

***Request for Quotation (RFQ) for Financial Planning and Auditing Support for the  
Department of Defence Asset Management Portfolio***

Date of issue	13 January 2023
Closing Date and Time	27 January 2023 @ 16:30
RFQ Number	RFQ 5995/27/01/2023
Contact details	For submission of quotations or any other enquiries: <a href="mailto:tender@csir.co.za">tender@csir.co.za</a>
Category	Professional Services

## **1 INVITATION FOR QUOTATION**

Quotations are hereby invited for the provision of professional services to compile financial statements for the Department of Defence (DOD) Immovable Assets in line with the National Treasury Regulations.

## **2 BACKGROUND**

The Department of Defence manages a complex portfolio comprising army bases, air force bases, naval bases, airports, harbours, hospitals, training areas, workshops, storage facilities, housing and offices. To create an enabling environment for the efficient management and maintenance of the vast estate and to meet the requirements of Government Immovable Asset Management Act (GIAMA) (2007) and Public Finance Management Act (Act no 1 of 1999) (PFMA), the CSIR was appointed by the DOD to provide the requisite technical support. The CSIR requires the services of a service provider to compile financial statements for the DOD Immovable Assets according to National Treasury Regulations. Professional Services for Financial Accounting Support has been provided for Quarter 1 and Quarter 2 in the current 22/23FY, however, professional service's support is now required for Quarter 3 and the Annual statement. The requirements are as follows (but not limited to):

- Review and provide support on Quarterly Interim note as relevant (Quarter 3). This requires to be costed, but will depend on the timeline in procuring a service provider.
- Annual Financial Statements (AFS) for the financial year end March 2023. Post audit support is also required.

### 3 SCOPE OF WORK

The service provider will support the DOD in ensuring compliance with the PFMA and the Modified Cash Standards (MCS) issued by National Treasury by providing audit support and high-level recommendations to enhance audit readiness. High level scope of works include compiling and submitting the quarterly Interim Disclosure Notes and Annual Financial Statements for the DOD Immovable Assets for the current 2022/23 FY. The work includes the following (but not limited to):

- Review and understand the DOD Immovable Asset Management portfolio.
- Review and understand the Assessment Management methodology or approach that informs the Asset Register.
- Review the summary of the Programme for Accelerated Capital Expenditure (PACE) reports from DOD as received from National Department of Public Works (NDPW) and the recent approach to the compilation of the quarterly notes and statements (an overview process document will be made available for this to the successful bidder).
- Review the status of the project in terms of work in progress and projects completed using the codes provided.
- Review of the analysed and categorised annual expenditure as per DOD Financial Management System.
- Split of expenses between capital and other expenses.
- Distinguish between the Defence Endowment Property portfolio and NDPW property allocated to the DOD.
- Reconcile the various sources of funding and the final information.
- Draft and present the Quarterly Interim Disclosure Notes.
- Draft and present the Annual Financial Statements for immovable assets for the DOD.

Note: The review activities referred to above constitutes reviews for purposes of obtaining an understanding of the information, and not for the purposes of providing assurance over the information.

#### 3.1 The Supplier approach

Quarterly requirements are as follows (but not limited to):

- Confirm with the DOD Immovable Assets and the CSIR Project Team whether any updates have been made to the WIP schedules
- Separate WIP on endowment properties from WIP on non-endowment properties
- Distinguish between completed and in progress projects
- Allocate WIP to the appropriate classes of immovable assets
- WIP is allocated to facilities on the asset register

- Obtain the year-to-date spend for assets per class from DOD finance team
- Reconcile the additions in the relevant Note item (Immovable assets) to the immovable assets spend from note 10. This forms the basis of the year-end FinLog reconciliation that accompanies the submission of the note to the AGSA
- Support the DOD (and the Auditors as required) and the CSIR on general financial accounting related matters

Annual requirements are as follows (but not limited to):

- Using the quarter 4 information, populate the immovable assets note
- Reconcile the comparative information to the prior year audited financial statements
- Reconcile the WIP movements and balances to the WIP schedules
- Review the aging of in progress projects and in collaboration with management complete the age analysis for the in progress projects
- Ensure that WIP additions in the note reflect only the current year spend on finished projects as cash and prior spending is reflected as non-cash
- Present and discuss the note with the DOD team for sign-off and submission to DOD finance
- Support the DOD with any queries arising from the audit
- Support the DOD (and the Auditors as required) and CSIR on general financial accounting related matters

### **3.2 Limitations and Notes**

This section addresses the specific responsibilities that the Sub-contracted Supplier will not assume:

- The Services will not include procedures to detect fraud or illegal acts, nor to identify, address or correct any errors or defects in your computer systems, other devices or components thereof (“Systems”), whether or not due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of data. The Sub-contracted Supplier will not be responsible for any defect or problem arising out of or related to data processing in any Systems. However, should any such matters come to the Sub-contracted Supplier’s attention; the Sub-contracted Supplier will inform the CSIR.
- The Services are advisory in nature. The Sub-contracted Supplier will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, or other form of assurance, as those terms are identified by the International Auditing and Assurance Standards Board (IAASB) and the Independent Regulatory Board of Auditors. Accordingly, the Supplier will not express any form of assurance on accounting matters, financial statements, or other financial information or internal controls as part of the Services.

- The Services will not provide a formal or second opinion on the application of accounting principles as defined in Section 230 of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants and any additional considerations as required by the Independent Regulator Board of Auditors. The services are not designed to, and will not, provide any opinion as to whether the accounting policies identified by you comply with the Modified Cash Standards. None of the Services or any Reports will constitute any legal opinion or legal advice.
- The Sub-contracted Supplier will not conclude on the appropriate accounting treatment based on specific facts or circumstances or recommend which accounting policy or treatment should be selected or adopted. Any observations provided are designed to assist the CSIR as the CSIR (or its client) reaches, documents and implements its own conclusions and should not be taken to represent any form of concurrence or conclusion that the Sub-contracted Supplier agrees with or supports the proposed accounting and / or reporting.
- While the Sub-contracted Supplier may provide observations and comments with respect to internal control matters, the Sub-contracted Supplier's observations and comments provide no assurance with respect to the effectiveness of internal controls or compliance with applicable laws and regulations.”
- The Subcontracted Supplier undertakes to ensure that its Services follow normal client service quality reviews. Notwithstanding that the Client may provide the acceptance review and approval of the Subcontracted Supplier's Services, the CSIR shall always remain responsible to the Client in respect of the Services.
- Excludes any new land management matters that requires further investigation.
- The Subcontracted Supplier may be required during the course of the engagement to directly liaise with the Client for the execution of any aspect of its Services. Any such engagement will be under the sole direction of the CSIR and no relationship shall be created between the Subcontracted Supplier and the Client.No client relationship or any other contractual or pre-contractual relationship between the Subcontracted Supplier and the Client shall be established due to the provision of the aforementioned portions of the Services and the direct contact with the Client. The Subcontracted Supplier shall have no obligations towards the Client and will solely be obligated to the CSIR in respect of the Services to be rendered.

#### **4 PROJECT TIMEFRAME**

The appointed service provider will commence work from the date of signed Service Level Agreement and will be required provide professional services up to **September 2023**. It is noted that the Q3 support will be pending on the timeline to appoint a suitable service provider, but nevertheless need to be quoted for (this can then be excluded if not relevant).

## 5 QUOTATION REQUIREMENTS

Tenderers to submit tenders by completing the pricing table in section 8 below. The RFQ is to be supplied with a CV and B-BEEE status.

## 6 EVALUATION CRITERIA

The evaluation of the functional / technical detail of the quotation will be based on the following criteria:

- 6.1 Selection of suppliers will be based on the 80/20 preference point system.
- 6.2 Provide a valid copy of a B BBEE Certificate or valid affidavit. No B BBEE status will equal to zero points. B BBEE certificate must be issued by SANAS accredited agency or a valid sworn affidavit in line with DTIC regulations. (RSA suppliers only).
- 6.3 **B BBEE Verification Agency issued Certificate can be verified on SANAS website on Verification Agency (B BBEE) under Accredited Facilities (Quick Access Links): <https://www.sanas.co.za/Pages/index.aspx> to check validity of the B BBEE Certificate.**
- 6.4 Indicate CSD number (National Treasury Central Supplier Database) on quotation. If not registered yet on CSD, use [www.csd.gov.za](http://www.csd.gov.za) to register.
- 6.5 The proposed resources should have the relevant qualification with a minimum of 5 years of experience with local, provincial or national government projects.
- 6.6 Curriculum Vitae containing the above-mentioned information to be submitted with the RFQ.

## 7 ELIMINATION CRITERIA

- 7.1 Non submission of Curriculum Vitae.
- 7.2 Non submission of certificates of qualification.
- 7.3 Submission after the stipulated date and time.
- 7.4 Non-submission of completed SBD1 and SBD4 form.

## 8 PRICING QUOTATION

- 8.1 Price needs 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.
- 8.2 Price should include additional cost elements such as disbursements, travel, freight, insurance until acceptance, duty where applicable, etc.
- 8.3 Payment will be according to the CSIR Payment Terms and Conditions.

**Pricing Table:**

No.	Description	Unit	Qty	Rate	Amount (Excl. VAT)
1	Review of the DOD portfolio and its previous quarterly statements and annual notes as relevant	Sum			
2	<p>Review and provide support for the <b>Quarter 3 Note</b>. It is noted that the Q3 support will be pending on the timeline to appoint a suitable service provider, but nevertheless need to be quoted for (this can then be excluded if not relevant). Which requires the following typical actions, but not limited to:</p> <ul style="list-style-type: none"> <li>• Review the summary of the Programme for Accelerated Capital Expenditure (PACE) reports from DOD</li> <li>• Review the status of the projects in terms of work in progress and projects completed using the codes provided</li> <li>• Review of the analysed and categorised annual expenditure as per DOD Financial Management System</li> <li>• Split of expenses between capital and other expenses.</li> <li>• Distinguish between the Defence Endowment Property portfolio and NDPW property allocated to the DOD</li> <li>• Reconcile the various sources of funding and the final information</li> <li>• Draft and present the Quarterly Interim Disclosure Notes</li> </ul>	Sum			
3	Compile and present the current <b>Annual Financial Statement</b>	Sum			
4	<p>Provide monthly standby support to the DOD AND CSIR for a period of 9 months (January-September 2023). This is particularly aimed for audit support enquires and amendments upon the submission of the annual note or any other adhoc related items.</p> <p><b>Limited to maximum of 50 hours overall.</b></p> <p>This cost line item will be used as when required.</p>	hrs	50		
5	Disbursements (4 off meetings at the CSIR or DOD offices as where required).	Sum			
Sub-Total					
Add 15% VAT					
Total					

## **9 OTHER TERMS AND CONDITIONS**

9.1 The supplier shall under no circumstances offer, promise or make any gift, payment, loan, reward, inducement, benefit or other advantage, which may be construed as being made to solicit any favour, to any CSIR employee or its representatives. Such an act shall constitute a material breach of the Agreement and the CSIR shall be entitled to terminate the Agreement forthwith, without prejudice to any of its rights.

9.2 A validity period of 90 days will apply to all quotations except where indicated differently on the quote.

**10 No goods and/or services should be delivered to the CSIR without an official CSIR Purchase order. CSIR purchase order number must be quoted on the invoice. Invoices without CSIR purchase order numbers will be returned to supplier.**

**11 Note: This is not a Purchase Order.**

### DECLARATION BY TENDERER

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

RFQ No: RFQ 5995/27/01/2023.

I hereby undertake to render services described in the attached tendering documents to CSIR in accordance with the requirements and task directives / quotation specifications stipulated in RFQ No - RFQ 5995/27/01/2023 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 quotation.

I confirm that I am satisfied with regards to the correctness and validity of my quotation; that the price(s) and rate(s) quoted cover all the services specified in the quotation 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 quotation as the principal liable for the due fulfilment of this quotation.

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

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 quotation.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....