

## Request for Proposals (RFP)

**The provision of forensic audit services at a small initiative in North West Province on behalf of the CSIR**

**RFP No. 798/30/10/2017**

Date of Issue	19 October 2017	
Closing Date	30 October 2017	
Place	Tender box, CSIR Main Reception, Gate 3 ( North Gate)	
Enquiries	Strategic Procurement Unit	E-mail: <a href="mailto:tender@csir.co.za">tender@csir.co.za</a>
CSIR business hours	08h00 – 16h30	
Category	Professional Services	

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## **SECTION A – TECHNICAL INFORMATION**

### **1 INTRODUCTION**

The Council for Scientific and Industrial Research (CSIR) is one of the leading scientific research and technology development organisations in Africa. In partnership with national and international research and technology institutions, CSIR undertakes directed and multidisciplinary research and technology innovation that contributes to the improvement of the quality of life of South Africans. The CSIR's main site is in Pretoria while it is represented in other provinces of South Africa through regional offices.

### **2 BACKGROUND**

A forensic audit is required for a small government-funded initiative which has:

- Six full-time employees including management
- Annual turnover of R574 000

The initiative, in recent months, has experienced a number of organisational and governance challenges including; unauthorised expenditure as well as allegations of fraud and theft. The above challenges require urgent corrective action to be taken. This has led to a need for a forensic audit to be conducted.

### **3 INVITATION FOR PROPOSAL**

Proposals are hereby invited for the provision of forensic audit services at a small initiative in North West Province on behalf of the CSIR. The services will be undertaken at Wolmaransstad.

### **4 PROPOSAL SPECIFICATION**

The appointed service provider is expected to undertake the following activities:

- Indicate the methodology to be used
- Establish if there has been misappropriation of funds

- Establish if the sale and marketing of products has been in accordance with project's mandate, agreements, policies and procedures
- Establish if expenditure has been in accordance with the project's mandate, agreements, policies and procedures
- Establish if there has been any breach of contract or violation of agreements
- Prepare and submit a final report that summarises all findings, and includes supporting documents for all findings (as applicable).

## 5 FUNCTIONAL EVALUATION CRITERIA

5.1 The evaluation of the proposal will be based on the following criteria:

- |                                                                               |     |
|-------------------------------------------------------------------------------|-----|
| • Supplier's past experience and reference                                    | 30% |
| • Knowledge and expertise of staff with respect to Forensic Auditing services | 30% |
| • Proposal structure and content                                              | 20% |
| • Registration with appropriate Audit regulatory bodies                       | 10% |
| • Availability of North West province based resources                         | 10% |

5.2 Refer to Annexure A for the scoring sheet that will be used to evaluate functionality

## **6 ELIMINATION CRITERIA**

Proposals will be eliminated under the following conditions:

- Submission after the deadline
- Proposals submitted at incorrect location.

## **7 NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD) REGISTRATION**

Before any negotiations will start with the winning bidder it will be required from the winning bidder to:

- Be registered on National Treasury's Central Supplier Database (CSD). Registrations can be completed online at: [www.csd.gov.za](http://www.csd.gov.za)
- Provide the CSIR of their CSD registration number
- Provide the CSIR with a certified copy of their B-BBEE certificate. If no certificate can be provided, no points will be scored during the evaluation process. (RSA suppliers only)

## SECTION B – TERMS AND CONDITIONS

### 8 VENUE FOR PROPOSAL SUBMISSION

All proposals must be submitted at:

**CSIR GATE 03 - Main Reception Area** (in the **Tender box**) at the following address

Council for Scientific and Industrial Research (CSIR)

Meiring Naudé Road

Brummeria

Pretoria

### 9 TENDER PROGRAMME

The tender program, as currently envisaged, incorporates the following key dates:

- Issue of tender documents: 19 October 2017
- Closing / submission Date: 30 October 2017
- Estimated contract duration 1 Month

### 10 SUBMISSION OF PROPOSALS

10.1 All proposals are to be sealed. No open proposals will be accepted.

10.2 All proposals are to be clearly marked with the RFP number and the name of the tenderer on the outside of the main package. Proposals must consist of two parts, each of which should be placed in a separate sealed package and clearly marked:

**PART 1:** Technical Proposal: RFP No.: 798/30/10/2017

**PART 2:** Pricing Proposal, B-BBEE and other Mandatory Documentation:

RFP No.: 798/30/10/2017

10.3 Proposals submitted by companies must be signed by a person or persons duly authorised.

10.4 The CSIR will award the contract to qualified tenderer(s)' whose proposal is determined to be the most advantageous to the CSIR, taking into consideration the technical (functional) solution, price and B-BBEE.

## 11 DEADLINE FOR SUBMISSION

Proposals shall be submitted at the address mentioned above no later than the closing date of **30 October 2017** during CSIR's business hours. The CSIR's business hours are between 08h00 and 16h30.

Where a proposal is not received by the CSIR by the due date and stipulated place, it will be regarded as a late tender. Late tenders will not be considered.

## 12 AWARDING OF TENDERS

12.1 Awarding of tenders will be published on the National Treasury e-tender portal or the CSIR's tender website. No regret letters will be sent out.

## 13 EVALUATION PROCESS

### 13.1 Evaluation of proposals

All proposals will be evaluated by an evaluation team for functionality, price and B-BBEE. Based on the results of the evaluation process and upon successful negotiations, the CSIR will approve the awarding of the contract to successful tenderers.

A two-phase evaluation process will be followed.

- The first phase includes evaluation of **elimination** and **functionality criteria**, local production and content.
- The second phase includes the evaluation of **price** and **B-BBEE** status.

Pricing Proposals will only be considered after functionality phase has been adjudicated and accepted. Only proposals that achieved the specified minimum qualification scores for functionality will be evaluated further using the preference points system.

### 13.2 Preference points system

*The 80/20 preference point system will be used where 80 points will be dedicated to price and 20 points to B-BBEE status. If all tenders received are more than R1 million, the proposal will be cancelled and re-issued.*

## 14 PRICING PROPOSAL

- 14.1 Pricing proposal must be cross-referenced to the sections in the Technical Proposal. Any options offered must be clearly labelled. Separate pricing must be provided for each option offered to ensure that pricing comparisons are clear and unambiguous.
- 14.2 Prices need to be provided in South African Rand (excl. VAT), with details on price elements that are subject to escalation and exchange rate fluctuations clearly indicated.
- 14.3 Prices should include additional cost elements such as freight, insurance until acceptance, duty where applicable.
- 14.4 Only firm prices\* will be accepted during the tender validity period. Non-firm prices\*\* (including prices subject to rates of exchange variations) will not be considered.

*\*Firm price is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax which, in terms of a law or regulation is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;*

*\*\*Non-firm prices are all prices other than "firm" prices.*

- 14.5 Payment will be according to the CSIR Payment Terms and Conditions.

## 15 VALIDITY PERIOD OF PROPOSAL

Each **proposal** shall be valid for a minimum period of three (3) months calculated from the closing date.



## **16 APPOINTMENT OF SERVICE PROVIDER**

- 16.1 The contract will be awarded to the tenderer who scores the highest total number of points during the evaluation process, except where the law permits otherwise.
- 16.2 Appointment as a successful service provider shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement CSIR reserves the right to appoint an alternative supplier.
- 16.3 Awarding of contracts will be announced on the National Treasury website and no regret letters will be sent to unsuccessful bidders.

## **17 ENQUIRIES AND CONTACT WITH THE CSIR**

Any enquiry regarding this RFP shall be submitted in writing to CSIR at tender@csir.co.za with **“RFP No 798/30/10/2017 - The provision of forensic audit services at a small initiative in North West Province on behalf of the CSIR. The services will be undertaken at Wolmaransstad.**

Any other contact with CSIR personnel involved in this tender is not permitted during the RFP process other than as required through existing service arrangements or as requested by the CSIR as part of the RFP process.

## **18 MEDIUM OF COMMUNICATION**

All documentation submitted in response to this RFP must be in English.

## **19 COST OF PROPOSAL**

Tenderers are expected to fully acquaint themselves with the conditions, requirements and specifications of this RFP before submitting proposals. Each tenderer assumes all risks for resource commitment and expenses, direct or indirect, of proposal preparation and participation throughout the RFP process. The CSIR is not responsible directly or indirectly for any costs incurred by tenderers.

## 20 CORRECTNESS OF RESPONSES

- 20.1 The tenderer must confirm satisfaction regarding the correctness and validity of their proposal and that all prices and rates quoted cover all the work/items specified in the RFP. The prices and rates quoted must cover all obligations under any resulting contract.
- 20.2 The tenderer accepts that any mistakes regarding prices and calculations will be at their own risk.

## 21 VERIFICATION OF DOCUMENTS

- 21.1 Tenderers should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by the CSIR in regard to anything arising from the fact that pages are missing or duplicated.
- 21.2 **One hard copy and one electronic copy (CD or USB memory key)** of each proposal must be submitted. In the event of a contradiction between the submitted copies, the hard copy shall take precedence.
- 21.3 Pricing schedule and B-BBEE credentials should be submitted with the proposal, but as a separate document and no such information should be available in the technical proposal.
- 21.4 If a courier service company is being used for delivery of the proposal document, the RFP description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered to the tender box, by the stipulated due date.

## 22 SUB-CONTRACTING

- 22.1 A tenderer will not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer 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 tenderer qualifies for, unless the intended sub-contractor is an exempted micro enterprise that has the capability and ability to execute the sub-contract.
- 22.2 A tenderer awarded a contract may not sub-contract more than **25%** of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status

level than the person concerned, unless the contract is sub-contracted to an exempted micro enterprise that has the capability and ability to execute the sub-contract.

## **23 ENGAGEMENT OF CONSULTANTS**

The consultants will only be remunerated at the rates:

- 23.1 Determined in the "Guideline for fees", issued by the South African Institute of Chartered Accountants (SAICA); or
- 23.2 Set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or
- 23.3 Prescribed by the consultant's professional regulating body.

## **24 TRAVEL EXPENSES**

24.1 All travel expenses for the CSIR's account, be it directly via the CSIR's travel agent or indirectly via re-imbursements, must be in line with the CSIR's travel policy. The following will apply:

- 24.1.1 Only economy class tickets will be used
- 24.1.2 A maximum of R1 300 per night for accommodation, dinner, breakfast and parking will be allowed
- 24.1.3 No car rentals of more than a Group B will be accommodated.

## **25 ADDITIONAL TERMS AND CONDITIONS**

25.1 A tenderer shall not assume that information and/or documents supplied to CSIR, at any time prior to this request, are still available to CSIR, and shall consequently not make any reference to such information document in its response to this request.

25.2 Copies of any affiliations, memberships and/or accreditations that support the tenderer's submission must be included in the tender.

25.3 In case of proposal from a joint venture, the following must be submitted together with the proposal:

- Joint venture Agreement including split of work signed by both parties
- The original or certified copy of the B-BBEE certificate of the joint venture

- The Tax Clearance Certificate of each joint venture member
- Proof of ownership/shareholder certificates/copies
- Company registration certificates.

25.4 An omission to disclose material information, a factual inaccuracy, and/or a misrepresentation of fact may result in the disqualification of a tender, or cancellation of any subsequent contract.

25.5 Failure to comply with any of the terms and conditions as set out in this document will invalidate the Proposal.

## **26 CSIR RESERVES THE RIGHT TO**

26.1 Extend the closing date

26.2 Verify any information contained in a proposal

26.3 Request documentary proof regarding any tendering issue

26.4 Give preference to locally manufactured goods

26.5 Appoint one or more service providers, separately or jointly (whether or not they submitted a joint proposal)

26.6 Award this RFP as a whole or in part

26.7 Cancel or withdraw this RFP as a whole or in part.

## **27 DISCLAIMER**

This RFP is a request for proposals only and not an offer document. Answers to this RFP must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of its proposal, tenderers shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this RFP. The CSIR makes no representation, warranty, assurance, guarantee or endorsements to tenderer concerning the RFP, whether with regard to its accuracy, completeness or otherwise and the CSIR shall have no liability towards the tenderer or any other party in connection therewith.

**DECLARATION BY TENDERER**

**Only tenderers who completed the declaration below will be considered for evaluation.**

**RFP No:** .....

I hereby undertake to render services described in the attached tendering documents to CSIR in accordance with the requirements and task directives / proposal specifications stipulated in RFP No..... at the price/s quoted. My offer/s remains binding upon me and open for acceptance by the CSIR during the validity period indicated and calculated from the closing date of the proposal.

I confirm that I am satisfied with regards to the correctness and validity of my proposal; that the price(s) and rate(s) quoted cover all the services specified in the proposal documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

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

I declare that I have no participation in any collusive practices with any tenderer or any other person regarding this or any other proposal.

I accept that the CSIR may take appropriate actions, deemed necessary, should there be a conflict of interest or if this declaration proves to be false.

I confirm that I am duly authorised to sign this proposal.

NAME (PRINT) .....  
CAPACITY .....  
SIGNATURE .....  
NAME OF FIRM .....  
DATE .....

WITNESSES	
1	.....
2	.....
DATE: .....	

## 28 ANNEXURE A

			Rating/Score			
Functional Criteria	Criteria Description	Weighting	1	5	7	10
Supplier's past experience and reference	Auditing firm's working experience in the public sector, in particular Forensic Auditing- indicating the total number of calendar years	30	Has <1 experience in forensic auditing/similar projects	Has at least 2 to <5 years of experience in forensic auditing /similar projects	Has at least 5 to <10 years of experience in forensic auditing/similar projects	Has at least 10 years or more of experience in forensic/similar projects
Knowledge and expertise of staff with respect to Forensic Auditing services	Team qualification and experience: Bidder must submit CV's in the template format providing key personnel <b>(Maximum of 6 CV's)</b> that they intended to allocate for this project. The CV's must demonstrate relevant qualifications, skills, expertise and experience. The right is reserved to verify the authenticity of information provided	30	Inadequate capacity and experience to fulfill the requirements of the scope. Personnel have 1 to 2 years of experience in this field	Adequate capacity and experience to fulfill the requirements of the scope. Personnel have 3 to 5 years of experience in this field	Adequate capacity and experience to fulfill the requirements of the scope. Personnel have 10-15 years of experience in this field	Extensive capacity and experience to fulfill the requirements of the scope. Personnel have > 15 years of experience in this field
Proposal structure and content	Documentary evidence to demonstrate structured approach and work methodology/approach through a concise capability statement/project proposal proving the ability to perform the activities as outlined in the Scope of Work	20	The approach and / or methodology are poor / is unlikely to satisfy project objectives or requirements. Certain aspects of the Scope of Work have been misunderstood and do not deal with the critical aspects of the project.	The approach is generic and not tailored to address the specific project objectives and requirements. The approach does not adequately deal with the critical characteristics of the project. The quality plan is too generic	The approach is specifically tailored to address the specific project objectives and requirements and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan is specifically tailored to the critical characteristics of the project	Besides meeting the "good" rating, the important issues are approached in an innovative and efficient way, indicating that the Tenderer has outstanding knowledge of state-of-the-art approaches. The approach paper details ways to improve the Contract project outcomes and the quality of the outputs
Registration with appropriate Audit regulatory bodies	Documentary evidence to demonstrate comprehensive knowledge of the appropriate regulatory framework and	10	Tenderer did not supply any documentary evidence to show that they are registered with appropriate audit regulatory body.	Tenderer mentioned on the proposal that they are registered with appropriate audit regulatory body, but did not provide documentary	Tenderer provided documentary evidence to demonstrate that they are registered with Independent Regulatory Board of Auditors,	Tenderer provided documentary evidence to demonstrate that they are registered with Independent Regulatory Board of Auditors and demonstrate

	legislations such as PFMA and registered with IRBA ( <b>Independent Regulatory Board of Auditors</b> ) in terms of the Auditing professional Act			evidence	however did not refer to any audit legislation in their proposal	comprehensive knowledge of appropriate regulatory framework in their proposal
Availability of North West province based service providers	Record of infrastructure: Confirmation of the premises from which the bidder conducts its business	10	Tenderer do not have offices, nor resources based in North West province	Tenderer does not have own offices in North West province but have resources based in North West	Tenderer has operating office in North West province	Company has full operating office in North West Province, and close approximate to Wolmaransstad. Proof of address is provided