

**REQUEST FOR QUOTATION (RFQ) AUTHORISATION FORM FOR GOODS/SERVICES**

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<b>DEPARTMENT</b>	Finance
<b>DETAILED DESCRIPTION AND / SPECIFICATIONS</b>	<p><b>1. Background</b></p> <p>The Mandela Bay Development Agency (MBDA) is a municipal entity that was established in 2004 by the Nelson Mandela Bay Municipality (NMBM) to introduce urban renewal projects and initiatives into the inner cities and various emerging and developing nodes of the Nelson Mandela Bay (which comprises Port Elizabeth, Uitenhage and Despatch).</p> <p>As part of its mandate it is also the Project Execution Agency for the NMBM in respect of the Helenvale Safety and Peace through Urban Upgrading (SPUU) programme, a foreign donor funded project of KfW Bank in Germany and which forms part of a government to government financial cooperation agreement between Germany and South Africa.</p> <p>The MBDA hereby wishes to invite suitably qualified and experienced service providers in the auditing field to undertake the scope of work outlined below.</p> <p><b>2. Objectives of the audit</b></p> <ol style="list-style-type: none"> <li>1. The objective of the audit of the Disposition Fund(s), including the Special Account, is to permit the auditor to express an opinion on the financial reports and statements of expenditures based on the withdrawal applications for the Disposition Fund(s). Such expenditures have been made under the financial position of the loan/ financing agreement for financing the Helenvale SPUU Programme of Projects.</li> <li>2. The auditor must state the total disbursements that was transferred to the Disposition</li> </ol> <p><b>3. Scope</b></p> <p><b>It is important to note that the Audit Period will be from 15 July 2019 up until 30 July 2020.</b></p> <ol style="list-style-type: none"> <li>1. The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of</li> </ol>

Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary as well as on-site visits if also deemed necessary. The auditor must bear in mind that, for the establishment of the audit opinion, a compliance audit must be carried out and not a normal statutory audit.

The preparation of the financial reports and statements of expenditures on the cash receipts and disbursements basis of accounting is the responsibility of the Project Executing Agency. The financial information has to be established in accordance with consistently applied accounting standards and the underlying Loan / Financing Agreement including the corresponding Separate Agreement.

**The auditor's opinion, established in the audit report, will explicitly state whether:**

- a) The payments out of the Disposition Fund(s) have been made on accordance with the conditions of the relevant (Loan/Financing) Agreement(s) and the corresponding Separate Agreement. Where ineligible expenditures are identified, these should be noted separately.
- b) The Disposition Fund(s) has (have) been maintained in accordance with the provisions of the (Loan/Financing) Agreement and Separate Agreement (including the Supplementary Conditions of kfW for payments under the Disposition Fund procedure). This also comprises interest earned from balances.
- c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditure submitted as basis for withdrawal applications have been made available.
- d) The audited statements of expenditures can be relied upon to support the related withdrawal applications. Clear linkage should exist between the statements of expenditures, the withdrawal applications presented to kfW and accounting records.
- e) Goods and services financed have been procured in accordance with the relevant (Loan/Financing) Agreement and Separate Agreement.
- f) Specific deficiencies and areas of weakness have been identified in the internal systems and controls of the Project Executing Agency. Where deficiencies are identified, these should be noted separately.

**2. The auditor would need to provide the final report to the MBDA by 30 November 2020.**

#### **4. Reports**

- 1. The audit report(s) will
  - a) be issued by the auditor in English

- b) include all aspects specified in the preceding paragraph (“Scope”)
  - c) contain these Terms of Reference as integral part
  - d) provide a schedule showing receipts and disbursements during the Audit Period
  - e) include the balance of the Special Account(s) and all sub-accounts (if any) at the beginning and the end of the Audit Period.
  - f) comprise the auditor’s statement to appraise and quantify the consequences of specific deficiencies, if any.
2. If considered pertinent, the auditor will also prepare a “management letter” in which the auditor will:
- a) give comments and observations on the accounting records, systems and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports and the statement of expenditures);
  - b) identify specific deficiencies and areas of weakness in systems and controls of the MBDA that have come to the auditor’s attention, especially with regard to withdrawal, procurement, storage and payment transactions, and make recommendations for their improvement;
  - c) report on actions taken by the management of the Project Executing Agency to make improvements with respect to deficiencies and areas of weakness reported in the past;
  - d) bring to the Project Executing Agency’s attention any other matters that the auditor considers pertinent.

## **5. Pricing Proposal**

### **1. A comprehensive pricing proposal must be submitted comprising of:**

- a) Planning- a desk study of relevant agreements and documents, and briefing by MBDA in order to gain an understanding of the project and scope of work
- b) Execution of the audit engagement by the auditor (assume a transaction volume of 200 entries in the Disposition Fund account for the Audit Period)
- c) Finalization of the Audit Report and Statement on Internal Control
- d) Audit team composition (including charge out rate per team member)

## **6. Compliance Requirements**

- a) Applicants must be registered with IRBA.
- b) All applicants must take note of Annexure A – Functionality Criteria and submit documents / information where required.

	<p>c) Applicants must obtain a minimum score of 55 points out of a total of 75 points</p> <p>d) Two contactable references must also be provided in the proposal where similar audit work has been done.</p>
<b>EVALUATION CRITERIA</b>	<p>The quotes will be evaluated on the 80/20 preferential point system and functionality.</p> <p>A minimum functionality score of 55/75 must be obtained by service providers in order to go through the 80/20 stage of evaluation.</p>
<b>PAYMENT FOR SERVICES</b>	<p>Payment will be issued after the goods have been delivered or the service has been rendered and deemed to be satisfactory.</p> <p>Payments will be made within 30 days from receipt of a valid invoice, accompanied by a statement of account.</p>
<b>GENERAL CONDITIONS</b>	<ol style="list-style-type: none"> <li>1.1. All prices shall be must exclusive of Value Added Tax (VAT).</li> <li>1.2. All prices will be evaluated exclusive of VAT.</li> <li>1.3. It is compulsory for all potential suppliers to be registered on the Central Supplier Database.</li> <li>1.4. It is compulsory for all potential suppliers to be registered on the Nelson Mandela Bay Metropolitan Municipality supplier database.</li> <li>1.5. The municipality reserves the right not to accept the lowest or any quotation and no reason to the acceptance or rejection of quotation will be furnished.</li> <li>1.6. Quotations to be valid for 60 days from closing date</li> <li>1.7. The MBDA SCM policy will apply.</li> </ol>
<b>CONTACT PERSON</b>	Department: Finance
<b>ANY ADDITIONAL REQUESTS/ COMMENTS</b>	Quotations to be submitted emailed to Formalquotes@mbda.co.za.

## FUNCTIONALITY CRITERIA SCORE SHEET

Criteria	Points
<p><b>1. Relevant experience</b></p> <p><b>The applicant must demonstrate having relevant experience in respect of similar assurance engagements:</b></p> <ul style="list-style-type: none"> <li>a) Greater than 6 projects</li> <li>b) 4– 6 projects</li> <li>c) 1-3 project</li> </ul> <p><b>Proof or name(s) of a minimum of 2 (two) traceable references; Listing of projects on Annexure A.1 or similar template must be provided failing which this functionality criteria will not be considered and zero points scored.</b></p>	<p><b>30</b></p> <p><b>30</b></p> <p><b>20</b></p> <p><b>10</b></p>
<p><b>2. Proposal submitted is in line with Scope of Works points (a-f) (5 points each will be allocated)</b></p> <ul style="list-style-type: none"> <li>a) The payments out of the Disposition Fund(s) have been made on accordance with the conditions of the relevant (Loan/Financing) Agreement(s) and the corresponding Separate Agreement. Where ineligible expenditures are identified, these should be noted separately.</li> <li>b) The Disposition Fund(s) has (have) been maintained in accordance with the provisions of the (Loan/Financing) Agreement and Separate Agreement (including the Supplementary Conditions of kfW for payments under the Disposition Fund procedure). This also comprises interest earned from balances.</li> <li>c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditure submitted as basis for withdrawal applications have been made available.</li> <li>d) The audited statements of expenditures can be relied upon to support the related withdrawal applications. Clear linkage should exist between the statements of expenditures, the withdrawal applications presented to kfW and accounting records.</li> <li>e) Goods and services financed have been procured in accordance with the relevant (Loan/Financing) Agreement and Separate Agreement.</li> <li>f) Specific deficiencies and areas of weakness have been identified in the internal systems and controls of the Project Executing Agency. Where deficiencies are identified, these should be noted separately.</li> </ul>	<p><b>30</b></p>

a) Comprehensive	<b>30</b>
b) Acceptable	<b>20</b>
c) No proposal submitted	<b>10</b>
<b>1. Locality</b>	<b>15</b>
a) Based within Nelson Mandela Bay (local office / branch)	<b>10</b>
b) Based within Eastern Cape	<b>5</b>
c) Other provinces	
<b>TOTAL</b>	<b>75</b>

**Pass 55/75**

**IN THE SERVICE OF THE STATE DISCLOSURE FORM (juristic person)**

I, the undersigned

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duly authorised by

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(the Applicant)

do hereby disclose and confirm the following:

1. No Director, Member, Manager, Principal, Shareholder or Stakeholder of the Applicant is:
  - 1.1 a member of –
    - 1.1.1 any municipal council;
    - 1.1.2 any provincial legislature; or
    - 1.1.3 the Parliament of the Republic of South Africa (the National Assembly or the National Council of Provinces);
  - 1.2 a member of the board of directors of any municipal entity;
  - 1.3 an official of any municipality or municipal entity;
  - 1.4 an employee of 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);
  - 1.5 a member of the accounting authority of any national or provincial public entity; or
  - 1.6 an employee of Parliament or a provincial legislature;

Should any statement in 1 above be incorrect, the incorrect provision is to be deleted in ink and reasons are to be recorded below:

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2. The Applicant is not an advisor or consultant contracted with the NMBMM or the MBDA.

Should the statement in 2 above be incorrect, the clause is to be deleted in ink and reasons are to be recorded below:

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SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**WITNESSES:**

1. \_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_  
*For and on behalf of the Applicant, the  
signatory being duly authorised and  
warranting such authority*

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**CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD9)**


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I, the undersigned, in submitting the accompanying Proposal in relation to

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

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Applicant)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying Proposal will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the Applicant to sign this Certificate, and to submit the accompanying proposal, on behalf of the Applicant;
4. Each person whose signature appears on the accompanying Proposal has been authorized by the Applicant to determine the terms of, and to sign, the Proposal, on behalf of the Applicant;
5. For the purposes of this Certificate and the accompanying Proposal, I understand that the word "competitor" shall include any individual or organization, other than the Applicant, whether or not affiliated with the Applicant, who:
  - (a) has been requested to submit a Proposal in response to this RFP;
  - (b) could potentially submit a proposal in response to this RFP, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the Applicant and/or is in the same line of business as the Applicant.
6. The Applicant has arrived at the accompanying Proposal independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium 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) methods, factors or formulas used to calculate prices;
  - (c) the intention or decision to submit or not to submit, a Proposal;
  - (d) the submission of a Proposal which does not meet the specifications and conditions of the Proposal; or
  - (e) submitting a Proposal with the intention not to win the award.
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 improvements to which this Proposal relates.
9. The terms of the accompanying Proposal have not been, and will not be, disclosed by the Applicant, directly or indirectly, to any competitor, prior to the date and time of the official opening of proposals or the awarding of the contract.
10. The Applicant (including any individual Applicant), and no member of the Applicant (if the Applicant is a Close Corporation), and no director and/or shareholder of the Applicant (if the Applicant is a Company), and no Trustee and/or beneficiary of the Applicant (if the Applicant is a Trust), and no person, including juristic persons (and including such juristic person's members, directors and/or shareholders, trustees and/or beneficiaries) having an interest in any Joint Venture Vehicle or Consortium constituting the Applicant has any interest in any competitor.
11. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids, proposals and contracts, proposals 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.

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**Signature Date**

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**Name of Applicant**