bids will be opened in public as soon as practicable after the closing time of bid.
16. Where practical, prices are made public at the time of opening bids.
17. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
18. All consortia/joint ventures must submit individual company valid Tax Clearance Tax Clearance Certificates and pin. (Where required, individual company profiles must be included). Please also refer to Annexure D - para. 2.3 regarding B-BBEE Status Level Certificates.
19. If a **compulsory briefing session/site inspection** is held, the bid document must be stamped and signed at the session. Failure to comply will render the bid disqualified at the time of closure of the bid.
20. The Legislature is not bound to accept any of the proposals submitted and reserves the right to cancel the bid at any time and to call for the best and final offers from shortlisted bidders before final selection.
21. The Legislature reserves the right to call for presentations/interviews with shortlisted bidders before final selection.
22. Only bids that were submitted with a valid Tax Clearance pin **status** will be considered for appointment.
23. The Legislature reserves the right to appoint more than one service provider.
24. Prices will be deemed as firm for the first year and subject to statutory price increases. (**Note:** Any price escalation will be subjected to approval by the Legislature and will only be affected after the first completed year)
25. All bidders must attach all required annexures.
26. Bidding documents must be completed in accordance to the conditions and bidding rules contained therein.
27. The lowest or any proposal will not necessarily be accepted and the KZN Legislature reserves the right not to consider any proposal, not suitably endorsed or comprehensively completed, as well as the right to accept a proposal in whole or in part.
28. Registration on National Treasury's Central supplier Database (CSD) is compulsory. For more information on how to register go to www.csd.gov.za . Failure to submit a CSD supplier registration report will result in the disqualification of proposals.
29. **Appointment will be subject to positive outcome of the screening by SSA**

SECTION C (SBD 2)

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement bidders are required to complete in full the TCC 001 form. "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
3. The Tax Clearance Certificate and CSD must be submitted together with the bid.
4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
5. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.

Jeyrel:\Mdk416-SBD2 tax clearance

I HAVE READ, UNDERSTOOD AND COMPLY WITH THE SPECIAL INSTRUCTIONS ABOVE:

SURNAME AND INITIALS OF COMPANY REPRESENTATIVE

DATE

SIGNATURE

COMPANY OFFICIAL STAMP

SECTION D (SBD 4)

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:

Of (Company Name).....

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder², member):

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

¹“State” means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

²“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? YES NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

Position occupied in the state institution:

Any other particulars:

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES** **NO**

2.7.2.1 If yes, did you attach proof of such authority to the bid document? **YES** **NO**
(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES** **NO**

2.8.1 If so, furnish particulars:

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES** **NO**

2.9.1 If so, furnish particulars.

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? **YES** **NO**

2.10.1 If so, furnish particulars.

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? **YES** **NO**

2.11.1 If so, furnish particulars:

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Income Tax Reference Number	State Employee Number / Persal Number

4 DECLARATION

I, THE UNDERSIGNED (NAME) _____

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Company Name

Position

Date

SECTION E (SBD6.1)

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- 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 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 Preference point system shall be applicable; or
- 1.3 Points for this bid shall be awarded for:
- (a) Price; and
 - (b) B-BBEE Status Level of Contributor.
- 1.4 The maximum points for this bid are allocated as follows:
- | | POINTS |
|--|---------------|
| PRICE | 80 |
| B-BBEE STATUS LEVEL OF CONTRIBUTOR | 20 |
| Total points for Price and B-BBEE must not exceed | 100 |
- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20	or	90/10
$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	or	$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$

Where

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

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . =(maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME	QSE
	√	√
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
 - One person business/sole propriety
 - Close corporation
 - Company
 - (Pty) Limited
- [TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
 - Supplier
 - Professional service provider
 - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
--

<p>.....</p> <p>SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>
--

SECTION F
CONDITIONS OF BID

1. I/We hereby bid to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the KwaZulu-Natal Legislature (hereinafter called the "Legislature") on the terms and conditions and be in accordance with the specifications stipulated in the bid documents (and which shall be taken as part of and be incorporated into this bid) at the prices and on the terms regarding time for delivery and/or execution inserted therein.
2. I/we agree that:
 - (a) the offer herein shall remain binding upon me and open for acceptance by the Legislature during the validity period indicated and calculated from the closing time of the bid;
 - (b) this bid and its acceptance shall be subject to SCM Regulations issued in terms of the Financial Management of Parliament Act, the KwaZulu-Natal Legislature's Supply Chain Management Policy, the Treasury Practice Notes, and the General Conditions of Contract, with which I/we am fully acquainted;
 - (c) if I/we withdraw my bid within the period for which I/we have agreed that the bid shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, the Legislature may, without prejudice to its other rights, agree to the withdrawal of my bid or cancel the contract that may have been entered into between me and the Province. I/we will then pay to the Legislature any additional expenses incurred by the Legislature having either to accept any less favourable bid or, if fresh bids have to be invited, the additional expenditure incurred by the invitation of fresh bids and by the subsequent acceptance of any less favourable bid. The Legislature shall have the right to recover such additional expenditure by set-off against monies which may be due to me under this or any other bid or contract or against any guarantee or deposit that may have been furnished by me or on my behalf for the due fulfilment of this or any other bid or contract and pending the ascertainment of the amount of such additional expenditure to retain such monies, guarantee or deposit as security for any loss the Legislature may sustain by reason of my default;
 - (d) if my bid is accepted, the acceptance may be communicated to me by registered post, and that the South African Post Office Limited shall be treated as delivery agent to me;
 - (e) the law of the Republic of South Africa shall govern the contract created by the acceptance of my bid and I choose *domicilium citandi et executandi* in the Republic at (full physical address) :
.....
.....
3. I/we furthermore confirm that I/we have satisfied myself as to the correctness and validity of my bid: that the price(s), rate(s) and preference quoted cover all of the work/item(s) and my obligations under a resulting contract, and I accept that any mistakes regarding the price(s) and calculations will be at my risk.
4. I/we hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement, as the Principal(s) liable for the due fulfilment of this contract.
5. I/we agree that any action arising from this contract may in all respects be instituted against me and I/we hereby undertake to satisfy fully any sentence or judgement which may be pronounced against me as a result of such action.
6. I/we confirm that I/we have declared all and any interest that I or any persons related to my business has with regard to this bid or any related bids by completion of the Declaration of Interest Section.

6. CERTIFICATION OF CORRECTNESS OF INFORMATION SUPPLIED IN THIS DOCUMENT

I/we, THE UNDERSIGNED, WHO WARRANT THAT I AM DULY AUTHORISED TO DO SO ON BEHALF OF THE BIDDER, CERTIFY THAT THE INFORMATION SUPPLIED IN TERMS OF THIS DOCUMENT IS CORRECT AND TRUE, THAT THE SIGNATORY TO THIS DOCUMENT IS DULY AUTHORISED AND ACKNOWLEDGE THAT:

- (1) The bidder will furnish documentary proof regarding any bidding issue to the satisfaction of the Province, if requested to do so.
- (2) If the information supplied is found to be incorrect and/or false then the Province, in addition to any remedies it may have, may:-
 - a) Recover from the contractor all costs, losses or damages incurred or sustained by the Legislature as a result of the award of the contract, and/or
 - b) Cancel the contract and claim any damages which the Legislature may suffer by having to make less favourable arrangements after such cancellation.

SIGNED ON THIS DAY OF 20 AT

.....
**SIGNATURE OF BIDDER OR DULY
AUTHORISED REPRESENTATIVE**

.....
FULL NAME (IN BLOCK LETTERS)

ON BEHALF OF (BIDDER'S NAME)

CAPACITY OF SIGNATORY

NAME OF CONTACT PERSON (IN BLOCK LETTERS).....

POSTAL ADDRESS
.....
.

.....**POSTAL CODE.....**

TELEPHONE NUMBER:

FAX NUMBER:

CELL PHONE NUMBER:

E-MAIL ADDRESS:

**SECTION G
AUTHORITY TO SIGN A BID**

A. COMPANIES

If a Bidder is a company, a certified copy of the resolution by the board of directors, personally signed by the chairperson of the board, authorising the person who signs this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the company must be submitted with this bid, that is before the closing time and date of the bid

AUTHORITY BY BOARD OF DIRECTORS

By resolution passed by the Board of Directors on 20.....,
Mr/Mrswhose
signature appears below) has been duly authorised to sign all documents in connection with this
bid on behalf of (Name of Company).....

IN HIS/HER CAPACITY AS:

SIGNED ON BEHALF OF COMPANY:

.....
(PRINT NAME)

SIGNATURE OF SIGNATORY: **DATE:**

WITNESSES: 1
2

B. SOLE PROPRIETOR (ONE - PERSON BUSINESS)

I, the undersigned..... hereby confirm that I am the
sole owner of the business trading as

SIGNATURE..... **DATE**.....

C. PARTNERSHIP

The following particulars in respect of every partner must be furnished and signed by every partner:

Full name of partner	Residential address	Signature
.....
.....
.....
.....

We, the undersigned partners in the business trading as.....
 hereby authorise to sign this bid as well as any contract
 resulting from the bid and any other documents and correspondence in connection with this bid and
 /or contract on behalf of (*company name*)

..... SIGNATURE SIGNATURE SIGNATURE
..... DATE DATE DATE

D. CLOSE CORPORATION

In the case of a close corporation submitting a bid, **a certified copy** of the Founding Statement of such corporation shall be included with the bid, together with the **resolution by its members authorising a member** or other official of the corporation to sign the documents on their behalf.

By resolution of members at a meeting on 20..... at

..... Mr/Ms....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of

(Name of Close Corporation)

SIGNED ON BEHALF OF CLOSE CORPORATION:
 (PRINT NAME)

IN HIS/HER CAPACITY AS DATE:

SIGNATURE OF SIGNATORY:

WITNESSES: 1 WITENSS:- 2

E. CO-OPERATIVE

A certified copy of the Constitution of the co-operative must be included with the bid, together with the resolution by its members authoring a member or other official of the co-operative to sign the bid documents on their behalf.

By resolution of members at a meeting on 20..... at

Mr/Ms....., whose signature appears below, has been authorised to sign all documents in connection with this bid on behalf of (Name of cooperative).....

SIGNED ON BEHALF OF CO-PERATIVE:.....
(PRINT NAME)

IN HIS/HER CAPACITY AS:.....DATE:.....

SIGNATURE OF AUTHORISED REPRESENTATIVE/SIGNATORY:

WITNESSES: 1 WITENSS:- 2

F. CONSORTIUM

If a bidder is a consortium, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of concerned enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the consortium must be submitted with this bid, before the closing time and date of the bid.

AUTHORITY TO SIGN ON BEHALF OF THE CONSORTIUM

By resolution/agreement passed/reached by the consortium on 20

Mr/Mrs.....

(whose signature appear below) have been duly authorised to sign all documents in connection with this bid on behalf of:(Name of Consortium)

SIGNED ON BEHALF OF CLOSE CORPORATION:
(PRINT NAME)

IN HIS/HER CAPACITY AS DATE:

SIGNATURE OF SIGNATORY:

WITNESSES: 1 WITNESS: - 2.....

G. JOINT VENTURE

If a bidder is a joint venture, a certified copy of the resolution/agreement passed/reached signed by the duly authorised representatives of the enterprises, authorising the representatives who sign this bid to do so, as well as to sign any contract resulting from this bid and any other documents and correspondence in connection with this bid and/or contract on behalf of the joint venture must be submitted with this bid, before the closing time and date of the bid.

AUTHORITY TO SIGN ON BEHALF OF THE JOINT VENTURE

By resolution/agreement passed/reached by the joint venture partners on.....20.....

Mr/Mrs.....,Mr/Mrs.....,

Mr/Mrs.....and Mr/Mrs.....

(whose signatures appear below) have been duly authorised to sign all documents in connection with this bid on behalf of:(Name of Joint Venture).....

IN HIS/HER CAPACITY AS:

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SIGNED ON BEHALF OF (COMPANY NAME):
(PRINT NAME)

SIGNATURE :..... DATE:

IN HIS/HER CAPACITY AS:.....

SECTION H (SBD 8)

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
- 4 abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; or failed to perform on any previous contract.
- 5 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home pg	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:.....		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:.....		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:.....		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:.....		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME) _____ CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Date

Position

Company Name

5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid;or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

SECTION J

SPECIAL CONDITIONS OF CONTRACT

1. ACCEPTANCE OF BID

- 1.1 The KwaZulu-Natal Legislature's (KZN Legislature's) Bid Adjudication Committee is under no obligation to accept the lowest or any bid.
- 1.2 The financial standing of bidders and their ability to manufacture or to supply goods or render services may be examined before their bids are considered for acceptance.

2. APPEALS/OBJECTIONS

- 2.1 Entities aggrieved by a decision of a KZN Legislature Bid Adjudication Committee or a delegate of an accounting officer, may appeal to the Accounting Officer in the prescribed manner by the Supply Chain Management Policy or submit their grievance to the High Court.

3. AMENDMENT OF CONTRACT

- 3.1 Any amendment to or renunciation of the provisions of the contract shall at all times be done in writing and shall be signed by both parties subject to the Legal Services screening the amendment before it is signed.

4. BID PRICING

Bid prices reflected, will be taken as firm for the duration of the contract and will only be subject to statutory increases.

5. CHANGE OF ADDRESS

- 5.1 Bidders must advise the KwaZulu-Natal Legislature should their address (*domicilium citandi et executandi*) details change from the time of bidding to the expiry of the contract.

6. COMMUNICATION

- 6.1 All correspondence with regard to this bid must be addressed or hand delivered to the:

HEAD OF SUPPLY CHAIN MANAGEMENT
KZN LEGISLATURE
PRIVATE BAG X 9112
PIETERMARITZBURG
3200

7. COMPLETION OF SPECIFICATION

- 7.1 Where specifications are designed in such a way that responses would be required from bidders, these forms must be completed and submitted as part of the bid document.

8. COMPLETENESS OF BID

- 8.1. Bids will only be considered if correctly completed and accompanied by all relevant certificates and other necessary applicable information.

9. CONDITIONS OF BID

- 9.1 The successful Contractor must be in a position to assume duty on the date stipulated in the letter of acceptance
- 9.2 No bid received by telegram, telex, or facsimile will be considered.
- 9.3 It shall be noted that the KZN Legislature is under no obligation to accept the lowest or any bid.
- 9.4 The offer shall be made strictly according to the specification. No alternative offers will be considered.

- 9.6 Bidders must provide the following particulars about themselves as part of the bid:
- 9.6.1 Where they have their Headquarters
 - 9.6.2 Where they have their Regional Office.
 - 9.6.3 Name, address and telephone number of bankers together with their bank account number.
 - 9.6.4 The names, identity numbers and street addresses of all partners in cases where persons, a partnership, or a firm consists of a partnership.
- 9.7 In cases where a person or persons, a partnership, close corporation, firm or company enters business for the very first time, the following particulars shall be provided:
- 9.7.1 By whom, or with whose assistance, was the business plan drafted?
 - 9.7.2 By whom, or with whose assistance, were the bid prices calculated?
 - 9.7.3 Whose advice is relied on?
 - 9.7.4 Who will provide financial support?
- 9.8. A list of references must accompany this bid. Particulars shall be submitted regarding similar agreements completed successfully or of projects which the bidder is engaged in.

10. CONTRACT PERIOD

- 10.1 The contract period : **4 Years**
- 10.2 The KZN LEGISLATURE reserves the right to terminate the contract with any contractor should the contractor fail to fulfil his/her contractual obligations in terms of the contract.

11. DETAILS OF CURRENT CONTRACTS HELD BY THE BIDDER

- 11.1 The bidder must furnish the following details of all current contracts:
- (i) Date of commencement of contract/s;
 - (ii) Expiry date/s;
 - (iii) Value per contract; and
 - (iv) Contract details. That is, with whom held, phone number and address/s of the company.

12. EQUAL BIDS

- 12.1 In the event that two or more bids have equal total points, the successful bid will be the one scoring the highest number of preference points for specified goals. Should two or more bids be equal in all respects, the Adjudication shall be decided by the drawing of lots.

13. EXECUTION CAPACITY

- 13.1 The bidder will be required to provide an efficient and effective service. Therefore, the bidder is required to submit proof that he/she has the required capacity to execute the contract tendered for successfully. The bidder must supply references or state his/her experience as a company to undertake the contract. References of past experience of owners/employees of new entities must accompany the bid document

14. EXTENSION OF CONTRACT

- 14.1 An extension of contract may be considered. It is the normal policy that contracts are not extended. However, circumstances may arise whereby a contract cannot be renewed in time. If this is found to be the case, the right is reserved to approach existing contractor(s) to extend the contract for such period agreed to.

15. INFORMATION REQUIRED FROM BIDDER

- 15.1 Bidders must provide the following particulars about themselves as part of the bid:
- 15.2 Where they have their Headquarters.
 - 15.3 Where they have their Regional Offices.
- } Details to be supplied on
Company's letterhead.

16. IRREGULARITIES

- 16.1 Companies are encouraged to advise the KZN Legislature timeously of any possible irregularities which might come to their notice in connection with this or other contracts.

17. JOINT VENTURES

- 17.1 In terms of the Supply Chain Management Policy Framework, a consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI members, be entitled to equity ownership in respect of an HDI.
- 17.2 Should this bid be submitted by a joint venture; a certified copy of the joint venture agreement **must** accompany the bid document before the closing date and time of bid. The joint venture agreement must clearly specify the percentage of the contract to be undertaken by each company participating therein.
- 17.3 Failure to submit the joint venture Agreement will result in preference points not being allocated to all companies participating in the joint venture.

18. LATE BIDS

- 18.1 Bids are late if they are received at the address indicated in the bid documents after the closing date and time.
- 18.2 A late bid shall not be considered and, where practicable, shall be returned unopened to the bidder. No late bids are accepted.

19. NOTIFICATION OF ADJUDICATION OF BIDDER & ADVERTISING OF RESULTS

- 19.1 Notification of the Adjudication of bid shall be in writing by a duly authorized official of the KZN Legislature.

20. TAX CLEARANCE CERTIFICATE

- 20.1 The Tax Clearance Certificate and PIN must be submitted with the bid before the closing date and time of the bid.
- 20.2 Each party to a Joint Venture/Consortium must submit a valid Tax Clearance Certificate and pin together with the bid at the closing date and time of bid.

21. UNSATISFACTORY PERFORMANCE

- 21.1 Unsatisfactory performance occurs when performance is not in accordance with the contract conditions.
- (i) Before any action is taken, the KZN Legislature shall warn the contractor by registered/certified mail that action will be taken in accordance with the contract conditions unless the contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time (7 days minimum). If the contractor does not perform satisfactorily despite the warning the KZN Legislature will:
- (a) take action in terms of its delegated powers
 - (b) make a recommendation for cancellation of the contract concerned.

22. VALIDITY PERIOD AND EXTENSION THEREOF

- 22.1 The validity (binding) period for the bid must be **120** days from close of bid. However, circumstances may arise whereby this KZN Legislature may request the bidders to extend the validity (binding) period. Should this occur, the KZN Legislature will request bidders to extend the validity (binding) period under the same terms and conditions as originally tendered for by bidders. This request will be done before the expiry of the original validity (binding) period.

23. VAT

23.1 Bid prices must be inclusive of VAT.

23.2 A tax invoice shall be in the currency of the Republic of South Africa and shall contain the following particulars:

- (a) The name, address and registration number of the supplier;
- (b) the name and address of the recipient;
- (c) an individual serialized number and the date upon which the tax invoice is issued;
- (d) a description of the goods or services supplied;
- (e) the quantity or volume of the goods or services supplied;
- (f) either –
 - (i) the value of the supply, the amount of tax charged and the consideration for the supply; or
 - (ii) where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.

24. REGISTRATION WITH THE STATUTORY BODIES

The bidder must be registered for Workmens Compensation & UIF.and ensure that they abide by all relevant and applicable legislation/s and all applicable regulations pertaining to the required services.

25. SECURITY VETTING:

Security vetting will be carried out on all personnel involved in the contract.

ANNEXURE A

**Specifications
And
Price page/schedule
BID NUMBER: KZNL 1/2021**

TERMS OF REFERENCE FOR THE PROVISION OF CO-SOURCED INTERNAL AUDIT SERVICES

The Kwazulu-Natal Legislature (KZNL) invites proposals for a panel of five Internal Audit Service providers that will operate on a co-sourced basis. The Legislature has a Chief Audit Executive and is in the process of appointing internal resources. Outsourced resources are required to assist with specialist audit services including ICT, data analytics, forensic and any other ad hoc IA related services over a period of three years.

In response to the capacity challenge, the Legislature has for a number of years been utilising external consultants to execute the internal audit plan in terms of the requirements of the FMPPLA and other legislation.

The main aim of the Legislatures Internal Audit division is to, with the assistance of a co-sourced service provider, fully utilise the internal resources and deliver on the risk based three year strategic and annual plan. The Chief Audit Executive (CAE) will coordinate the services of the internal and external resources for specialist and non-specialist internal audit engagements.

1. BACKGROUND OF THE KZNL

The KwaZulu-Natal Provincial Legislature (KZNL) is a provincial arm of the Republic of South Africa. Its roles and responsibilities are defined and spelt out in Chapter 6 of the Constitution. The Legislature delivers on KZN citizenry mandate to be both its custodian of democracy as well as its oversight agent, ensuring that government delivers on its political promises made during the electoral process.

In line with its legislative mandate, its objectives are to deepen democracy and activism in KwaZulu-Natal, through robust oversight, effective public participation and efficient law making. Chapter 7, paragraph c of the Financial Management Act requires that:

(c) Parliament maintains effective, efficient and transparent systems of financial management, risk management, internal control and internal audit; The Act further requires as per section 50. (1) The Accounting Officer must establish Parliament's internal audit unit which must conduct internal audits in accordance with the standards set by the Institute of Internal Auditors, for the purpose of maintaining consistency with internal audit functions in other organs of state. This function will be a co-sourced function within the Kwazulu-Natal Provincial Legislature.

2. OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

The objective of this bid is to appoint a panel of Internal Audit Service Providers to provide specialist services including ICT, risk management and forensics audits, that can support the Chief Audit Executive in fulfilling the provision of Internal Audit Services to the Executive Authority, Accounting Officer and Management of the KZNL

The Internal Audit function should assist the KZNL to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management control and governance processes. The risk management strategy including the fraud prevention plan must be used to direct the internal effort.

Some of these objectives/ standards/ controls subject to evaluation, are to review:

- (a) Internal control processes
- (b) The information systems environment
- (c) The reliability and integrity of financial and operational information
- (d) Compliance with policies, laws, regulations and contracts

- (e) The safeguarding of assets
- (f) The economical and efficient use of resources
- (g) Achievement of established operational goals and objectives
- (h) Assisting the Audit and Risk Committee and through them the Accounting Officer and management in the effective discharge of their responsibilities, furnishing them with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed and regular follow ups.
- (i) The appointed service provider must maintain full support services which include management of resources, guarantee of quality in the services rendered and contractual control for resources applied.

Background information on the structure of the KZNL is available on our website on <http://www.kznlegislature.gov.za/> as are the annual reports.

3. SCOPE OF WORK

KZNL currently outsources some its internal audit activities to an external service provider. The CAE oversees the work performed by these service providers. The relationship we seek will include Legislature operations specialist audits over our ERP system which is currently SAP, Enterprise Risk Management (ERM), and information system reviews and forensic investigations based on whistle blowing reports received from our hotline.

In addition, it is expected that the Internal Audit service providers will identify quantifiable value creating opportunities to contribute to the future success of our business.

The scope of the Internal Audit function includes at least the under-mentioned. Should any other function be regarded as imperative by the bidder the functions shall be offered and clearly defined.

The Internal Audit function (being the Chief Audit Executive together with the Internal Audit Service Provider) must, in consultation with the Audit and Risk Committee prepare:

- (a) A rolling three year strategic Internal Audit Plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy.
- (b) An annual Internal Audit Plan.
- (c) Combined assurance plan taking into account risk management and external audit to ensure minimal duplications.
- (d) Plans indicating the scope, cost and timelines of each audit in the annual internal audit plan.
- (e) Audit reports directed to the Audit and Risk Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- (f) Gant chart of timelines for plan for the year
- (g) Detailed budgets
- (h) Audit-working paper files for audits completed (Files are to be proprietary of KZN Legislature and will have to be given to the Legislature when requested).
- (i) Summary reports and presentations for Audit and Risk Committees
- (j) Attendance at Audit and Risk Committee meetings (as requested)

- (k) Annual conclusion of control environment
- (l) Transfer of skills to KZN Legislature appointed staff that will work on assignments with the auditors, in terms of the individual(s) training needs and key development areas
- (m) Value added advice to management regarding management of risks.
- (n) Evidence of working closely with external auditors and other assurance providers to prevent duplication of effort in line with the combined assurance plan

The Internal Audit function must co-ordinate with other internal and external providers of assurance to ensure proper coverage and to minimise duplication of effort in terms of the combined assurance plan

The Internal Audit function must assist the Accounting Officer in maintaining effective controls by evaluating those controls and by developing recommendations for enhancement or improvement. *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 processes through which:*

- (a) Objectives and values are established and communicated
- (b) The accomplishment of objectives is monitored
- (c) Accountability is ensured
- (d) Corporate values are preserved
- (e) The adequacy and effectiveness of the system of internal control are reviewed and appraised.
- (f) The relevance, reliability and integrity of management, financial and operating data and reports are appraised.
- (g) Systems establishment to ensure compliance with policies, plans, procedures, statutory requirements and regulations, which could have a significant impact on operations are reviewed.
- (h) The means of safeguarding assets are reviewed and as appropriate verifying the existence of such assets.
- (i) The economy, efficiency and effectiveness with which resources are employed, are appraised.
- (j) The results of operations or programmes are reviewed to ascertain whether results are consistent with the KZNL's established objectives and goals and whether the operations or programmes are being carried out as planned.
- (k) The adequacy of established systems and procedures are assessed.

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

- (a) IT Security and SAP system process audits
- (b) Enterprise and risk management reviews
- (c) Cybersecurity reviews, segregation of duties reviews, and other ICT related reviews
- (d) Conducting special assignments and investigations on behalf of the Audit and Risk Committee or Secretary into any matter or activity affecting the probity, interest and operating efficiency of the KZNL.

- (e) Audits designed to detect fraud and investigations into matters reported via the whistle blowing hotline

The internal audit plan for 2021/ 22 targets a range of approximately 2804-man hours of which approximately 776 needs to be co-sourced. Notwithstanding the above, it is expected that the appointed service provider/s will suggest changes to the current year plan to ensure that all strategic risks are adequately addressed in line with a combined assurance plan. The appointed service provider/ s will report directly to the CAE.

The selected service provider/s must maintain full support services which include management of resources, guarantee of quality in the product developed and services provided and contractual control for resources applied.

Fraud and irregularities

In planning and conducting its work, the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices. Any such defects must be reported immediately to the CAE and/or the Audit and Risk Committee, without disclosing these to any other staff. This also applies to instances where serious fraud and irregularities are uncovered.

4. EXPECTED OUTCOMES AND DELIVERABLES

When performing audit assignments, each assignment should at least consist of the following, which must be in line with the IIA framework, guidelines and practice notes:

- (a) Pre-audit survey
- (b) Audit planning memorandum
- (c) Minutes of entrance meeting
- (d) Risk assessment document
- (e) System descriptions
- (f) Audit programmes
- (g) Sampling methodology
- (h) Mechanisms for follow up on matters previously reported and feedback to the Audit and Risk Committee
- (i) Mechanism to ensure that working papers are reviewed at the appropriate level.
- (j) Record of work performed
- (k) Audit of work performed
- (l) Audit finding and recommendations
- (m) Reporting (draft internal audit report and final internal audit report)
- (n) Follow up of previous audit findings

Reporting requirements

The structure of the report is to be in line with the KZN Legislature Audit Services templates and should include the following:

- (a) Introduction
- (b) Audit objective and scope
- (c) Background

- (d) Executive summary highlighting significant findings
- (e) Findings, recommendations and management response (including implementation dates)
- (f) All audits are to be carried out according to the Internal Audit Plan approved by the Audit Committee.

The auditor is to deliver through the CAE an electronic copy and one signed copy of the final report.

5. QUALITY ASSURANCE REVIEWS OF THE WORK

The auditor shall ensure that all work conforms to the Standards for the Professional Practice of the Institute of Internal Audit (IIA) and other boards or institutions where applicable. Such work may further be subject to an internal and external quality assurance as may be considered necessary.

6. MONITORING PROGRESS OF ASSIGNMENTS

On completion of each assignment, the auditor shall distribute the reports to the CAE, internal Risk Management Committee, Audit and Risk Committee (ARCO), and the Secretary.

On a quarterly basis a report to the ARCO on progress against the plan, significant findings and administrative matters will be presented.

7. INDEPENDENCE AND OBJECTIVITY OF STAFF

In carrying out the work, the auditor must ensure that their staff maintains their objectivity by remaining independent of the activities they audit.

The consultant shall:

- (a) Have no executive or managerial powers, functions or duties except those relating to Internal Audit.
- (b) Not be involved in the day to day operation of the KZNL
- (c) Not be responsible for the detailed development or implementation of new systems and procedures.

8. DURATION OF CONTRACT

The duration of the contract with all five service providers that would form part of the panel is anticipated to run for a period of three years commencing on the date of signature of the Service Level Agreement. The second and third year will be subject to an evaluation of the achievement of the first and second year's targets, respectively.

The Legislature would like to ensure an equitable split of work amongst all service providers on the panel and will be allocating work on a rotational basis based on the agreement entered into.

9. TECHNICAL PROPOSAL AND CRITERIA

The written tender application should focus on the following aspects to qualify and to be considered:

- (a) A description of your firm's Internal Audit, ICT and forensic methodology linked to a risk assessment process (in line with the IIA, ICFP and ISACA standards), including an example of the resulting risk map/ profile that would be developed as part of the risk assessment process.
- (b) Identification of tools and technologies developed and utilised by the firm to increase the efficiency and effectiveness of the Internal Audit function.
- (c) Your firm's internal audit key capabilities relating to Internal audit, ICT and forensics (which will be assigned to KZNL activities), including the following:

- i. Number and names of resources/ people to be **dedicated** to KZNL activities;
 - ii. Number and names of these IA resources with 0 - 3 years IA, ICT, risk management and/or forensic experience.
 - iii. Number and names of these resources with 3 – 5 years' IA, ICT, risk management and/or forensic experience; and
 - iv. Number and names of these resources with greater than 5 years IA, ICT, risk management and/or forensic experience.
- (d) Experience for this purpose is defined as time spent as an IA/ ICT/Caats/forensic auditor before and after joining your firm. The above resources should also subscribe to the International Standards for the Professional Practice of Internal Auditing/ISACA/ICFP.
- (e) Description of your firm's approach to this co-source arrangement, including:
- i. Identification of the key resources who will be responsible for the engagement, including the expected percentage of their time committed to KZNL along with their ICT and/or forensic experience (as defined above);
 - ii. How human resources will be assigned, including the offices of all personnel to be assigned (describe the coordination process if multiple offices will be used);
 - iii. Number and names of human resources in the "core team" dedicated to the KZNL;
 - iv. Your plans to maintain human resources continuity;
 - v. How your human resources and projects will be managed on a day-to-day basis;
 - vi. How your human resources will be further developed to enhance their skills base; and
 - vii. How you plan to routinely communicate with KZNL management.
- (f) Curriculum Vitae of the key team members that will be assigned, including experiences in serving as a senior/ key internal audit resource in industry.
- (g) Description of your specific capabilities and expertise in information technology systems as well as for other services, including specialised expertise in business continuity planning, pre and post SAP implementation projects, systems and network security reviews, emerging risks such as e-commerce and business to business re-engineering.
- (h) A summary of relevant experience for which similar services are currently being provided. Include at least three reference clients (including key contact names and telephone numbers) where you are providing internal audit outsourcing services to companies that are not your external audit clients. References should be provided for companies who have completely outsourced or co-sourced their internal audit function to your firm.
- (i) Description of the ways in which your firm will bring innovation, thought leadership, best practices in ICT and fraud management, tools resident in the firm to ensure easy access to such information and any other capabilities that will enhance the performance of the Internal Audit function and ensure continuous improvement, influence and value to the organization. In

addition, please describe your approach to sharing such knowledge with KZNL resources and management.

- (j) Description of proposed integration and coordination with the external auditor and other assurance Providers.
- (k) Articulation of your transition plan to change from the existing service provider to ensure a smooth and timely transition. The Bidder should also articulate the plans of skills transfer in those areas where KZNL audit human resources might be deficient currently.
- (l) Your proposed fees for this engagement, including your proposed billing arrangements, and indication of whether actual or average rates would be used. (NB: We require an average rate to be used in billing, to ensure that budgeted costs and actual costs can be adequately managed.)
- (m) Please provide appropriate detail of both your proposed hourly and project fees; breaking out human resources costs per category of staff vs. other expenses where applicable.

Provide any other information you deem appropriate and the following points below should be noted:

- (a) The firm or partnership must be registered with the Institute of Internal Auditors and ISACA;
- (b) Demonstration of the firm's substantial internal audit experience focusing on ICT and forensics, including the experience and qualifications of the team to be assigned in the audit;
- (c) Specialised skills, expertise and value added services in the field of internal audit, with emphasis on best practice methodology, tools and technology used;
- (d) Availability of Forensic Audit skills and tools;
- (e) Availability of Computer Audit skills and tools;
- (f) Advanced understanding of and sufficient exposure to, the Financial Management Act of Parliament and Legislatures and mandates of Legislatures;
- (g) Experience in auditing of Legislatures;
- (h) Shareholding and Management structure;
- (i) Employment Equity Policy;
- (j) Fee Structure;
- (k) External references, size of audits and size of client base.

Please ensure adequate documentation is attached to evaluate the entity on the above criteria.

10. FINANCIAL PROPOSAL

It is understood that internal audits are based on hourly rates and that budgets are compiled once the appointed auditor has assessed the likely extent of the work.

Financial proposals will be compared on the basis of average hourly rates. Firms are required to submit a table of hourly rates as required in the table below. Rates should be inclusive of all overheads but exclusive of VAT. If a particular category does not exist in the firm it can be omitted.

ITEM	HOURLY RATES (Incl. all overheads) (Excl. VAT)	HOURLY RATES (Incl. all Overheads) (Excl. VAT)	HOURLY RATES (Incl. all overheads) (Excl. VAT)
	Year 1	Year 2	Year 3
Engagement Partner	R	R	R
Partner/Director	R	R	R
Senior Manager	R	R	R
Manager	R	R	R
Assistant manager	R	R	R
Supervisor	R	R	R
Senior Auditor	R	R	R
Trainee Auditor	R	R	R
Specialists (E.g. Tax, Technical, etc.)	R	R	R

It is recognised that it is difficult for a prospective bidder to be firm about the extent of the work solely on the terms of reference. However, to assist with assessments a firm must provide a typical distribution of time for members of the audit team on a job of this nature. This to be expressed in percentages of the total person-hours billed on a typical job. (See table below.)

ITEM	Typical percentage of total hours on project
Engagement Partner	%
Partner	%
Senior Manager	%
Manager	%
Assistant manager	%
Supervisor	%
Senior Auditor	%
Trainee Auditor	%
Specialists (E.g. Tax, Technical, etc.)	%
	100%

We further require the average rate you will charge us based on the figures above over the 3 year contract period.

This average cost will be used for the costing and billing of Internal audit, Information technology work including Caats, general controls, application controls, license reviews, cybersecurity and sap basis testing, risk management processes and reviews; forensic investigations and any other ad hoc review.

	AVERAGE HOURLY RATES (Incl. all overheads) (Excl. VAT) Year 1	AVERAGE HOURLY RATES (Incl. all Overheads) (Excl. VAT) Year 2	AVERAGE RATES (Incl. all overheads) (Excl. VAT) Year 3
Average hourly rate			
Number of hours planned per year	776	853	900
Total cost of IA plan for the year (excl vat)			

Disbursements

As the Legislature has one main office situated in Pietermaritzburg, it would be considered advantageous for the successful bidder to have an office or staff also based in the Legislative capital of KZN. We will not pay for any disbursements related to travel time or kilometers to and from your office to our offices in Pietermaritzburg, and will consider this cost an investment made by the bidder to our organisation. This is in line with the terms and conditions offered to other provincial public sector organisations.

11. Evaluation Criteria for Selection

The evaluation of technical proposals will be on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and point system indicated below.

Proposals will be evaluated on functionality and according to the provisions of the Preferential Procurement Policy Framework Regulations. The 80/20 preferential points system will therefore apply. 10 points will be allocated to Historically Disadvantaged Individuals.

Tenders will be awarded on the absolute discretion of Exco and the Audit and Risk Committees (ARCO) decision, in accordance with internal policies and statutory regulations. The decision will be final and binding, no correspondence will be entered into. Shortlisted companies will be subjected to security clearance.

Phase 1

The functional proposals will be evaluated individually on score sheets by a representative evaluation panel, according to the evaluation criteria indicated below.

Bidders must score at least 70% on functionality to be considered as part of the panel of service providers.

Bidders who score less than 70% will not be considered for short listing and will be removed from the panel for selection.

Functionality evaluation criteria and point system: Criteria	Max Sub Score	Max per Section
Work Plan (Methodology)	35	
Firm's risk assessment process and methodology		10
Identification of tools and technologies developed and utilised by the firm to increase the efficiency and effectiveness of the Internal Audit function.		5
Proposed approach to enterprise IT governance, risk management, forensic services and audit of SAP or other ERP system including caats and other specialist reviews		15
Articulation of your transition plan to change from the existing service provider		5
Qualifications & Experience	65	
Company Experience in the Public Sector with emphasis on Legislature experience: Accompanied by three written references. 3 years = 5 3-5 years = 10 >5 years = 15		10
Firm is registered with IIA and ISACA		5
Firm's experience in Enterprise Wide IT Governance, business continuity and ERP's including SAP		15
Firms experience in forensic and specialist risk management services		15
Professional Qualification (Tertiary and Certification from IIA/ISACA/ICFP, SAICA) by Key Resources dedicated to KZNL account in part or in full as per the staff plan		10
Experience of key resource in internal/forensic/ICT audit in the public sector/Legislative sector		5
Key resource is a member of IIA/ISACA/ICFP		5
Total Score	100	

Phase 2

The successful shortlisted bidders will then be evaluated using the 80/20 principle:

- Pricing 80 points
- B-BBEE score 20 points

ANNEXURE B

GENERAL CONDITIONS OF CONTRACT1

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT:
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

1 A copy of the complete document set containing the General Conditions of Contract is available on www.treasury.gov.za/divisions/ocpo/sc/GeneralConditions/

- (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.

1. The General Conditions of Contract will form part of all bid documents and may not be amended.
2. 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.

**GENERAL CONDITIONS OF CONTRACT
TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices