



**TERMS OF REFERENCE**

**REQUEST FOR PROPOSALS FOR**

**EXTERNAL AUDIT SERVICES**

**TENDER ELRC T01-2023/24**

# **APPOINTMENT OF EXTERNAL AUDITORS: ELRCT01 (2023/24)**

## **1. INTRODUCTION**

The ELRC is a bargaining Council established in terms of Section 37 (2) of the Labour Relations Act (LRA). The Council serves educators in the public education sector, specifically those employed in terms of the employment of Educators Act 76 of 1998. The Council also serves the learners of this country by effectively resolving disputes in the public education that involve the child as the victim or witness and therefore comply with section 28 of the Constitution of the South Africa which provides that the child's rights are of paramount importance in every matter concerning a child.

Visit our website for more information: [www.elrc.org.za](http://www.elrc.org.za)

## **2. THE OBJECTIVES OF THE AUDIT**

- a) The objective of the audit is to provide an independent audit opinion on financial statements, and performance information of the ELRC for each financial year covered by the term of the audit appointment.
- b) The external auditor must adhere and meet all statutory requirements of the Public Audit Act, 2004 (Act No.25 of 2004, etc.), the international Auditing Standards (ISA), requirements of the LRA (especially section 53(2)(b) and the Council's Constitution.
- c) Carry out such work as is necessary to form an opinion as to whether the annual financial statements are prepared in accordance with the financial record and present fairly in all material respects, the financial position of the ELRC as at 31 March, as well as the financial performance and cash flows for the year ended in accordance with IFRS for SMME's and the requirements of the LRA.

## **3. TERM OF THE AUDIT APPOINTMENT**

The External Auditors will be appointed for 60 Months (5 years).

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### **4. SCOPE OF THE AUDIT**

The External Auditor will be required to perform audit functions in terms of the International Standards on Auditing (ISA).

- a) including the evaluation in terms of the Labour Relations Act.
- b) Conducting audits in accordance with auditing standards and best practice guidelines for public sector auditors
- c) Evaluating compliance with applicable legislation relating to financial matters, financial management and other matters related to the audit of performance against predetermined objectives and;
- d) Other legislative functions.

The Auditors will be required to:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion.
- Obtain an understanding of internal control, including IT General Controls and Application Controls, relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation and in compliance with IFRS for SMME.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements.
- Communicate audit findings and make recommendations to management; and
- Provide a final report with management responses on corrective actions and the presentation of the reports to the Council or its nominated committees.

### **EXTERNAL AUDITOR DELIVERABLES**

The external Auditor will be required to submit the following upon appointment:

- a) A detailed Audit Planning Memorandum.
- b) Detailed budget in line with the Audit Planning Memorandum.

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- c) Draft and issue audit reports upon completion of audit assignments.
- d) Attend Audit Committee meeting; and
- e) Present External Audit Report to the Audit Committee, EXCO and the Council.

### **5. MANDATORY REQUIREMENTS**

- a) A valid tax compliance pin.
- b) Registration as Auditors in terms of the Public Audit Act (IRBA- Independent Review Board of Auditors)
- c) The External Auditor (the Director) must be registered in terms of the Public Audit Act as an Accountant and Auditor and engaged in public practice (registration with SAICA- South African Institute of Chartered Accountants and IRBA - Independent Review Board of Auditors and must have a minimum of 3 years as a director.
- d) The organization should be in existence and service for a minimum of 5 years.

**NB: FAILURE TO SUBMIT PROOF OF THE ABOVE MENTIONED WILL RESULT IN DISQUALIFICATION.**

### **6. TECHNICAL COMPETENCY REQUIREMENTS**

External Auditors must meet the technical competency requirements stated below:

- a) The External Auditor must be registered in terms of the Public Audit Act as an Accountant and Auditor and engaged in public practice (registration with SAICA- South African Institute of Chartered Accountants and IRBA- Independent Review Board of Auditors.
- b) Evidence of dedicated resources available to the External Auditor for the duration of the contract, qualifications and experience of such resources, (Attached CV's, qualifications, etc.) and
- c) Profiles of the audit firm (Reference letters should be attached to the proposals)

### **7. HOURS, FEES AND EXPENDITURE**

The External auditor will be required to provide the following detail:

- a) Appropriate evidence of statutory registration requirements, memberships and associations.
- b) The hours to be spent on the audit and the rates thereof; and
- c) Fees for completing the audit in accordance with the specification and with reference to different levels of proposed to be utilized. (Total costs of the project and the breakdown of costs).

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**NOTE: NO VARIATION TO THE ACCEPTED PROPOSAL WILL BE ACCEPTED UNLESS THE SERVICE PROVIDER HAS OBTAINED PRIOR WRITTEN APPROVAL FROM THE COUNCIL.**

### **8. TERMS AND CONDITIONS**

The following conditions should be noted by External Auditors.

- a) The External Auditor shall not and has no right to assign the audit to third parties.
- b) The External Auditor shall not be engaged by the ELRC to undertake any financial consultancy with the ELRC that requires the preparation of financial information that will be the subject of the annual audit.
- c) The external Auditor shall confirm that they are and shall maintain during the duration of the audit term total independence relating to the Council.

### **9. EXTERNAL AUDITOR'S INDEPENDENCE**

- a) The External Auditor is required to certify that they are independent of the ELRC, and nothing has transpired that would compromise their independence during the conduct of the audit.

### **10. SECURITY CLEARANCE OF BIDDERS**

- a) The ELRC will conduct all relevant security clearances on the appointed provider prior to the awarding of the contract. Supplier information and good standing will also be verified with National Treasury database to determine whether the bidder is not listed on the restricted Suppliers for tender defaulters.
- b) The external auditor will be vetted accordingly.

### **11. EVALUATION**

Proposals will be evaluated in terms of the prevailing supply chain policy applicable to the ELRC and it should be noted that:

- a) The benchmark of a minimum of 70 points out of 100 points on technical capability will be the cut off to qualify for further evaluation. (1<sup>st</sup> stage of evaluation)
- b) All bids received will be evaluated on the **80/20-point scoring basis**.
- c) The **80** points will be for Price and **20** points are for Broad Based Black Economic Empowerment (BBBEE) for attaining the BBBEE Status.

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d) Submit VALID Original Affidavit or **Certified copies** of BBBEE certificate.

**(Copy of a Certified Copy will not be considered)**

***NB: IF YOU ARE VAT REGISTERED- BIDS MUST INCLUDE VAT no calculations will performed by ELRC personnel on bids received.***

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No.	Criteria	Weight
1.	<b>Company information and relevant experience</b> I. History/Background (Attach company profile and organogram). <b>Organogram in detail</b>	5
	II. Years established.  <b>(Attach CIPC company registration certificate)</b>	5
	III. Financial stability/sustainability  Assets exceed liabilities on financial statements and positive ratios (Must attach copy of latest audited financial statements not older than one year).	10
2.	<b>Methodology</b>  IV. Methodology and approach- Project plan and clear delivery timelines.	50
3.	<b>Resources and Capacity</b> <b>Experience in performing public sector external audits.</b>  <b>Project Team leader</b> I. Human resources-Skills of the project team leader, expertise, qualifications MUST ATTACH CV.	10
	<b>Project Team</b> II. Human resources-Skills of the project team, expertise, qualifications MUST ATTACH CV'S of team.	10
4.	<b>Verifiable references</b> Attach letters of clients previously contracted to, on similar projects in the public sector not older than 5 years. (Attach three letters).	10
<b>Total</b>		<b>100</b>
<b>THE FIRM'S SUBMISSION AND PROPOSALS SHOULD BE ADDRESSING THE ABOVE EVALUATION CRITERIA. THE INFORMATION REQUIRED FOR FUNCTIONALITY SHOULD BE PRESENTED IN AN ORDERLY FASHION AND EASY REFERENCE BY THE EVALUATION PANEL.</b>		

The minimum score required for the above is 70 points.

### **12. PAYMENT STRUCTURE**

Payment will be made based on delivery of services within 30 days upon receipt of a valid invoice or as agreed in the service level agreement (SLA).

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### **13. DISCLAIMER**

- a) The ELRC reserve the right not to appoint a Service Provider.
- b) The ELRC reserves the right to:
  - Award the contract or any part thereof to one or more Service Providers
  - Reject all bids.
  - Decline to consider any bids that do not conform to any aspect of the bidding process.
  - Request further information from any Service Provider after the closing date for clarity purposes.

### **14. NOTES TO BIDDERS**

This section outlines the basic requirements that must be met. Failure to accept these requirements or part thereof may result in your proposal being excluded from the evaluation process.

- a) Requests for proposal documents should be submitted to the ELRC.
- b) The ELRC will not be liable to reimburse any costs incurred by the bidder during the proposal process.
- c) Evaluation of proposals will be carried out by the ELRC. The Bid Evaluation Committee will, if necessary, contact bidders to seek clarification on any aspect of the proposal.
- d) The bidder must sign the register at the reception and note the time of delivery when delivering the tender documents, otherwise it will be assumed that the bid was delivered late.
- e) Kindly ensure that you complete the registration form.
- f) In any correspondence in relation to this bid will be placed in the ELRC website including cancellation and award.

### **15. Validity of Bids**

- a) Bids must be valid for 90 days.

### **16. Submission Requirement**

- a) Responses to this RFP must be submitted between 08h00 and 15H00 (Monday to Friday, excluding public holidays).
- b) On the closing date submissions must be done before 11h00 am.



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- c) Service providers must submit five (5) hardcopies of the technical response as well as five (5) hardcopies of the financial proposal.
- d) One hardcopy must be the original submission, clearly marked "Original" and the remaining hard copies can be copied versions of the original.
- e) Service providers should take care to ensure that there are no discrepancies on hardcopy submissions of the proposed solution.
- f) Responses to this RFP must follow a two-envelope approach where service providers' pricing and technical response must be submitted in separate sealed envelopes. The copies must be bundled together and submitted as a single pack and clearly marked indicating the contents of the envelope as well as the BID number.
- g) Each individual envelope must be clearly marked with the following information:
  - o Name of the RFP,
  - o RFP Number
  - o ORIGINAL or COPY 1 or COPY 2 etc.
  - o Return address label indicating the name and address of the Service Provider.
- h) All questions must be submitted not later than the 4<sup>th</sup> of July 2023 indicating the tender number as a subject line. The questions must be emailed to [Tenders@elrc.org.za](mailto:Tenders@elrc.org.za) . Q&A will be consolidated and published on the website.

### **17. Closing Date and Time**

- Date: 11 July 2023
- Time: 11:00
- Delivery address:

Education Labour Relations Council

261 West Avenue

Centurion

Pretoria

(Opposite Gautrain Station)

**Submissions that are faxed, sent via telex, and/ or electronic mail delivery will not be accepted!**

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## PART A

### INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (EDUCATION LABOUR RELATIONS COUNCIL)</b>				
BID NUMBER:		CLOSING DATE:		CLOSING TIME:
DESCRIPTION				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>				

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)


<b>SUPPLIER INFORMATION</b>				
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NAME OF BIDDER				
POSTAL ADDRESS				
STREET ADDRESS				
TELEPHONE NUMBER	CODE		NUMBER	
CELLPHONE NUMBER				
FACSIMILE NUMBER	CODE		NUMBER	
E-MAIL ADDRESS				
VAT REGISTRATION NUMBER				

	TCS PIN:		<b>OR</b>	CSD No:	
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B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes  <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes  <input type="checkbox"/> No
-----------------------------------------------------------------------	-----------------------------------------------------------------	-------------------------------------	-----------------------------------------------------------------

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?				
--------------------------------------------	--	--	--	--

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>   <input type="checkbox"/>  <input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)  A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)  A REGISTERED AUDITOR  NAME:
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[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]			
<b>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	<b>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ANSWER PART B:3 BELOW ]
<b>SIGNATURE OF BIDDER</b> .....		<b>DATE</b>	
<b>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)</b>			
<b>TOTAL NUMBER OF ITEMS OFFERED</b>		<b>TOTAL BID PRICE (ALL INCLUSIVE)</b>	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT/ PUBLIC ENTITY		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

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## **PART B TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE	
1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.	
1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.	
1.5. 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 LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.	
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
2.3 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
2.4 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.	
2.5 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD Printout from CSD indicating compliance must be provided).	
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES
<input type="checkbox"/> NO	
<b>IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</b>	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

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SBD 3.1

## **PRICING SCHEDULE – FIRM PRICES (PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

OFFER TO BE VALID FOR.....DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
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- 
- Required by: .....
  - At: .....
  - Brand and model .....
  - Country of origin .....
  - Does the offer comply with the specification(s)? \*YES/NO
  - If not to specification, indicate deviation(s) .....
  - Period required for delivery .....
  - \*Delivery: Firm/not firm
  - Delivery basis .....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

\*Delete if not applicable

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SBD 4

## **BIDDER'S DISCLOSURE**

### **1. PURPOSE OF THE FORM**

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

### **2. Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

<b>Full Name</b>	<b>Identity Number</b>	<b>Name of State institution</b>

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

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<sup>1</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

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.....  
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?  
**YES/NO**

2.3.1 If so, furnish particulars:

.....  
.....

**3 DECLARATION**

I, \_\_\_\_\_ the \_\_\_\_\_ undersigned,  
(name)..... in  
submitting the accompanying bid, do hereby make the following statements that  
I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are

2 Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	.....
Signature	Date
.....	.....
Position	Name of bidder



# **APPOINTMENT OF EXTERNAL AUDITORS: ELRCT01 (2023/24)**

## **PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### **1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the **.....** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

### **2. DEFINITIONS**

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### **3. POINTS AWARDED FOR PRICE**

#### **3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS**

## **APPOINTMENT OF EXTERNAL AUDITORS: ELRCT01 (2023/24)**

A maximum of 80 or 90 points is allocated for price on the following basis:

**80/20**

**or**

**90/10**

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P<sub>s</sub> = Points scored for price of bid under consideration

P<sub>t</sub> = Price of bid under consideration

P<sub>min</sub> = Price of lowest acceptable bid

### **4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR**

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (90/10 system)</b>	<b>Number of points (80/20 system)</b>
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

### **5. BID DECLARATION**

- 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### **6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1**

- 6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

### **7. SUB-CONTRACTING**

## **APPOINTMENT OF EXTERNAL AUDITORS: ELRCT01 (2023/24)**

7.1 Will any portion of the contract be sub-contracted?

**(Tick applicable box)**

YES		NO	
-----	--	----	--

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%

ii) The name of the sub-contractor.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

**(Tick applicable box)**

YES		NO	
-----	--	----	--

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b>	<b>QSE</b>
	√	√
<b>Black people</b>		
<b>Black people who are youth</b>		
<b>Black people who are women</b>		
<b>Black people with disabilities</b>		
<b>Black people living in rural or underdeveloped areas or townships</b>		
<b>Cooperative owned by black people</b>		
<b>Black people who are military veterans</b>		
<b>OR</b>		
<b>Any EME</b>		
<b>Any QSE</b>		

### **8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company

## **APPOINTMENT OF EXTERNAL AUDITORS: ELRCT01 (2023/24)**

(Pty) Limited

[TICK APPLICABLE BOX]

### 8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....  
.....  
.....  
.....  
.....

### 8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and

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directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

- (e) forward the matter for criminal prosecution.

WITNESSES
1. ....
2. ....

.....
SIGNATURE(S) OF BIDDERS(S)
DATE: .....
ADDRESS .....
.....
.....