INVITATION TO AN OPEN BID

NDOH 07 /2017-2018

Appointment of a Service Provider for the provision of Internal Audit services at the National Department of Health for projects funded by Global Funds from Auditing and Accounting service providers.
CONDITIONS FOR COMPLETION OF BID DOCUMENTS

If any of the following bid forms are not completed and signed or not handed in with your bid proposal on closing date and time, your proposal will be immediately disqualified.

- SBD1 (Invitation to bid) (Make sure it is signed)
- SBD2 (Tax Clearance Certificate) Certificate must be original and valid.
- SBD 3.3 (Professional Services) If not filled please refer to an Annexure or addendum where price is mentioned.
- SBD 4 (Declaration of interest) (Make sure it is signed)
- SBD 6.1 (Preference claim form) Must be signed regardless if points are claimed or not. (Make sure it is signed)
- B-BBEE Status level Verification Certificate ( Original or certified copy )
- SBD 8 (Declaration of Bidder’s past supply chain management practices) (Make sure it is signed)
- SBD 9 (Bid rigging) Make sure it is signed and completed
- Please note: No tippex is allowed. All changes must be scratched out and a signature next to each change.
- Bid documents must be completed with ink (blue or black) and not typed.

IF NONE OF THE ABOVE MENTIONED CONDITIONS IS MET, YOUR BID WILL BE DISQUALIFIED.
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/PUBLIC ENTITY)

BID NUMBER: NDOH 07/2017-2018 CLOSING DATE: 04/09/2017 CLOSING TIME: 11:00

DESCRIPTION: Appointment of a service provider for the provision of internal audit services at the National Department of Health for projects funded by global funds from Auditing and Accounting services providers

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

BID DOCUMENTS MAY BE POSTED TO: Department of Health, Private Bag X 828, Pretoria, 0001. Attention: Mr. SD Dlamini

DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)
Department of National Health, c/o Struben and Thabo Sehume streets, Civitas building, Pretoria

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week. Underneath you will find a map of where the BID box is situated.

PRETORIA CITY CENTRE

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT
THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER
...........................................................................................................................................

POSTAL ADDRESS
..........................................................................................................................................

STREET ADDRESS
........................................................................................................................................

TELEPHONE NUMBER
CODE........NUMBER..................................................................................................................

CELLPHONE NUMBER
........................................................................................................................................

FACSIMILE NUMBER
CODE
.NUMBER..................................................................................................................................

E-MAIL ADDRESS
........................................................................................................................................

VAT REGISTRATION NUMBER
........................................................................................................................................

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (SBD 2)
YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? (SBD 6.1)
YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?
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 .................................................................
[TICK APPLICABLE BOX]

(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE 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?
YES or NO

[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER
........................................................................................................................................

DATE
........................................................................................................................................

CAPACITY UNDER WHICH THIS BID IS SIGNED ........................................................................

TOTAL BID PRICE..................................TOTAL NUMBER OF ITEMS OFFERED

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:
ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:

Department: National Health

Contact Person: Mr H Nkanyane

Tel: (012) 395 8349
Email: Harris.Nkanyane@health.gov.za
TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder’s tax obligations.

1. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 “Application for a Tax Clearance Certificate” and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.

3. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.

4. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.

5. Copies of the TCC 001 “Application for a Tax Clearance Certificate” form are available from any SARS branch office nationally or on the website www.sars.gov.za.

6. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.
NAME OF BIDDER: ........................................................................................................ BID NO.: ........................................
CLOSING TIME 11:00 ........................................................................................................
CLOSING DATE............................................................................................................... 

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

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>(ALL APPLICABLE TAXES INCLUDED)</strong></td>
</tr>
</tbody>
</table>

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

<table>
<thead>
<tr>
<th>PERSON AND POSITION</th>
<th>HOURLY RATE</th>
<th>DAILY RATE</th>
</tr>
</thead>
<tbody>
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<td>R------------</td>
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</tbody>
</table>

4. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

<table>
<thead>
<tr>
<th>PHASE</th>
<th>COST PER PHASE</th>
<th>MAN-DAYS TO BE SPENT</th>
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</tbody>
</table>

5.1 Travel expenses (specify, for example rate/km and total km, class of air travel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

<table>
<thead>
<tr>
<th>DESCRIPTION OF EXPENSE TO BE INCURRED</th>
<th>RATE</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
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</tbody>
</table>

** "all applicable taxes” includes value-added tax, pay as you earn, income tax, unemployment insurance contributions and skills development levies.**
5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

<table>
<thead>
<tr>
<th>DESCRIPTION OF EXPENSE TO BE INCURRED</th>
<th>RATE</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
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</table>

TOTAL: R………………………………………………….

6. Period required for commencement with project after acceptance of bid

7. Estimated man-days for completion of project

8. Are the rates quoted firm for the full period of contract? 
   *YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

Any enquiries regarding bidding procedures may be directed to the –

Mr Sifiso Director Dlamini,
Corner Thabo Sehume and Struben Streets,
Pretoria,
0001,
National Department of Health

Tel: 012 395 8930

Or for technical information –

Mr Harris Nkanyane

Tel: 012 395 8349
DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state\(^1\), or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or

- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative: ..............................................................................................................

2.2 Identity Number: ................................................................................................................................................................

2.3 Position occupied in the Company (director, trustee, shareholder\(^2\)): .................................................................

2.4 Company Registration Number: ........................................................................................................................................

2.5 Tax Reference Number: ....................................................................................................................................................

2.6 VAT Registration Number: ..............................................................................................................................................

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

\(^1\)“State” means –
(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(b) any municipality or municipal entity;
(c) provincial legislature;
(d) national Assembly or the national Council of provinces; or
(e) Parliament.

\(^2\)“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.
2.7 Are you or any person connected with the bidder presently employed by the state?  YES / NO

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder / member: ..........................................................
Name of state institution at which you or the person connected to the bidder is employed:  ..........................................................
Position occupied in the state institution: ..........................................................

Any other particulars:
...........................................................................................................................................
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2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?  YES / NO

2.7.2.1 If yes, did you attached proof of such authority to the bid document?  YES / NO

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:
...........................................................................................................................................
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2.8 Did you or your spouse, or any of the company’s directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?  YES / NO

2.8.1 If so, furnish particulars:
...........................................................................................................................................
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2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?  YES / NO
2.9.1 If so, furnish particulars.

………………………………………………………………
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2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid? YES/NO

2.10.1 If so, furnish particulars.

………………………………………………………………
………………………………………………………………
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2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES/NO

2.11.1 If so, furnish particulars:

………………………………………………………………
………………………………………………………………
………………………………………………………………

3 Full details of directors / trustees / members / shareholders.

<table>
<thead>
<tr>
<th>Full Name</th>
<th>Identity Number</th>
<th>Personal Tax Reference Number</th>
<th>State Employee Number / Personal Number</th>
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<tbody>
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</table>
4 DECLARATION

I, THE UNDERSIGNED (NAME)…………………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

                                                                                           Date
                                                                                           Signature
                                                                                           Position

                           Name of bidder

May 2011
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 not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

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:

<table>
<thead>
<tr>
<th></th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRICE</strong></td>
<td>80</td>
</tr>
<tr>
<td><strong>B-BBEE STATUS LEVEL OF CONTRIBUTOR</strong></td>
<td>20</td>
</tr>
<tr>
<td>Total points for Price and B-BBEE must not exceed</td>
<td>100</td>
</tr>
</tbody>
</table>

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.

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

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

\[
\begin{align*}
80 & \quad 90 \\
\left( 1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}} \right) & \quad \left( 1 - \frac{Pt - P_{\text{min}}}{P_{\text{min}}} \right)
\end{align*}
\]

Where

\[
\begin{align*}
P_s & = \text{Points scored for price of bid under consideration} \\
Pt & = \text{Price of bid under consideration} \\
P_{\text{min}} & = \text{Price of lowest acceptable bid}
\end{align*}
\]

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:

<table>
<thead>
<tr>
<th>B-BBEE Status Level of Contributor</th>
<th>Number of points (90/10 system)</th>
<th>Number of points (80/20 system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>18</td>
</tr>
</tbody>
</table>
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: \( \ldots \) = ........(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**

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

*(Tick applicable box)*

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted: \( \ldots \) \% 

ii) The name of the subcontractor: 

iii) The B-BBEE status level of the subcontractor: 

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

*(Tick applicable box)*

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Designated Group: An EME or QSE which is at last 51% owned by:</th>
<th>EME</th>
<th>QSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black people</td>
<td>✓</td>
<td></td>
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<tr>
<td>Black people who are youth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people who are women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people with disabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black people living in rural or underdeveloped areas or townships</td>
<td></td>
<td></td>
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<tr>
<td>Cooperative owned by black people</td>
<td></td>
<td></td>
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<tr>
<td>Black people who are military veterans</td>
<td></td>
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<tr>
<td>OR</td>
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<tr>
<td>Any EME</td>
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</tr>
</tbody>
</table>
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
☐ (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 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.

<table>
<thead>
<tr>
<th>WITNESSES</th>
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<tbody>
<tr>
<td>1. ...........................................</td>
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<td>2. ...........................................</td>
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<table>
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<tr>
<th>SIGNATURE(S) OF BIDDERS(S)</th>
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<td>DATE: .................................</td>
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<td>ADDRESS .............................</td>
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DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Standard Bidding Document must form part of all bids invited.

2. It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3. The bid of any bidder may be disregarded if that bidder, or any of its directors have:
   a. abused the institution’s supply chain management system;
   b. committed fraud or any other improper conduct in relation to such system; or
   c. failed to perform on any previous contract.

4. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Is the bidder or any of its directors listed on the National Treasury’s Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the audi alteram partem rule was applied).</td>
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<td>The Database of Restricted Suppliers now resides on the National Treasury’s website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</td>
<td></td>
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<tr>
<td>4.1.1</td>
<td>If so, furnish particulars:</td>
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<tr>
<td>4.2</td>
<td>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury’s website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</td>
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<tr>
<td>4.2.1</td>
<td>If so, furnish particulars:</td>
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<tr>
<td>4.3</td>
<td>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</td>
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<tr>
<td>4.3.1</td>
<td>If so, furnish particulars:</td>
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</tbody>
</table>
4.4 Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform or comply with the contract?  

Yes ☐ No ☐

4.4.1 If so, furnish particulars:

CERTIFICATION

I, the undersigned (full name)…………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

........................................... .............................................
Signature Date

........................................... .............................................
Position Name of Bidder

Js365bW
CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids\(^1\) invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).\(^2\) Collusive bidding is a \textit{pe se} prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
   a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution’s supply chain management system and or committed fraud or any other improper conduct in relation to such system.
   b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

\(^1\) Includes price quotations, advertised competitive bids, limited bids and proposals.

\(^2\) Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.
CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

___________________________________________________ _____________________
(Bid Number and Description)

in response to the invitation for the bid made by:

___________________________________________________ ___________________________
(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of:__________________________________________________ _____
(Name of Bidder)

that:

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

   (a) has been requested to submit a bid in response to this bid invitation;
   (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
   (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. 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 consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   (a) prices;
   (b) geographical area where product or service will be rendered (market allocation)
   (c) methods, factors or formulas used to calculate prices;
   (d) the intention or decision to submit or not to submit, a bid;
   (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. 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 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.
10. 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 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.

------------------------------------------------------------------  -----------------------------
Signature                         Date

------------------------------------------------------------------  -----------------------------
Position                         Name of Bidder
GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

(i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and

(ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.
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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.

1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 “Day” means calendar day.

1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.

1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.

1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the
1.12  "Force majeure" means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13  “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14  “GCC” means the General Conditions of Contract.

1.15  “Goods” means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16  “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17  “Local content” means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18  “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19  “Order” means an official written order issued for the supply of goods or works or the rendering of a service.

1.20  “Project site,” where applicable, means the place indicated in bidding documents.

1.21  “Purchaser” means the organization purchasing the goods.

1.22  “Republic” means the Republic of South Africa.

1.23  “SCC” means the Special Conditions of Contract.

1.24  “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such
obligations of the supplier covered under the contract.

1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier’s failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser’s country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
(b) a cashier’s or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier’s performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

8.1 All pre-bidding testing will be for the account of the bidder.

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

8.7 Any contract supplies may on or after delivery be inspected, tested or
analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser’s personnel, at the supplier’s plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:
   (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
   (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser’s specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take
such remedial action as may be necessary, at the supplier’s risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser’s request for bid validity extension, as the case may be.

18. Contract amendments

18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser’s prior written consent.

20. Subcontracts

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier’s performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier’s notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier’s time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the
supplier’s point of supply is not situated at or near the place where the supplies are required, or the supplier’s services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier’s expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any
person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
(i)  the name and address of the supplier and / or person restricted by the purchaser;
(ii)  the date of commencement of the restriction
(iii) the period of restriction; and
(iv)  the reasons for the restriction.

These details will be loaded in the National Treasury’s central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person’s name be endorsed on the Register for Tender Defaulters. When a person’s name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which
may be due to him

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for Insolvency

26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of Liability

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser’s country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of Restrictive practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor (s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder (s) or contractor (s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.
1. INTRODUCTION

The National Department of Health intends to implement a co-sourced internal audit function for projects funded by Global Funds and is seeking to appoint a suitable internal audit service provider for a period of two (2) financial years that can maintain and support an appropriate internal audit service that will ensure that the Chief Director: Internal Audit and Risk Management meets the responsibilities inherent in such portfolio. The relationship we seek will require internal audit resources and specialized skills to meet the needs of the department for a period of two financial years (2017/2018 and 2018/2019) from inception.

2. BACKGROUND

In terms of the Public Finance Management Act (1999) (PFMA) and the Treasury Regulations (April 2002), the Accounting Officer of the department must ensure that the department has an Internal Audit function under the control and direction of the Audit Committee. The Audit Committee should among other things review the effectiveness of the systems of internal control, risk management and governance.

As part of the department’s plan to fulfil its obligations and to demonstrate greater accountability, and ensure a higher quality of service, the NDoH established an Audit Committee in terms of section 76(4)(d) of the Public Finance Management Act, No.1 of 1999 as amended, with authority, responsibility and specific duties as prescribed.

With regard to the above, the Audit Committee has an oversight responsibility over the functioning of audits (both Internal Audit and External Audit) activities within the NDoH.

The department has an in-house internal audit resource. The in-house capacity consists of the following:
One Chief Director: Internal Audit and Risk Management, One Director: Internal Audit, three Deputy Directors: Internal Audit and three Senior Internal Auditors.

The main aim of NDoH is to, with the assistance of the co-source service provider, fully utilize the internal resources and deliver on the approved risk based internal audit plan.

The Chief Director: Internal Audit and Risk management will manage the internal audit contract with the successful service provider. The successful service provider will be allocated some internal audit projects as per the plan, and, together with the internal audit staff and management, produce final audit reports. Those reports will ultimately be discussed with NDoH Global Funds management team and presented to the Audit Committee.

3. NON-DISCLOSURE AGREEMENT

All information disclosed concerning NDoH, its services and stakeholders which may be encountered in the course of rendering services to NDoH is confidential. Furthermore, such confidential information shall be disclosed in any form to any third party or be used for any purpose other than intended by NDoH without written permission from NDoH.

The non disclosure agreement further extends to subcontractors that may be used in performing services to NDoH. The Service Provider is responsible for enforcing subcontractor’s compliance therewith.

4. BID VALIDITY PERIOD

Responses to this RFP received from the Service Provider will be valid for a period of 120 days counted from the bid closing date.

5. INSTRUCTION ON SUBMISSION OF BIDS

Service Provider to submit one original copy and four duplicates and one electronic copy (on CD) in a PDF format all bound in a sealed envelope
The sealed envelope must be placed in the bid box at **The National Department of Health, Civitas Building, Ground Floor, Thabo Sehume Street, Pretoria.** Between the hours of 08H00 and 16H00 Monday to Friday excluding Public Holidays.

**The Bids must be submitted in the prescribed response format, herein reflected as response format.**

**The bid closing date, Service Provider name and the return address must also be endorsed on the envelope.**

If a courier service company is being used for delivery of the bid response, the bid description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed/deposited/deposited in to the bid box. The NDoH will not be held responsible for any delay where bid documents are handed to the NDoH receptionist.

Where a bid response is not in the bid box at the time of the bid closing, such a bid document will be regarded as a late bid. It is the NDoH’s policy not to consider late bid for bid evaluation.

For technical enquires, you may contact Mr Harris Nkanyane via e-mail; Only via e-mail on Harris. Nkanyane@health.gov.za Tel 012 395 8349/8453

For Supply chain enquires. You may contact Mr Sifiso D Dlamini Director.Dlamini@health.gov.za or 012 395 8935
6. **MANDATORY REQUIREMENTS**

6.1. It is an absolute condition of the bid that the taxes of the Service Provider must be in order, or suitable arrangements have been with South African Receiver of Revenue (SARS) to satisfy them.

6.2. Valid proof of registration from Institute of Internal Audit South Africa for the service provider

6.3. Bidder must ensure to register on government's Central Supplier Database (CSD) and include in their bid a copy of their Master Registration Number (Supplier Number) in order to enable NDOH to verify the supplier's tax status on CSD.

6.4. Bidder may also provide tax compliance status PIN to view a bidder's tax status profile

6.5. The CSD and the Tax compliance status PIN are approved methods that will be utilised to verify tax compliance as SARS does not issue Tax Clearance Certificates but has made an online provision available, via eFilling, to bidders to print their own Tax Clearance Certificates which they can submit with their bids.

6.6. Tax Compliance Certificate issued prior to the implementation of the new system, are acceptable provided such Tax Compliant Certificate are valid.

6.7. Bidders who fail to provide proof of tax compliance status will be rejected.

6.8. Each party to a consortium/ sub-contractors/Joint Venture must submit a separate CSD and the Tax compliance status PIN.

6.9. The completed SBD forms attached to this RFP/T must be completed and returned with the bid response. Failure to submit completed and signed SBD forms invalidate the bid/ proposal.

6.10. Bids transmitted by telegram, telex, facsimile, e-mail or similar will be considered.
7. **NON - MANDATORY REQUIREMENTS**

7.1 A Bidder must submit proof of its B-BBEE status level of contributor.

7.2 A Bidder failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score points out of 80 for price and score 0 points out of 20 for B-BBEE.

7.3 A Bidder will not be awarded points for B-BBEE status level of contributor if the tender documents indicate that the bidder intends subcontracting more than 25% of the value of the contract to any person not qualifying for at least the points that a the bidder qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

7.4 The bid forms are drawn up so that certain essential information is to be furnished in a specific manner. Any additional particular shall be furnished on the enclosed form or in a separate annexure.

7.5 Service Provider shall check the numbers of pages and satisfy themselves that none are missing or duplicated. No liabilities shall be accepted in regard to claims arising from the fact that pages are missing or duplicated.

7.6 Service Provider shall clearly state whether or not prices will remain firm for the duration of the contract. Only firm price will be accepted. Non-firm prices (including price subject to rates of exchange of variations) will not be considered.

7.7 All prices shall be quoted in South African currency and be VAT inclusive if the bidder is a VAT Vendor.

7.8 Service Providers bidding for this project **must** bid for the **complete project** as detailed in the Terms of Reference.

7.9 The services providers Company letterhead must be used for the proposal cover letter and reflect the company name and address.
8. SUPPLIER PERFORMANCE MANAGEMENT

Supplier Performance Management is viewed by the NDoH as a critical component in ensuring value for money acquisition and good/service relations between the NDoH and all its suppliers.

The successful Service Provider shall upon receipt of written notification of an award, be required to conclude a Service Level Agreement (SLA) with the NDoH, which will form an integral part of supply agreement. The SLA will serve as a tool to measure, monitor and assess the supplier’s performance and ensure effective delivery of services, quality and value-add to NDoH’s business.

Successful Service Providers will be required to comply with the above condition and also provide a scorecard on how this product/services offering is being measured to achieve the objectives of this condition.

9. OBJECTIVES OF THE AUDIT

The objectives of the audit are to determine whether;

9.1 Grants agreements, organizational and statutory policies are complied with at both the Principal Recipient (PR) and the Sub-Recipients (SRs) level;

9.2 Compliance with budgetary controls through budget tracking and variance analysis at both PR and the SRs levels;

9.3 Funds transferred from the PR to the various SRs and Sub-Sub Recipients (SSRs) were received into Global Fund designated bank accounts in time;

9.4 Funds were utilized in line with the approved work plan and budget;

9.5 Procurement of goods and service is carried out in line with PR’s procurement policies and value for money was achieved;

9.6 Grant assets are safeguarded and not misused for personal gains;

9.7 Expenditure incurred on approved activities are supported with sufficient appropriate documentation;
9.8 Proper records are kept of all transactions incurred during the period under review;

9.9 Appropriate accounting systems are used in recording, analysing and reporting transactions incurred on Global Fund activities;

9.10 Health products and commodities are stored in good conditions and are appropriately accounted for;

9.11 Programmatic and financial reports are submitted to the PR by the SRs on a quarterly basis and in time;

9.12 Make recommendations to management to take the necessary corrective actions, where significant weaknesses or deviations are noted.

10. **SCOPE OF WORKS**

10.1 It is expected that the successful Service Provider(s) would assume responsibility for the specific internal audit project(s) as will be determined at the commencement of engagement. The successful Service Provider is expected to commence the internal audit activities after being notified. Notwithstanding the above, it is expected that the successful service provider(s) will perform a business risk assessment on the Internal Audit Plan and, if appropriate, suggest changes to the current year’s plan to ensure that risks are adequately addressed. The successful service provider(s) will report directly to the Chief Director: Internal Audit and Risk Management.

10.2 The successful service provider(s) must maintain full support services which include management of resources, guarantee of quality of audit working papers and reports, and contractual control over resources applied.

10.3 The internal audit carries out both test of controls and substantive testing at both the Principal Recipient (PR) and the Sub-Recipients (SRs) level. The testing of controls is guided by the controls which describes the various business process of the PR/SR (Around revenue, payments, Human resources, fixed assets, inventory, financial reporting and treasury), and the significant risks.
10.4 The substantive testing mainly focuses on the following:

a) Review compliance with grant agreements and organization policy manuals etc.

b) Review budget tracking and variance analysis documentation or expenditure summary compared with the budget for each quarter

c) Cross check that funds transferred from the Principal Recipient (PR) was received by the SRs and SSRs through bank statement and other records.

d) Cross check reconciliation of funds received and expended with bank statements and recorded figures in the ledgers. Reconciliation of Bank Statements and accounts is regularly carried out on a monthly basis and necessary corrections on account of Bank’s credits/debits and stale cheques are accounted for concurrently.

e) Examine expenditures made together with their supporting attachments to assess whether the Program had Value for money in utilising those funds i.e. were funds used for the purpose stated in the approved budget and work plans or supplementary approvals

f) Retirement of advances: Are procedures in place and are these being followed for granting and retirement of advances within an agreed time frame? Are supporting documents in place and verifiable? Are the advances fully captured and accounted for?

g) Examine financial reports prepared with the underlying expenditures and plans.

h) Fixed Assets Verification: Is there an asset register, is it updated, how are assets safe-guarded, is there an asset movement register for moveable items, is it used for the purpose of the grant?

i) Procurements: Examine the existence of approved Procurement Policy, evaluate compliance to the procedures by the PR.

j) Review Payroll for correctness, compliance to budget and statutory provisions.

k) Evaluate level of electronic and physical backup of financial information.
I) An assessment of the action taken by PR/SRs on the recommendations made in the previous quarter internal audit reports.

11. **COVERAGE: THE SITES TO BE AUDITED**

11.1. The audit will cover the PR and all SRs. In addition, the audit will also cover all the field offices of the PR across the country.
11.2. PR should tabulate below all entities (SRs, Field Offices etc.) covered by the audit including proposed audit frequency.

<table>
<thead>
<tr>
<th>Name of Sub-recipients</th>
<th>Location</th>
<th>Legal Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Department of Health as Principal Recipient</td>
<td>Pretoria</td>
<td>Government</td>
</tr>
<tr>
<td>NDSD - Department of Social Development</td>
<td>Pretoria</td>
<td>Government</td>
</tr>
<tr>
<td>NHLS - National Health Laboratory Service</td>
<td>1 Modderfontein Road Sandringham, Johannesburg</td>
<td>Public Entity</td>
</tr>
<tr>
<td>Right to Care</td>
<td>5th Floor, Outspan Building, 1006 Lenchen North Street, Centurion</td>
<td>NPO</td>
</tr>
<tr>
<td>TB/ HIV care</td>
<td>25 St Georges Mall Cape Town 8001</td>
<td>NPO</td>
</tr>
<tr>
<td>Aurum Institute</td>
<td>29 Queens Road Parktown, Johannesburg</td>
<td>NPO</td>
</tr>
<tr>
<td>JPS Africa</td>
<td>337 Brooklyn Road Pretoria</td>
<td>NPO</td>
</tr>
<tr>
<td>National Religious Association for Social Development (NRASD)</td>
<td>National Religious Association for Social Development (NRASD)</td>
<td>NPO</td>
</tr>
<tr>
<td>DCS Department of Correctional Services</td>
<td>Poyntons Building (West Block) 124 WF Nkomo Street (Corner WF Nkomo &amp; Sophie De Bruin)</td>
<td>Government</td>
</tr>
</tbody>
</table>
### 12. TIMING AND/OR FREQUENCY OF AUDIT

Each Sub-Recipient (SR) will be audited at least once every quarter. However, based on the severity of risks and/or issues identified, some SRs may be audited once a semester. The PR internal audit team should share the annual internal audit plan with the Global Fund for information purposes.

### 13. TECHNICAL REQUIREMENTS

The proposal should include, at a minimum, the following information:

13.1 A description of the service provider’s internal audit methodology and risk assessment process (in line with the IIA standards), including an example of the resulting risk map/profile that would be developed as part of the risk assessment process.

13.2 Identification of tools and technologies developed and utilized by the Service Provider to increase the efficiency and effectiveness of the Internal Audit function.

13.3 Description of the service provider’s approach to the co-source arrangement, including:

   a) Identification of the key resource(s) to be responsible for the engagement, including the expected percentage of time to be committed to NDoH along with their internal audit experience;

   b) The allocation and assignment of human resources on the project, including the resident offices of all personnel to be assigned on the project. (describe the coordination process if multiple offices will be used);

   c) Number of human resources in the “core team” to be dedicated on the project

   d) The service provider’s plans to maintain human resources continuity;
e) How the allocation of human resources related to the audit projects will be managed on a day-to-day basis;

13.4 Curriculum Vitae of the key team members that will be assigned, including experiences in serving as a senior/key internal audit resource in industry.

13.5 Description of the specific capabilities and expertise in information technology systems as well as for other services including specialized expertise in business continuity planning, pre and post systems implementation projects, systems and network security reviews, emerging risks such as e-health.

13.6 A detailed of the service provider’s internal audit commitment and service capabilities.

13.7 A detailed of relevant experience for which similar internal audit services are currently being provided. Include at least three reference clients (including key contact names and telephone numbers) where you are providing internal audit services to companies that are not your external audit clients. References should be provided for companies who have completely co-sourced their internal audit function to the Service Provider.

13.8 Description of the ways in which the Service Provider will bring innovation, thought leadership, best practices in Internal Audit, tools resident in the firm to ensure easy access to such information and any other capabilities that will enhance the performance of the Internal Audit function and ensure continuous improvement, influence and value to the organization. In addition, to the above, describe the approach to be used to share such knowledge with NDoH officials and management.

14. **FINANCIAL FEES**

It is understood that internal audits projects are based on hourly rates and that budgets are compiled once the appointed service provider has assessed the likely extent of the work. Service Providers are required to use the table below to calculate the total estimated cost based on the hours stated below and as per the table provided below. Rates should be inclusive of overheads and VAT exclusive. This are the only level of resource that the Service Provider must quote as stated below.
It is recognised that it is difficult for a prospective Service Provider to bid on the extent of the work solely on the terms of reference. However, to assist with assessments, a Service Provider must provide a typical distribution of time for members of the audit team on a bid of this nature. This is to be expressed in percentages in terms of the total -hours billed on a particular project. (See table below.). **A minimum of 10% must be allocated to management for monitoring and reviewing of the work including attending EXCO and Audit Committee meetings to present Audit Plan and Reports.** Management level will be considered as two levels including the project manager or Director responsible for the project (A person responsible for final singing off).

The nature and number of audits to be conducted on an annual basis will be decided once the final annual internal audit plan is approved by the Audit Committee and the budget for such approved plan will be based on a cost presentation provided in the successful Service Provider’s proposal. We expect that the successful Service Provider(s) would assume responsibility for the specific internal audit work as will be determined at the commencement of relationship and on an annual basis thereafter. The successful Service Provider is expected to commence the responsibility for the current activities within two weeks after being notified. **The fees should be based on estimated man hours of 4000 hours (2017/2018) and 4000 hours (2018/2019). The estimated hours exclude any ad hoc assignments as may be requested by management and/or the audit committee.**

<table>
<thead>
<tr>
<th>LEVEL OF RESOURCE</th>
<th>HOURLY RATE 2017/2018</th>
<th>HOURLY RATE 2018/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement Partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager/ Supervisor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Auditor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialist (e.g. IT; Tax, Risk, Forensic, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEVEL OF RESOURCE</td>
<td>TIME ALLOCATION PER PROJECT IN PERCENTAGE. (Regularity and Compliance Audit)</td>
<td>TIME ALLOCATION PER PROJECT IN PERCENTAGE. (Computer Audit)</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>Engagement Partner</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Manager/ Supervisor</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Internal Auditor</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

All Service Provider(s) must use, as a guide, the Auditor-General (SA) approved rates for costing the project.

The internal audit projects to be undertaken would be agreed upon between the Head of Internal Audit, and the successful Service Provider. No excess charges on the project would be paid. Should the cost of the project exceed the estimated fees due to delays in the completion of work and missing of deadlines, the extra hours worked will be to the account of the successful Service Provider. Payments for invoices would be based on output produced or targets reached (e.g. audit reports, etc.).

All assumptions made in drawing the proposal, including all cost factors such as travelling, must be detailed and be in line with the prevailing cost containment prescripts as issued by National Treasury.

**Prices quoted must be valid for at least 120 days from the closing date of the bid. **Failure to adhere to this request will result in the bid being disqualified.

<table>
<thead>
<tr>
<th>FINANCIAL YEAR</th>
<th>DESCRIPTION</th>
<th>BID PRICE IN RSA CURRENCY (EXCLUDING VAT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/2018</td>
<td>Estimated annual audited hours- 4000</td>
<td>R</td>
</tr>
<tr>
<td>2018/2019</td>
<td>Estimated annual audited hours- 4000</td>
<td>R</td>
</tr>
</tbody>
</table>
15. EVALUATION CRITERIA AND PROCESS

All bids duly lodged will be examined to determine compliance with bidding requirement and conditions. Bids with obvious deviation from the requirement/conditions, will be eliminated from further adjudication. Submissions will be evaluated based on the following criteria:

15.1 Bids will be evaluated strictly according to the bid evaluation criteria stipulated in this section of the terms of reference. During this stage Service Providers’ responses will be evaluated for functionality based on achieving a minimum score of (70%) 350 points out of 500 points for functionality to qualify for further evaluation into PRICE and B-BBEE.

15.2 Service Providers must, as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provide.

15.3 Service Providers will not rate themselves but need to ensure that all information is supplied as required. The Bid Evaluation Committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the Service Providers.

15.4 Each panel member will independently rate each individual criterion on the score sheet using the scoring criteria as stated below.

15.5 The value scored for each criterion will be multiplied by the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These points will be added and expressed as a fraction of the best possible score for all criteria.

15.6 The score will be converted to a percentage and only Service Providers that have met or exceeded the minimum threshold of 70% percent for functionality will be evaluated and scored in terms of pricing and preferential points.

15.7 Any proposal not meeting a minimum score of 70% technical proposal will be eliminated from further evaluation.
## THE SCORING CRITERIA FOR EVALUATION OF FUNCTIONALITY

<table>
<thead>
<tr>
<th>SCORE</th>
<th>CLASSIFICATION</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>No response  (complete non-compliance)</td>
<td>No response at all or insufficient information provided in the response such that the solution is totally unassessable and/or incomprehensible</td>
</tr>
<tr>
<td>1</td>
<td>Unsatisfactory response (potential for some compliance but very major areas of weakness)</td>
<td>Substantially unacceptable submission which fails in several significant areas to set out a solution that addresses and meets the requirements: little or no detail may (and, where evidence is required or necessary, no evidence) have been provided to support and demonstrate that the Service Provider will be able to provide the services and/or considerable reservations as to the Service Provider's proposals in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements. Would represent a very high risk solution for the Department</td>
</tr>
<tr>
<td>2</td>
<td>Partially acceptable response (one or more areas of major weakness)</td>
<td>Weak submission which does not set out a solution that fully addresses and meets the requirements: response may be basic/ minimal with little or no detail (and, where evidence is required or necessary, with insufficient evidence) provided to support the solution and demonstrate that the Service Provider will be able to provide the services and/or some reservations as to the Service Provider's solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements. May represent a high risk solution for the Department</td>
</tr>
<tr>
<td>SCORE</td>
<td>CLASSIFICATION</td>
<td>DEFINITION</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Satisfactory and acceptable response (substantial compliance with no major concerns)</td>
<td>Submission sets out a solution that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas of the solution in respect of relevant ability, understanding, expertise, skills and/or resources to deliver the requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium, acceptable risk solution to the Department</td>
</tr>
<tr>
<td>4</td>
<td>Fully satisfactory /very good response (fully compliant with requirements).</td>
<td>Submission sets out a robust solution that fully addresses and meets the requirements, with full details (and, where evidence is required or necessary, full and relevant evidence) provided to support the solution; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources to deliver the requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low/no risk solution for the Department</td>
</tr>
<tr>
<td>5</td>
<td>Outstanding response (fully compliant, with some areas exceeding requirements)</td>
<td>Submission sets out a robust solution and, in addition, provides or proposes additional value and/or elements of the solution which exceed the requirements in substance and outcomes in a manner acceptable to the Department; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources not only to deliver the requirements, but also exceed it as described</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low/no risk solution for the Department</td>
</tr>
</tbody>
</table>
### Criteria for Functionality and Points Weight Allocation

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Points</th>
<th>Weight Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Elements and weight for functionality</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Experience / Track record:</strong></td>
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<tr>
<td></td>
<td>For the purpose of this bid the Service Provider will need to provide</td>
<td></td>
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<tr>
<td></td>
<td>details of previous experience and expertise of providing internal audit</td>
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<td></td>
<td>services including IT Audit and value for Money audit in the public sector</td>
<td></td>
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<td></td>
<td>environment with particular <strong>important</strong> on including PFMA department</td>
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<tr>
<td></td>
<td>entities similar to NDoH. Provide an overview of your Service Provider</td>
<td></td>
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<tr>
<td></td>
<td>and describe how the Service Provider is structured.</td>
<td></td>
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<tr>
<td></td>
<td>At least a list of five (5) contactable references of internal audit</td>
<td>20</td>
<td></td>
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<tr>
<td></td>
<td>projects successfully undertaken by simply stating the following:</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>• Name of the client</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Contact Telephone Numbers or E-mail address</td>
<td></td>
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<tr>
<td></td>
<td>• Date(s) work was performed</td>
<td></td>
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<tr>
<td></td>
<td>• The value of the contract.</td>
<td></td>
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<td></td>
<td>• Type of work conduct</td>
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<td></td>
<td>Testimonial letter from past or present client of the Service Provider</td>
<td></td>
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<tr>
<td></td>
<td>must cover element as stated:</td>
<td></td>
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<tr>
<td></td>
<td>The Service Provider must have performed internal audit service to a</td>
<td></td>
<td></td>
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<td></td>
<td>public sector or a government entity(s) within the past five years.</td>
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<td></td>
<td>Service Provider must state how long they have been providing internal</td>
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<td></td>
<td>audit service</td>
<td></td>
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<td></td>
<td>The Service Provider must have received positive feedback from their</td>
<td></td>
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<td></td>
<td>client(s) for work in internal audit and IT audit particularly in the</td>
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<td></td>
<td>public.</td>
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<td></td>
<td>The Service Provider must provide a proof of quality assurance review of</td>
<td></td>
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<tr>
<td></td>
<td>their internal audit work performed by an external accredited service</td>
<td></td>
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<tr>
<td></td>
<td>provider by the IIA within the last five years.</td>
<td></td>
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</tr>
<tr>
<td>No</td>
<td>Criteria</td>
<td>Points</td>
<td>Weight Allocation</td>
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<tr>
<td></td>
<td>Elements and weight for functionality</td>
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<tr>
<td></td>
<td><strong>Technical Capability</strong></td>
<td></td>
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<tr>
<td></td>
<td>For the purpose of this bid the Service Provider must provide an organogram including detailed Curriculum Vitae (CV) of the key staff that will be assigned to this project with defined roles and responsibility. The CV must include qualifications and relevant experiences. The core management team proposed for this assignment should at least have the CIA, and should possess current knowledge of the standards. All proposed team members must be registered and in good standing with Institute of Internal Audit. The proposed project team must consist of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Identify the position(s) involved in the direct delivery of the service to be provided and in the overall management of the work and name the people who will fill these positions.</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Describe tasks, duties or functions to be performed by staff in these positions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>Project Manager and a Partner</strong> in the Service Provider with a minimum of ten (10) years internal audit experience in the public sector post articles. Attach certified copy of qualification as a Certified Internal Auditor (CIA) or Chartered Accountant (CA).</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td><strong>Internal Audit Manager</strong> with minimum eight (8) years internal audit experience post articles. Attach certified copy of qualification as a Certified Internal Auditor (CIA).</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td><strong>IT System Auditor</strong> with five (5) years IT system audit experience. Attach certified copy of qualification as a Certified</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Criteria</td>
<td>Points</td>
<td>Weight Allocation</td>
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<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td><strong>Elements and weight for functionality</strong></td>
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</tr>
<tr>
<td></td>
<td>System Information Auditor (CSIA)</td>
<td></td>
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<tr>
<td></td>
<td><strong>Other key personnel</strong> to be assigned to this project with tertiary audit qualification in internal audit and minimum three (3) years relevant practical experience in internal audit post <strong>articles</strong>. (NB: The years of practical experience should exclude in service training; learnership/internship).</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Methodology and Approach:</strong> Demonstrate an in-depth understanding in risk based audit, with special emphasis on “value added” as contained in the definition of Internal Auditing. The methodology must address how the Service Provider will assist NDoH to implement an effective combine assurance model. Including implementation plan on transfer of internal audit skills and external quality assurance review</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>The methodology and approach must illustrate in detail, exactly how they propose to carry out the activities to achieve the outcome(s) identified in the terms of reference in accordance with the <strong>international standards for the professional practice of internal auditing</strong>. They should identify any possible problems that might hinder delivery and indicate how they will avoid or overcomes such problems.</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The methodology and approach must illustrate how the service provider will assist NDoH to manage key risks to achieve business objective</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Points Weight Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elements and weight for functionality</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The methodology and approach must illustrate how the service provider will add value to the NDoH so that it can improve its overall performance.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Provide examples on reports that will be provided to Management and the Audit Committee including examples of conclusions in audit reports.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Describe the risk assessment methodology that would be used to develop the internal audit Plan</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>The methodology and approach must illustrate how they will assist NDoH to implement an effective combine assurance model.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>TOTAL POINTS</td>
<td>100</td>
</tr>
</tbody>
</table>

16. **EXPECTED OUTCOMES AND DELIVERABLES**

As indicated above the expected outcomes and deliverables will be

16.1 Assist with the development of the three years’ risk based rolling audit plan and detailed annual plan including Gant chart of timelines and detailed financial budgets before the starting of the new financial year.

16.2 Transfer all audit-working paper files for audits projects completed within two weeks after the completion of the audit project.

16.3 Assist with the conducting of internal quality assessment review per projects and overall as per the approved internal audit plan in line with the IIA standard and other guidelines.
16.4 Assist the with the review of the audit committee charter, internal audit charter, internal audit policies and methodology on an annual basis for approval by management and audit committee.

16.5 Provide detailed audit reports on completed projects in line within the approved audit plan.

16.6 Provide quarterly summary audit reports to management and audit committee on the significant audit findings and recommendation on the audit completed including attendance of audit committee meetings (at least six meetings per year).

16.7 Annual conclusion of internal control environment

16.8 Value added advice to management regarding management of risks.

16.9 Assist with the conducting of the annual strategic and operational risk assessment.

16.10 On a monthly basis, the service provider must prepare an activity progress report and have the bi-weekly progress meeting with the Chief Audit Executive.

16.11 Provide quarterly activities plan for the following quarter including the allocate hours and the resources required to execute the projects within 30 days before starting of the quarter.

16.12 Any other audit work as might be deemed necessary/required by the Chief Audit Executive that could be outside the approved internal audit plan.

16.13 The internal audit report, including the PR’s responses, should be received by the Global Fund within three (3) months after the end of the reporting period. The internal auditors will prepare a report in which they shall:

a) Set out any instances of non-compliance with the Grant agreement that were noted by the auditors in the course of their work;

b) Provide a schedule of ineligible and unsupported expenditures identified by the auditors in the course of their work;

c) Comment on instances of non-compliance in the accounting records, procedures, systems and controls that were examined during the course of the audit with particular reference to ineligible expenditures and systematic weaknesses;
d) Provide recommendations to address the observed deficiencies and areas of weakness in systems and controls which may be effected promptly;

e) Communicate matters that have come to their attention during the audit which might have a significant impact on the implementation and sustainability of the grant program;

f) Report on the implementation status of recommendations contained in previous internal audit reports;

g) Include responses made by the PR in discussing audit recommendations, along with a timeline for implementing agreed recommendations. In cases where either the PR does not accept an audit finding or the auditor disagrees with the adequacy of the management response, the report will acknowledge that disagreement.

All observations and recommendations will be discussed with PR management before the report is finalized.

16.14 The internal audit report should state that the auditor acknowledges and agrees that their report shall be shared with GF and the Local Fund Agent (LFA) on a confidential basis.

17. DETERMINATION OF POINTS FOR PRICE

If appropriate, implied contract price adjustments will be made to the cost proposals of all remaining bids. The points scored for price shall be calculated as follows:
The lowest acceptable bid/proposal (adjusted or not), will obtain the maximum points allocated for price. The other bid/proposals with higher prices (adjusted or not), will proportionately obtain lower points based on the following formula:

\[ P_s = X [1 - (Pt - P_{min})] \]

Where

\[ P_{min} \]

\[ P_s = \text{Points scored for comparative price of bid under consideration} \]
**P**<sub>t</sub> = Comparative price of bid under consideration  
**P**<sub>min</sub> = Comparative price of lowest acceptable bid  

**X** = Points assigned to price  
Where  

**Ps** = percentage scored for price by bid/proposal under consideration  
**P**<sub>min</sub> = lowest acceptable bid/proposal  
**P**<sub>t</sub> = price of bid/proposal under consideration  
**AP** = percentage allocated for price

**a. BBBEE points scoring system**

In line with the PPFA requirements, this bid will be evaluated in accordance with the following preferential points scoring system (please mark with “X”):

<table>
<thead>
<tr>
<th>80/20 scoring system</th>
<th>90/10 scoring system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>X</strong></td>
<td></td>
</tr>
</tbody>
</table>

The table below depicts the point allocation for various BBBEE status levels of contributors:

<table>
<thead>
<tr>
<th>B-BBEE status level of contributor</th>
<th>Procurement up to R50 000 000 (all taxes incl.)</th>
<th>Procurement above R50 000 000 (all taxes incl.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of points (20/80 system)</td>
<td>Number of points (90/10 system)</td>
</tr>
<tr>
<td>1</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>6</td>
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<td>4</td>
<td>12</td>
<td>5</td>
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<td>5</td>
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<td>6</td>
<td>6</td>
<td>3</td>
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<tr>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Non-compliant contributor</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
b. COMBINING OF POINTS FOR PRICE AND B-BBEE

The preference points for each bid will now be added to points for the price in order to determine Service Providers who score the highest points.

The total preference points for a bid are calculated with the formula

$$PP = P_s + P_{\text{bbbee}}$$

where

- $PP$ is the total number of preference points scored by the Service Provider,
- $P_s$ is the points scored for the comparative price of the Service Provider, and
- $P_{\text{bbbee}}$ is the number of points awarded to the Service Provider based on his certified B-BBEE status level.

c. PAYMENT

- NDoH undertakes to pay valid invoices in full within thirty (30) days from statement date, for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made where there is outstanding information submitted by the auditor until that outstanding information is submitted. **NDoH shall not pay for any unproductive or duplicated time spent by the auditor on any assignment as a result of staff changes or redrafting of reports due to incorrect findings.**

NDoH will consider payments on the basis of the specified deliverables as and when produced and accepted as per the approved contract.

18. TERMS AND CONDITIONS

Service Providers must quote for the whole assignment.

18.1 Service Providers must complete the relevant documents as stated in the bid documents.

18.2 Applications are invited from persons or organizations working in the field of internal auditing and accounting with relevant expertise and experience.
18.3 The persons to be planned on this contract must have adequate knowledge and be able to execute, lead and report on the audit verification project.

18.4 The persons to be planned on this project should during the whole during of the assignment.

18.5 Applications must be accompanied by the following documents:
- Details of the organization/business (It’s main functions, date of establishment, management structure and level of expertise with regard to auditing and accounting).
- Brief Curriculum Vitae of the nominees to be planned on the project.

18.6 Bid documents will be adjudicated by the NDoH.

19. **INTELLECTUAL PROPERTY**

19.1 Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in the NDoH.

19.2 Materials and products may not be made available to any unauthorised person or institution or sold for profit without prior written consent from the NDoH.

19.3 On completion or termination of the agreement, all materials and products must be handed over to the NDoH.

19.4 No media release concerning the project, the project plan or any other Information relating to the project, or concerning the award of the contract may be made by the Service Provider without prior consultation and written approval from the NDoH.
The Director General: *NAME OF DEPARTMENT

I/we hereby request and authorise you to pay any amounts, which may accrue to me/us to the credit of my/our account with the mentioned bank.

I/we understand that the credit transfers hereby authorised will be processed by computer through a system known as "ACB - Electronic Fund Transfer Service", and I/we understand that not additional advice of payment will be provided by my/our bank, but that the details of each payment will be printed on my/our bank statement or any accompanying voucher. (This does not apply where it is not customary for banks to furnish bank statements).

I/we understand that the Department will supply a payment advice in the normal way, and that it will indicate the date on which the funds will be made available on my/our account.

This authority may be cancelled by me/us by giving thirty days notice by prepaid registered post. Please ensure information is validate as per required bank screens.

I/we understand that bank details provided should be exactly as per the records held by the bank.

I/we understand that the Department will not assume responsibility for any delayed payments, as a result of incorrect information supplied.

<table>
<thead>
<tr>
<th>Company / Personal Details</th>
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</thead>
<tbody>
<tr>
<td>Registered Name</td>
</tr>
<tr>
<td>Trading Name</td>
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<tr>
<td>Tax Number</td>
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<tr>
<td>VAT Number</td>
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<tr>
<td>Title</td>
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<tr>
<td>Initials</td>
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<tr>
<td>First Name</td>
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<td>Surname</td>
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<table>
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<tr>
<th>Address Detail</th>
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<tbody>
<tr>
<td>Payment Address</td>
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<td>Postal Code</td>
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<table>
<thead>
<tr>
<th>New Detail</th>
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<tbody>
<tr>
<td>New Supplier information</td>
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<table>
<thead>
<tr>
<th>Supplier Type:</th>
</tr>
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<tbody>
<tr>
<td>Individual</td>
</tr>
<tr>
<td>Department</td>
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<tr>
<td>Trust</td>
</tr>
<tr>
<td>Other (Specify)</td>
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<table>
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<tr>
<th>64 of 65</th>
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<tbody>
<tr>
<td>CC</td>
</tr>
<tr>
<td>Department Number</td>
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</tbody>
</table>
### Supplier Account Details

(Please note that this account MUST be in the name of the supplier. No 3rd party payments allowed).

<table>
<thead>
<tr>
<th>Account Name</th>
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<tbody>
<tr>
<td>Account Number</td>
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<tr>
<td>Branch Name</td>
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<tr>
<td>Branch Number</td>
<td></td>
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</tbody>
</table>

#### Account Type
- [ ] Cheque Account
- [ ] Savings Account
- [ ] Transmission Account
- [ ] Bond Account
- [ ] Other (Please Specify)

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<thead>
<tr>
<th>ID Number</th>
<th></th>
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<tbody>
<tr>
<td>Passport Number</td>
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<tr>
<td>Company Registration Number</td>
<td>/ /</td>
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</table>

*CC Registration
*Please include CC/CK where applicable

<table>
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<tr>
<th>Practise Number</th>
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**Bank stamp**

It is hereby confirmed that this details have been verified against the following screens:

- **ABSA-CIF screen**
- **FNB-Hogans system on the CIS4**
- **STD Bank-Look-up-screen**
- **Nedbank- Banking Platform under the Client Details Tab**

### Contact Details

**Business**

<table>
<thead>
<tr>
<th>Area Code</th>
<th>Telephone Number</th>
<th>Extension</th>
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</thead>
</table>

**Home**

<table>
<thead>
<tr>
<th>Area Code</th>
<th>Telephone Number</th>
<th>Extension</th>
</tr>
</thead>
</table>

**Fax**

<table>
<thead>
<tr>
<th>Area Code</th>
<th>Fax Number</th>
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</table>

**Cell**

<table>
<thead>
<tr>
<th>Cell Code</th>
<th>Cell Number</th>
</tr>
</thead>
</table>

**Email Address**

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**Supplier Signature**  **Regional Office Sender**

**Print Name**  **Print Name**

---

**Date** (dd/mm/yyyy) **Date** (dd/mm/yyyy)

---

**PLEASE RETURN TO THE RELEVANT REGIONAL OFFICE THAT SUPPLIED THE FORM OR THE FOLLOWING ADDRESS:**

---

**NB: All relevant fields must be completed**