



SCM /Tender Ref #:	DPME 02-2020/21
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Request for proposals for:	Appointment of Internal Audit co-source partners for a period of Three (3) Years
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Bid closing date and time as well as the date and time of briefing session (if any) are indicated on the attached SBD1. Quotations / proposals received after the closing date and time indicated on SBD 1 will not be accepted.

Bidders must provide one original and 5 (five) copies of proposals submitted.

Only 1 (one) original price proposal and SBDs are required.

Estimated project start date:	Expected project duration (Months)
	36 months

1. BID INFORMATION

Information and guidelines on the format and delivery of bids are contained in the attached bid documents. Please take note of the closing date and date of compulsory briefing session (if any).

2. PROPOSAL FORMAT

A detailed proposal in response to this ToR must be submitted. The proposal should contain all the information required to evaluate the bid against the requirements stipulated in this terms of reference. The following must be attached to the proposal as annexures:

- **Annexure B1:** Proposed team, Hourly Allocation per Audit Type, Pricing information (Must Include VAT) and should be fully inclusive to deliver the all outputs indicated in the terms of reference (Must use attached Excel template).
- The published terms of reference (this document, including Annexure A to this document).
- All other forms / certificates required (see bid documents).

3. CONDITIONS OF BID

Detailed conditions applicable to all bids are contained in the bid documents accompanying this Terms of Reference. Only suppliers that meet all the requirements stipulated in the terms of reference and bid documents will be considered.

No late bids will be accepted. Only bids from service providers that attended the compulsory briefing session (if specified above) will be considered. Bids must be valid for a minimum period of 120 days after the closing date.

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1. BACKGROUND

Annexure A contains a detailed description of the requirements for this project, including:

- Background / context
- Purpose
- Objectives and scope of project
- Proposed project organogram methodology / approach
- Project Deliverables & Timeframes as per Annexure B1

2. EXPERIENCE / SKILLS / TEAM COMPOSITION / PAST PERFORMANCE

The attached spread sheet must be used to summarise qualifications, skills and past experience and to cost the proposal.

2.1. Company and Team composition

2.1.1. Company / Staff Experience and Qualification Profile Requirements

Service Provider must meet the below stated requirements:

- 2.1.1.1 Three (3) years company experience in Internal Audit, Financial Audits, Operational Audits, Compliance Audits, and ICT Audits (Including ICT Security Audits) supported by three (3) contactable references;
- 2.1.1.2 Staff Profile detailing Qualification, Skills and Experience must have provided, staff allocated to the project must have appropriate qualification / experience in Internal Audit, Compliance Audits, ICT Audits (including ICT Security Audit), and Financial Accounting, (B Com, B Tech Internal Audit, Accounting, Honours, Masters qualification and or Doctorate qualification); Refer to Annexure 1 & Annexure 2
- 2.1.1.3 Professional Qualifications such as CIA, CISA/CISM, CA(SA);
- 2.1.1.4 Evidence of dedicated staff resources available to conduct concurrent assignments at any given time for the duration of the contract must be provided and (attached CV's, qualifications, etc.) supported by a project organogram detailing resource allocation per audit assignment / audit type; and
- 2.1.1.5 Project plan, resource allocation in line with the project allocated hours. (See Annexure B1)
- 2.1.1.6 Staff used on the project must be RSA citizens.
- 2.1.1.7 Successful Service Provider to be vetted prior to appointment.
- 2.1.1.8 Substitute member must first be positive vetted before commence with service.

Audit Team Qualification

Audit Types	Required Resources	Required Qualifications
Financial Audit	Engagement Partner	CA (SA)
	Audit Supervisor	Honours Degree Internal Audit, Accounting
	Internal Auditor	B Com Internal Auditing / Accounting, B Tech Internal Auditing
	Internal Auditor	B Com Internal Auditing / Accounting, B Tech Internal Auditing
ICT Security Audit	Engagement Partner	CISA / CISM
	Audit Supervisor	Honours Degree Internal Audit or ICT Audits
	ICT Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
	ICT Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
ICT General Control & Application Review	Engagement Partner	CISA / CISM
	Audit Supervisor	Honours Degree Internal Audit/ ICT Audit
	ICT Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
	ICT Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
Performance Audit	Engagement Partner	CIA or CA/SA
	Audit Supervisor	Honours Degree Internal Audit
	Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
	Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
Compliance /Operational Audit	Engagement Partner	CIA or CA/SA
	Audit Supervisor	Honours Degree Internal Audit
	Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing

	Internal Auditor	B Com Internal Auditing or Accounting, B Tech Internal Auditing
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Audit Team Experience

Audit Types	Required Resources	Required Experience
Financial Audit	Engagement Partner	Minimum: 10 years working experience in Financial Audit
	Audit Supervisor	Minimum: 6 years total work experience in Financial Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit
ICT Security Audit	Engagement Partner	Minimum: 10 years working experience in ICT Audit
	Audit Supervisor	Minimum: 6 years total work experience in ICT Audit
	ICT Internal Auditor	Minimum: 3 years working experience in ICT Audit
	ICT Internal Auditor	Minimum: 3 years working experience in ICT Audit
ICT General Control & Application Review	Engagement Partner	Minimum: 10 years working experience in ICT Audit
	Audit Supervisor	Minimum: 6 years total work experience in ICT Audit
	ICT Internal Auditor	Minimum: 3 years working experience in ICT Audit
	ICT Internal Auditor	Minimum: 3 years working experience in ICT Audit
Performance Audit	Engagement Partner	Minimum: 10 years working experience in Internal Audit
	Audit Supervisor	Minimum: 6 years total work experience in Internal Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit
Compliance / Operational Audit	Engagement Partner	Minimum: 10 years working experience in Internal Audit
	Audit Supervisor	Minimum: 6 years total work experience in Internal Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit
	Internal Auditor	Minimum: 3 years working experience in Internal Audit

2.2. Confirmation of experience, qualification and availability

The following must be submitted for each of the proposed team members:

- Written confirmation of availability (signed by the proposed team member) for the expected duration of the project to produce the deliverable(s) as indicated in Annexure B1.
- Detailed CV indicating qualifications, previous experience as well as letters of reference (references must be contactable).
- Copies of qualifications.

DPME reserves the right to verify all qualifications through the South African Qualifications Authority and to verify experience indicated on CVs with third parties.

2.3. Past performance

The past performance of bidders in executing similar projects will be verified using the references supplied by bidders as well as any other information available to the panel. Below satisfactory performance on a particular project may only be considered if such performance was communicated to the bidder by the contracting party and the bidder was given a reasonable opportunity to correct any deficiencies highlighted by the contracting party.

2.4. Project management

The bid proposal submitted by the bidder must include a detailed project plan / project organogram for each type of audit (Compliance/Operational Audit, Financial Audit, ICT Security / ICT General & Applications Controls Review and Performance Audit). Resource allocation to each audit type must be reflective of the relevant qualification, experience, competencies and skills per team member at the various levels (Engagement Partner, Engagement Supervisor, Internal Auditor and Internal Auditor). The start of the project will depend on the DPME procurement process. The total duration of the project as indicated in the bidder's proposal is binding (except for delays due to circumstance beyond the bidder's control).

3. COSTING METHODOLOGY

Prices must be inclusive of VAT (if VAT registered) and must include all costs to fully execute all deliverables indicated in this ToR. No variation in contract price will be permitted. Annexure B1 must be used to summarise costing.

4. EVALUATION OF BIDS

4.1. Administrative requirements

Annexures B1 **must** be completed using Microsoft Excel or compatible software. Annexures completed by hand (in writing) will not be accepted and such bids will be regarded as administratively non-compliant.

Only bids / quotes that comply with all administrative requirements and that submitted all required bid documents (acceptable bids) will be considered during the functional evaluation phase. Only acceptable bids / quotes will be scored by the Bid Evaluation Committee against the functional criteria indicated in this Terms of Reference.

The Bid will be handled on a 2-envelope system whereby 2 envelopes must be submitted to DPME — one envelope to contain the technical submission, bid documentation, mandatory requirements, excluding the pricing elements/DPME price schedule, and the other envelope contain the information relating to price. The envelope containing the technical submission will be opened and evaluated first.

4.2. Scoring of bids (functional criteria)

The following weighting and scoring system will be applied to the evaluation of all functional criteria:

Weight allocation	Scoring system
1 – Value adding requirement (minimum score of 2)	1 – Does not comply with the requirements
3 – Important requirement (minimum score of 6 or 9)	2 – Partial compliance with requirements
5 – Essential requirement / integral part of project (minimum score of 15)	3 – Full compliance with requirements
	4 – Exceeds requirements

Score per criteria: The final score obtained by a bidder for each criteria will be calculated by multiplying the weight and the score indicated by each Bid Evaluation Panel member and then by averaging the scores of all panel members. The average score per criteria is expressed as a number.

The **overall score** obtained by a bidder (expressed as a percentage) will be calculated as follows:

$$\text{Overall Score (\%)} = \frac{\text{Sum of average scores for all criteria}}{\text{Sum of weights X 4}} \times 100$$

4.3. Functional evaluation Part 1 – Quantitative criteria

Part 1: Minimum functional requirements: Only bids that scored at least the minimum score for each criteria will proceed to functional evaluation part 2. In cases where bidders submitted insufficient evidence or where evidence is ambiguous, bidders may be requested to provide additional evidence and may be re-scored based on this information. Additional information submitted may only be used as evidence to substantiate what is already contained in the proposal. The costing and content of proposals may not be amended.

Functional Evaluation Criteria		Weight	Min. Score
1.1	Service Provider composition (par 2.1.1.1 of ToR and Annexures B and B1): 1= Proposed Firm / Company does not meet the required company experience. 3= Proposed team meets the required company experience.	3	9
1.2	Engagement Partner (par 2.1 of ToR): For all audit types. 1= The Engagement / Audit Partner does not meet the minimum requirements for either experience or qualifications, or did not submit verifiable references, or did not submit written confirmation of availability for project. 3= The Engagement / Audit Partner meets all of the minimum experience and qualifications requirements. 4= The Engagement / Audit Partner exceeds the minimum experience or qualifications requirements.	3	9
1.3	Audit Supervisor (par 2.1 of ToR): For all audit types. 1= The Engagement Supervisor does/do not meet the minimum requirements for either experience or qualifications, or did not submit verifiable references, or did not submit written confirmation of availability for project. 3= The Engagement Supervisor meet(s) all the minimum experience and qualifications requirements. 4= The Engagement Supervisor exceed(s) the minimum experience or qualifications requirements.	3	9
1.4	Internal Auditor (s) ** (par 2.1 of ToR): For all audit types. 1= The Internal Auditor do/does not meet the minimum requirements for either experience or qualifications, or did not submit verifiable references, or did not submit written confirmation of availability for project. 3= The Internal Auditor meet(s) all the minimum experience and qualifications, submitted verifiable references, and submitted written confirmation of availability for project requirements. 4= The Internal Auditor exceed(s) the minimum experience or qualifications requirements.	3	9
1.5	Internal Auditor (s) ** (par 2.1 of ToR): For all audit types. 1= The Internal Auditor do/does not meet the minimum requirements for either experience or qualifications, or did not submit verifiable references, or did not submit written confirmation of availability for project. 3= The Internal Auditor meet(s) all the minimum experience and qualifications, submitted verifiable references, and submitted written confirmation of availability for project requirements. 4= The Internal Auditor exceed(s) the minimum experience or qualifications requirements.	3	9

*** Combines score for all experts – All experts must meet minimum criteria stipulated above to receive a score of 3*

4.4. Functional evaluation Part 2 – Qualitative criteria

The functional evaluation criteria indicated below will be applied during Part 2 of functional evaluation to all bids that met the minimum requirements stipulated under Functional evaluation Part 1. During part 2 the Bid Evaluation Committee may:

- Evaluate and score bids based on the bid documents and proposals submitted; or
- Provisionally evaluate and score bidders based on proposals submitted and then invite bidders that met all requirements under Part 1 and a provisional overall score of at least 70% for both functional evaluation parts 1 and 2, to present their bids.

The final evaluation and scoring of bids will be based on the proposals submitted, as well as on information provided by bidders during bid presentations (if applicable). Presentations can be used to summarise and clarify bids and may not substantially depart from the proposals submitted.

If a bidder is unable to attend a bid presentation on the date requested by the Bid Evaluation Committee, then the bidder must be afforded another opportunity within 5 working days. If a bidder is for a second time unable to attend a bid presentation then the bid must be evaluated based on the bid documents and proposals submitted only.

Part 2: Minimum functional requirements: Only bids that obtained the minimum score for each criteria as well as an overall score of at least 75% for both functional evaluation parts 1 and 2, will proceed to Price/PPPFA evaluation.

Functional Evaluation Criteria		Weight	Min. Score
2.2	<p>Extent to which the proposal costing, resource allocation, is realistic given the scope and time frames of the project (Annexure B1) ToR Paragraph 2.4</p> <p>1= Resource allocation not aligned to the audit hours, project type and required project resources allocation and may negatively impact delivery.</p> <p>2= Resource allocation not entirely aligned to the audit hours, project type and required project resource allocation and may negatively impact delivery.</p> <p>3= Resource allocation is aligned and realistic given the audit hours, project type and required resource allocation.</p> <p>4= Resource allocation provides / assures availability of resource allocation given the audit hours, and project type against the required resource allocation</p>	5	15

4.5. Price / BBEE / PPPFA

Only bids that meet the minimum administrative and functional requirements / specifications indicated in the ToR (qualifying bids) will be evaluated in terms of the Preferential Procurement Framework Act and related regulations – see attached bid documents. The evaluation method (80/20 or 90/10) and preference points allocation applicable to this bid are indicated in the attached SBD 6.1.

5. CONTRACT MANAGEMENT

The successful bidder will be required to enter into a service level agreement (SLA) with the Department of Planning, Monitoring and Evaluation. The National Treasury General Conditions of Contract (GCC) will form part of the SLA to be concluded between DPME and the successful bidder. A copy of the standard DPME SLA is available on the DPME tenders website. Bidders should familiarise themselves the content of the standard template.

Bidders should note that:

- All information related to this bid, or information provided to the service provider subsequent to the award of this bid, must be treated as confidential and may not be disclosed in any way to third parties without the explicit written consent of DPME.
- All right, title and ownership of any Intellectual Property developed by or for the Service Provider or DPME independently and outside of execution/production of the Deliverables related to this bid, and provided during the course of this project (“Background IP”) shall remain the sole property of the party providing the Background IP.
- To the extent that the Service Provider utilises any of its Background IP in connection with the Deliverables, such Background IP shall remain the property of the Service Provider and DPME shall acquire no right or interest therein, save that, upon payment of the applicable consideration, the Service Provider shall grant DPME a non-exclusive, royalty-free, non-transferable licence to use such Background IP strictly for purposes of making beneficial use of the Deliverables into which such Background IP has been incorporated.
- All Intellectual Property rights in Bespoke Deliverables are or will be vested in and owned by DPME unless specifically agreed otherwise in writing. The Service Provider agrees that it shall not, under any circumstances, question or dispute the rights and ownership of DPME in and to the Bespoke Deliverables. DPME shall grant

the Service Provider a non-exclusive, royalty free, non-transferable licence to use the Bespoke Deliverables for the purpose of performing its obligations under this project.

- The Service Provider may not publish or sell, in whole or in part, any Bespoke Deliverables emanating from this project without the explicit written consent of DPME.
- The Copyright of any Bespoke Deliverables shall vest in DPME.

6. SPECIAL CONDITIONS APPLICABLE TO THIS BID

- 6.1 The bidder must provide assurance/guarantee to the integrity and safe keeping of the information (that it will not amended/corrupted/distributed/permanently stored/copied by the service provider) for the duration of the contract and thereafter.
- 6.2 DPME reserves the right to negotiate with the successful bidder on price.
- 6.3 The service provider must ensure that their work is confined to the scope as defined.
- 6.4 The successful bidder will be required to include DPME Internal Audit personnel in their project team in performing engagements, and to put in place an effective programme for transfer of skills to the DPME personnel.
- 6.5 Travel between the consultant's home and or place of work to the DPME vice versa will not be for the account of this organization, including any other disbursements.
- 6.6 Government Procurement General Conditions of contract (GCC) as issued by National Treasury will be applicable on all instances. The general conditions is available on the National Treasury website (www.treasury.gov.za)
- 6.7 No advance payment will be made. Payment would be made in terms of the deliverables or other unless otherwise agreed upon by DPME and the successful bidder. DPME will pay within the prescribed period according to PFMA. The price quoted by the prospective service provider must include Value Added Tax (VAT) and should be completed in line with Annexure A
- 6.8 The successful bidder must at all times comply with DPME's policies and procedures (e.g. IT policies, code of conduct e.t.c.) as well as maintain a high level of confidentiality of information.
- 6.9 DPME will have ownership of all working papers generated during audit or ad hoc consulting work
- 6.10 The successful bidder will be required to include DPME Internal Audit personnel in their project team in performing engagements, and to put in place an effective programme for transfer of skills to the DPME personnel.
- 6.11 Further, the successful bidder may not keep the provided information by way of storing/copy/transferring of such information internally or to another party in whole or part relating to companies and/or close corporation.
- 6.12 As such all information, documents, programs and reports must be regarded as confidential and may not be made available to any unauthorized person or institution without the written consent of the Commissioner or his/her delegate.
- 6.13 The service provider will therefore be required to sign a declaration of secrecy with DPME. At the end of the contract period or termination of the contract, all information provided by DPME will become .The property of DPME and the service provider may not keep any copy /store/reproduce/sell/distribute the whole or any part of the information provided by DPME unless authorized in terms of the declaration of secrecy.
- 6.14 The service provider will be required to sign a service level agreement with DPME prior to the commencement of the contract.
- 6.15 As the commencement of this contract is of critical importance, it is imperative that the prospective contractor is available immediately. Failing to commence with this contract immediately from date of notification by DPME could invalidate the prospective service provider's proposal.
- 6.16 The successful service provider may be required to attend strategic workshops as may be required from time to time. This would ensure that the successful service provider obtains knowledge of the procedures of DPME. The cost of attendance will be for the account of DPME.
- 6.17 Prospective bidder contracted must be able to ensure continuity of staff on the project.
- 6.18 Where a team member assigned to the project leaves the organisation, it is incumbent upon the Director to ensure the timely replacement of that team member with equal or better skills in consultation with the Chief Audit Executive.
- 6.19 Proposals submitted by a consortium or a joint venture should include the official documentation which indicates the composition thereof, the responsible people of the said venture, what aspect of the scope of work the other party would be responsible for and their percentage contribution of work to the overall contract. Only proposals from service providers established in the Republic of South Africa will be considered.
- 6.20 The price quoted by the services must include Value Added Tax (VAT)
- 6.21 DPME will not be held responsible for any costs incurred by the service provider in the preparation and submission of the Bid.

- 6.22 Acceptance of any Bid does not mean that work on an uninterrupted basis is guaranteed for the duration of the contract. The service provider will be responsible for ensuring proper supervision of their staff. Proposals must be signed by a person who has been authorized to do so.
- 6.23 Prospective bidders may submit a bid response to the scope referred to in paragraph 12 of not more than 5 pages per element, which must be prepared in chronological order, against which bidders will be evaluated against the evaluation matrix set out in paragraph 13. Furthermore, it is compulsory for prospective bidders to respond to the management component in its entirety in chronological order in not more than 5 pages per element. Prospective bidders may include annexures, but the response to each element with the various components must be summarized in not more than 5 pages.
- 6.24 The Bid will be handled on a 2-envelope system whereby 2 envelopes must be submitted to DPME — one envelope to contain the technical submission, bid documentation, mandatory requirements, excluding the pricing elements/DPME price schedule, and the other envelope contain the information relating to price. The envelope containing the technical submission will be opened and evaluated first.
- 6.25 Only service providers who score at least 75% for the technical submission will be considered, and then only envelopes containing their prices will be opened for consideration. Failure to comply with this will invalidate the proposal.
- 6.26 DPME reserves the right to not award the tender to any bidder
- 6.27 Prospective bidders must address all the functionality criteria to allow evaluation of the bidder capability.
- 6.28 DPME reserves the right to award in whole or in part, by item or group of items, by section or geographic area, or make multiple awards, where such action serves the DPME's best interest.