



Internal Audit Final Report

Supply Chain Management Compliance Checking for the Travel Management Services Tender

April 2022

Internal Audit Reference: IA-22/23-15(1)

To: Chief Financial Officer
CC: Manager, Supply Chain Management

From: Senior Manager, Internal Audit

Audit Ref. IA-22/23-15(1)

Subject: **Compliance Checking of the Travel Management Services Tender**

The Compliance Checking of proposals submitted for the Travel Management Services Tenders was conducted in terms of the approved 2022-23 Internal Audit Work Plan (Ad-hoc engagements).

The review was conducted in accordance with Generally Accepted Auditing Standards, the International Standards for the Professional Practice of Internal Auditing and in line with the Code of Ethics. The standards require that we plan and perform the audit to obtain enough, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Senior Manager, Internal Audit
Date: 11 April 2022

BACKGROUND

1. This report is a continuation of Internal Audit Report T04-2021-22(1) of the Travel Management Services tender.
2. The Internal Audit Observation Report for the Tender Closing Process for the Travel Management Services was issued on the 16th of March 2022.

OBJECTIVE

3. To determine requirements for competitive bidding process, Internal Audit observed the tender compliance checking process to ensure fairness and transparency, in that: all submitted tender documentation met the prerequisite criteria (gatekeepers).

SCOPE

4. Our scope was limited to observing to Supply Chain's screening of received tender for the prerequisite criteria (gatekeepers).

OBSERVATION

5. The screening process occurred on the 06th of April 2022 at Boardroom 2, from 09:00 to 11:55am. The process was conducted by two Supply Chain Management Officers, namely, Ms. N Mamba and Ms. N Mkhwanazi.
6. Internal Audit was represented by Mr. S Mtolo at a capacity of an independent observer.
7. The following documentation are compulsory for the tender **as per Section 6 5 and of the Terms of Reference** (a prerequisite for the tender to be considered for evaluation):

5. MANDATORY REQUIREMENTS

- 5.1. Bidders must meet all mandatory requirements as stipulated in the tender document. Failure to comply with any of the requirements leads to the vendor being disqualified. **The mandatory requirements below are not subjected to any scoring as these are absolute minimum requirements.**
- 5.2. The bidders shall be obliged to submit the following:
 - a) One original tender (with four copies clearly marked as original and copy 1 of 2, etc).
 - b) Valid Tax Compliance Pin.
 - c) Audited Past three years Annual financial statements with signed audit report in case of a company.
 - d) Original Certified copies (Copy with original stamp) of your CIPRO company registration documents listing all members with percentages, in case of a CC.
 - e) Latest Original Certified copies of all share certificates (i.e., copy with original stamp), in case of a company.
 - f) Shareholding breakdown per race, gender and percentage shareholding with shareholders of the bidding company who are not individuals.
 - g) Declaration of interest.
 - h) List of references of past and present clients (Company name, department, branch, contact person with office telephone number).
 - i) Proof of ASATA and IATA membership

6. EVALUATION OF BIDS

1. EVALUATION CRITERIA AND WEIGHTINGS

Phase 1: Initial Screening Process:

During this phase, bid responses will be reviewed for purposes of assessing compliance with RFP requirements including the general bid conditions, which requirements include the following:

- Submission of a Valid Tax Compliance Pin.
- Submission of Company Registration Forms.
- Submission of ID copy for the Company Representative.
- BEE Status Certification (Certified document) / Affidavit must be original
- IATA accredited.
- ASATA or Similar Membership

Completion of all Standard Bidding Documents and other requirements, as reflected in this RFP, which covers the following:

- Declaration of Interest.
- Shareholders' Information/ Group Structure.

Failure to comply with the requirements assessed in Phase 1 (compliance), may lead to disqualification of bids.

7. The followed sequence of events:

7.1. The tender proposal documents are opened, and mandatory documentations are checked for existence and validity, and where necessary, incomplete or non-complying bids are noted for disqualification.

7.2. Officer 1 opened, called out the name of the bidder and checked the documents to confirm existence of records listed in 6 above, then Officer 2 double checked and recorded the outcome.

7.3. The Manager, SCM was called in for second verification and clarity seeking where the Officers required clarity and confirmation.

7.4. Internal Auditor observed and recorded the process.

8. There are proposals noted with issues of concern. These were recorded accordingly and verified by Manager, SCM. Refer to **table 1** illustrating the details of proposals deemed not satisfactory.

8.1. A total of eight (8) proposals were received, 2 (25%) contained areas of and 6 (75%) were marked as responsive. See **table 2** for the full list.

8.2. The six (6) responsive proposals will proceed to the next stage of evaluation.

Table 1: Proposals with areas of concern

| # | Company Name | Reasons for areas of concern |
|---|--|---|
| 1 | Satguru Travel | <ul style="list-style-type: none"> • PART A and B of the SBD forms are not duly completed. The Declaration of Interest is not duly signed off; however, it is stamped (plain company stamp with no signature and date). • SDB 3.1 is not completed. They attached a separate pricing listing. • Shareholder certificate(s) is outstanding. • BEE Status Certification is not certified. |
| 2 | Quadrel Travel (trading as CWT Travel) | <ul style="list-style-type: none"> • BEE Status Certification is not certified. |

INTERNAL AUDIT RECOMMENDATION

9. The audit team recommends the following:

9.1. The Bid Evaluation Committee should deliberate on the above noted areas of concern and decided if these two (2) are classified as non-responsive proposals or not. If yes, then they must be eliminated or disqualified from the process due to failure to meet the compulsory requirements as indicated under section 6 of the Tender Specification document.

9.2. The six (6) responsive proposals be evaluated according to the predetermined criteria.

CONCLUSION

10. The tender compliance checking process was fair and transparent. There were no issues of irregularities noted by Internal Audit.

11. The Internal Audit Report should be submitted to the Bid Evaluation Committee for consideration prior the commencement of the evaluation.

Table 2: List of all tenders with compliance checking outcome

| # | Company Name | Valid TCC Pin | TCC Expiry Date | SBD 4 (Decl. of Interest) | IATA Cert. | ASATA Cert. | Bidder Rep. ID | CIPRO | Share - holders Cert. | Share - holder Break Down | BEE or Swon Affidavit Expiry Date | Past 3 Years AFS Audited | Reference List | Price List (SBD 3.1) | Qualification Status |
|---|--|---------------|-----------------|---------------------------|------------|-------------|----------------|---------|-----------------------|---------------------------|-----------------------------------|--------------------------|----------------|------------------------|-----------------------|
| 1 | Travel With Flair | Yes | 28/01/2023 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 12/12/2022 | 31/03/2021 | Yes | Yes | Qualified |
| 2 | Satguru Travel | Yes | 01/02/2023 | Yes [Ⓜ] | Yes (D) | Yes (D) | Yes (D) | Yes (D) | No | Yes | 12/02/2022 [Ⓜ] | 28/02/2021 | Yes | Partially [€] | With areas of concern |
| 3 | Gemini Moon Trading (trading as XL Nexus Travel) | Yes | 11/04/2022 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 28/09/2022 | 28/02/2021 | Yes | Yes | Qualified |
| 4 | Atlantis Corporate Travel | Yes | 14/10/2022 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 06/02/2023 | 28/02/2021 | Yes | Yes | Qualified |
| 5 | Nyeleti Travel Agency | Yes | 15/12/2022 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 04/02/2023 | 28/02/2021 | Yes | Yes | Qualified |
| 6 | Quadrel Travel (trading as CWT Travel) | Yes | 30/07/2022 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 07/12/2022 [Ⓜ] | 30/06/202 (P) | Yes | Yes | With areas of concern |
| 7 | Hamba Umhlaba Travel | Yes | 18/01/2023 | Yes | Yes (D) | Yes (D) | Yes | Yes | Yes | Yes | 11/10/2022 | 31/07/2020 | Yes | Yes | Qualified |
| 8 | Club Corporate Travel | Yes | 07/06/2022 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 28/09/2022 | 31/12/2020 | Yes | Yes | Qualified |

Audit Legends:

- [Ⓜ] PART A and B of the SBD forms are not duly completed. The Declaration of Interest is not duly signed off; however, it is stamped (plain company stamp with no signatures and date).
- [€] SDB 3.1 is not completed. They attached a separate pricing listing.
- ^(D) The copies are not certified. However, this is not a disqualifying requirement.
- [Ⓜ] The BEE Certificate is not certified.
- ^(P) Quadrel Travel is trading as CWT Travel. Bidvest has 90% shares on Quadrel Travel. The financial statements provided are for Bidvest.