

PART A (SBD1) INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MICT SETA					
BID NUMBER:	MICT-SETA/IAS/001/2020	CLOSING DATE:	10 JULY 2020	CLOSING TIME:	11:00
DESCRIPTION	PROVISION OF INTERNAL AUDIT SERVICES FOR MICT SETA FOR A PERIOD OF 5 YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
MICT SETA OFFICES, Gallagher Convention Centre, Gallagher House, West Wing, Level 3					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	SUPPLY CHAIN MANAGEMENT		CONTACT PERSON	SUPPLY CHAIN MANAGEMENT	
E-MAIL ADDRESS	bidqueries@mict.org.za		E-MAIL ADDRESS	bidqueries@mict.org.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</p>
2. TAX COMPLIANCE REQUIREMENTS
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p> <p>2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."</p>

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:



TERMS OF REFERENCE

PROVISION OF INTERNAL AUDIT SERVICES FOR MICT SETA FOR A PERIOD OF 5 YEARS



1. BACKGROUND

MICT SETA, one of the Sector Education and Training Authorities (SETA's), was established in March 2000 to transform the skills profile of the Media, Information and Communications Technology (MICT) sector. It operates within the context of the National Skills Development Plan to raise the levels, quality and relevance of the education and training in the sector and encourages partnerships between the public and private organisations to benefit employers, employees and the unemployed.

The MICT SETA's operations are geographically dispersed with the Head Office in Midrand and three (3) branch offices spread countrywide. Its stakeholders are geographically spread throughout the country.

MICT SETA is a Schedule 3A Public Entity in terms of the Public Finance Management Act No 1 of 1999, as amended (PFMA). This therefore implies that the MICT SETA has to fully comply with all the requirements of the PFMA as well as the Irregular Expenditure Framework.

Sec 51 a (ii) of the PFMA requires an Accounting Authority to ensure that the public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Therefore, the MICT SETA is requiring a suitability qualified service provider for the Provision of Internal Audit Services for a Period of 5 Years.

2. PURPOSE

To establish an independent and objective Internal Audit function in terms of section 51 of the PFMA. The appointed service provider is expected to carry out the mandate of the Internal Audit function in terms of the MICT SETA Internal Audit rolling plan.

3. PROJECT OF OBJECTIVES

The Internal Audit function will be an objective assurance and consulting activity, which will assist MICT SETA to accomplish its objectives, by bringing a systematic approach to evaluate and improve the effectiveness and efficiency of risk management, control and governance processes within the organisation.

The service provider must demonstrate the capability to perform the internal audit services in accordance with the Institute of Internal Auditing Standards and Practices, and any relevant legislation.



4. SCOPE OF INTERNAL AUDIT SERVICES

The successful bidder is required to perform the following services:

- 4.1** Financial audits;
- 4.2** Compliance audits;
- 4.3** Operational audits;
- 4.4** Performance Review audits;
- 4.5** IT audits;
- 4.6** Risk management review;
- 4.7** Corporate Governance Review;
- 4.8** Ad hoc projects - Investigative (forensic) audit as and when required;
- 4.9** Quality assurance such as review of competitive bidding process;
- 4.10** The scope of internal audit work entails testing and evaluating the adequacy and effectiveness of MICT SETA's systems of internal control.

This includes:

- 4.10.1 Reviewing the risk register of MICT SETA on an annual basis;
- 4.10.2 Establishing a three-year rolling strategy and a risk-based annual Internal Audit Operational Plan;
- 4.10.3 Reviewing the reliability and integrity of financial and operating information, and the means to identify, measure, classify and report such information;
- 4.10.4 Reviewing the systems established by management to ensure compliance with policies, plans, procedures laws and regulations that could have significant impact on operations and determine whether MICT SETA is in complying;
- 4.10.5 Reviewing the means for safeguarding assets and verifying the existence of assets;
- 4.10.6 Reviewing the adequacy and effectiveness of internal controls;
- 4.10.7 Appraising the economy and efficiency with which resources are employed and identifying opportunities to improve operating performance;
- 4.10.8 Reviewing the operations to ascertain whether the results are consistent with established objectives or goals and whether operations are being carried out as planned;
- 4.10.9 Performing any ad hoc projects as and when be required by Management and/ or the Audit Committee;
- 4.10.10 Liaise with external auditors on MICT SETA's audits whenever necessary.

5. DELIVERABLES

Bidder must comply with the performance of audit assignments as follows:

- 5.1** Assignments are to be performed in accordance with the Institute of Internal Audit's International Standards for the Professional Practice of Internal Auditing. Such work shall further be subject to an external quality assurance review as and when required by MICT SETA;
- 5.2** All audit reports and working papers will become the property of MICT SETA;
- 5.3** The performance of each assignment shall be in accordance with the approved annual internal audit plan;
- 5.4** In carrying out the work, the successful service provider must ensure that their staff maintains their objectivity by remaining independent of the activities they audit;



- 5.5** On a mutually agreed basis, the responsible partner/ director shall meet with the chairperson of the Audit and Risk Committee, Accounting officer and management to report on progress of the work;
- 5.6** For planning and conducting its work the internal auditor should seek to identify serious defects in the internal controls, which might result in possible malpractices.
- 5.7** Any material defects must be reported immediately to the Audit and Risk Committee without disclosing these to any other members of the staff. This also applies to instances where serious fraud and irregularity is uncovered;
- 5.8** The successful bidder may be required to attend strategic workshops as and when required from time to time. The cost of attendance will be for the account of MICT SETA.



5.9 KEY PERFORMANCE INDICATORS

Key Responsibilities	Activities	Results indicators
Regularity audits	<p>Internal audits on all the MICT SETA activities as determined by the approved Annual Internal Audit Plan according to the following auditing guidelines:</p> <ul style="list-style-type: none"> • Planning the audit, Examining, monitoring and evaluating information, Communicating results, Follow up actions by management on findings and recommendations 	To advise management on compliance with regulations, policies and best practices as well as the status of internal controls within MICT SETA.
Fraud prevention, detection and action	Assist with investigations in terms of the entity's Fraud, Prevention, Detection and Response Plan.	To minimise fraud in the entity
Ad hoc audits	Audit issues as and when required be investigated as delegated by the Accounting Authority and or Audit and Risk Committee.	To report findings to Audit and Risk Committee in order to determine whether further actions are required.
Audit of Predetermined Objectives	Executing audits in terms of the approved audit plan.	To determine whether the strategic documents and plans are correctly aligned and implemented and that targets are being achieved.
Reporting	Reporting on all the activities of the Internal Audit Function to the Audit and Risk Committee, Meetings on a regular basis, Evaluation of outputs	In order for the Management and the Audit Committee to evaluate the efficiency and effectiveness of the Internal Audit Function. To ensure that management are furnished with correct and up to date information.
Advisory services	Verbal and written advice	Enhance the quality of internal audit and governance
Commitment and Discretionary Grant Allocation	<p>Conducting of audits on commitments and DG allocation</p> <p>Reviewing and monitoring of the DG commitment register</p>	Ensure that the allocation of DG grants are compliant with the DG policy.

6. TIMEFRAMES

The duration of the contract will be for a period of **5 years (60 months)**.

7. CONTRACTUAL OBLIGATION

- 7.1 All prices indicated in the pricing schedule must remain fixed for the 1st year of the project and subject to price negotiations for the duration of the contract (5% CPI increase annually)
- 7.2 The service provider's quotation must also provide sufficient detail in terms of various cost items such as total "man" hours and daily rates for the project team.
- 7.3 In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors.
- 7.4 The successful bidder will be required to have adequate professional indemnity as well liability insurance in place (**upon parties contracting**)

8. ABSENCE OF OBLIGATION & CONFIDENTIALITY

- 8.1 No legal or other obligation shall arise between the service provider and MICT SETA unless/until both parties have signed a formal contract or Service Level Agreement in place.
- 8.2 The Contract site is at **MICT SETA and the MICT SETA Regional offices (as and when required)**.

9. WORKMEN AND SUPERVISION ON SITE

- 9.1 The service provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract.

10. PREQUALIFICATION CRITERIA (Phase 1)

- 10.1 Proof of registration on CSD (**Central Supplier Database**)
- 10.2 Bidder must provide proof **and must be** an EME or QSE **only (level 1 or level 2 BBBEE contributor)** status will be considered (**no generic companies will be considered**)

Note: All bidders who do not comply with the items listed above will be disqualified.

11. MANDATORY CRITERIA (Phase 2)

- 11.1 The bidder must have valid registration with professional **bodies (Institute of Internal Auditors or South African Institute of Chartered Accountants)** of the company
- 11.2 Last three years audited financial statements or Independently reviewed financial statements

Note: All bidders who do not comply with the items listed above will be disqualified.

12. EVALUATION CRITERIA (Phase 3)

- 12.1 Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria is designed to reflect the MICT SETA's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.

12.2 Functional Evaluation threshold

- 12.2.1 The tender submission will be functionally evaluated out of a **75 points (phase 3)**, should the bidder/s not meet the required points, they will be disqualified and will **not qualify for evaluation of BBBEE & Price Preference (Phase 4)**

12.3 Functional Evaluation Criteria

The evaluation is based on functionality, which will be evaluated using the following criteria and points:

Evaluation Area	Functional Criteria	Max Points
Experience (Reference letters)	<p>The bidder must provide evidence (reference letters) of completed projects related to any and all the deliverables reflected below: (letters collectively must reflect deliverables)</p> <ul style="list-style-type: none"> • Financial audits; • Compliance audits; • Operational audits; • Performance Review audits; • IT audits; • Risk management review; • Corporate Governance Review; • Quality assurance such as review of competitive bidding process; <p>Evidence must be reference letters (with contactable references – letters not older than 5 years)</p> <p>3- 6 reference letters of completed projects = 10 points 7- 10 reference letters of completed projects = 15 points Above 10 reference letters of completed projects = 30 points Non-compliance with the minimum criteria = 0 points</p>	30
Knowledge of internal audit environment	<p>Bidder to provide evidence of knowledge of internal auditing environment within the following sectors:</p> <ul style="list-style-type: none"> • conducted within the Private Sector = 5 points • conducted within the Public Sector = 10 points <p>Non-compliance with the minimum criteria = 0 points</p>	10
Experience of project team	<p>Bidder to provide detailed CVs of the proposed project team that will service MICT SETA that include the:</p>	35

	<p>Engagement Director:</p> <ul style="list-style-type: none"> • Minimum 10 years' audit experience with a minimum 5 years as a team leader = 10 points • Engagement director must provide proof registration with IIA or SAICA = 10 points <p>Project Team Leader – Manager:</p> <ul style="list-style-type: none"> • Minimum 5 years' audit experience with a minimum 3 years as a team leader = 5 points • Team leader must provide proof registration with IIA or SAICA = 5 points <p>Audit Project Team:</p> <ul style="list-style-type: none"> • The individual team members must <i>each</i> have a minimum of 2 years' experience = 2 points <p>The bidder must provide at least one (1) team member who is Certified in Information Systems Auditing = 3 points</p> <p>Non-compliance with any and all of the above = 0 points</p>	
<p>Methodology and Approach</p>	<p>Bidder must provide a detailed methodology and approach including the following:</p> <ul style="list-style-type: none"> • Provide detailed description of their methodology and approach to be used to carry out the scope of work, deliverables and key performance indicators as referenced in section 4 and 5 of the terms of reference. • The service provider will be required to provide a project plan to achieve the objectives of the Internal Audit function that includes key activities, milestones and deliverables. • The project plan should specify number of hours, time lines and sequence for audit procedure and level of authority level i.e. Manager, engagement director <p>Non-compliance with any and all of the above = 0 points</p>	<p>25</p>
<p>TOTAL</p>		<p>100</p>

12.3.1 Bidders who obtain less than the minimum threshold of **75 points** will be declared non-responsive and therefore will not be eligible for **evaluation of BBEE & Price Preference**.

13. PREFERENCE EVALUATION (PHASE 4)

13.1 BBBEE and Price

13.1.1 As the tender **price is estimated to be below R50 million**, the tender responses will be evaluated on the **80/20**-point system.

14. ADJUDICATION USING A POINT SYSTEM

- 14.1 The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder
- 14.2 Preference points shall be calculated after process has been brought to a comparative basis taking into account all factors of non-firm prices.
- 14.3 In the event that two or more bids have scored equal points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 14.4 However, when functionality is part of the evaluation process and two or more bids have scored equal points for B-BBEE, the successful bid must be the one scoring the highest score for functionality
- 14.5 Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

15. POINTS AWARDED FOR PRICE

The **80/20** preference point system

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

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

P min

Where:

- P_s = Points scored for comparative price of bid under Consideration
- P_t = Comparative price of bid under consideration
- P_{min} = Comparative price of lowest acceptable bid

16. B-BBEE PREFERENTIAL POINTS WILL BE AWARDED AS FOLLOWS:

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

- 16.1** Bidders who qualify as EME's and QSE's in terms of the B-BBEE Act must submit a Sworn affidavit. Misrepresentation of information, constitutes a criminal offence.
- 16.2** Bidders other than EME's or QSE's must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by SANAS.
- 16.3** A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 16.4** A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 16.5** Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 16.6** A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended Sub-contractor is an EME that has the capacity and the ability to execute the sub-contract.
- 16.7** A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capacity and the ability to execute the sub-contract.

17. COMMUNICATION

Respondents are warned that a response will be disqualified should any attempt be made by a bidder either directly or indirectly to canvass any officer(s) or employees of MICT- SETA in respect of BID process, between the closing date and the date of the award of the business.

All enquiries relating to this BID should be emailed **three days before the closing date**.

18. CONDITIONS TO BE OBSERVED WHEN BIDDING

The organization does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. The organization also reserves the right to withdraw or cancel the BID at any stage.

No BID shall be deemed to have been accepted unless and until a formal contract / letter of award is prepared and executed.

The competitive shall remain open for acceptance by the Organization for a period of **120 days** from the closing date of the BID Enquiry.

MICT SETA reserves the right to:

- 18.1** Not evaluate and award a bid that do not comply strictly with this BID document.
- 18.2** Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.
- 18.3** Contact any bidder during the evaluation process, in order to clarify any information, without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.
- 18.4** Cancel this BID at any time as prescribed in the PPPFA regulation.
- 18.5** Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the of cost effectiveness and the principal of value for money not necessarily on the basis of the lowest costs.

19. Cost of Bidding

The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and the MICT SETA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

END OF TERMS OF REFERENCE DOCUMENT