

## **APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE A FRAUD AND CORRUPTION HOTLINE SERVICE TO THE CBE FOR A PERIOD OF 36 MONTHS**

## 1. Background

The Council of the Built Environment (CBE) is a statutory body established in terms of the Council for Built Environment Act (No. 43 of 2000) and an entity of the Department of Public Works and Infrastructure (DPWI). The CBE is a schedule 3(a) public entity and is subject to compliance with the Public Finance Management Act (PFMA) Act No. 29 of 1999 and Treasury regulations.

Sections 3(c) and (d) of the CBE Act mandate it to promote ongoing human resource development in the built environment, and to facilitate participation by the built environment professions in integrated development in the context of achieving national goals. It is an overarching body that lead, regulate, coordinate and advise the six Professional Councils namely: Architectural Profession, Landscape Architectural Profession, Engineering Profession, Property Valuers Profession, Project and Construction Management Professions, and Quantity Surveying Profession. The CBE also entered into a working relationship with the following professional bodies as part of the built environment family – South African Council for Planners, Environmental Assessment Practitioners Association of South Africa, and South African Geomatics Council. In the main, the central mandate of the Council for the Built Environment is to:

- Transform the Built Environment Industry
- Create skilled Built Environment professionals
- Expedite the empowerment of women, youth and persons with disabilities

The objects of the CBE are to

- promote and protect the interests of the public in the built environment;
- promote and maintain a sustainable built environment and natural environment;
- promote ongoing human resource development in the built environment;
- facilitate participation by the built environment professions in integrated development in the context of national goals;
- promote appropriate standards of health, safety and environmental protection within the built environment;

- promote sound governance of the built environment professions;
- promote liaison in the built environment in the field of training, both in the Republic and elsewhere, and to promote the standards of such training in the Republic;
- serve as a forum where the representatives of the built environment professions may discuss the relevant required qualifications; standards of education; training and competence; competence; promotion of professional status; and legislation impacting on the built environment.
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- ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

## **2. Objectives of the project**

The CBE has adopted a code of ethics articulating acceptable values and ethical standards to which all its stakeholders are required to adhere to. The CBE acknowledges that in its running of business and/ daily activities, fraud and corruption are prevalent and almost all organisations are susceptible to it. CBE also adheres to the principles of good corporate governance, which requires the conducting of business in an efficient, effective, and transparent manner. Consequently, the entity is committed to fighting fraudulent behavior at all levels within the organisation.

The CBE, as an entity of government is also required to take positive steps in the mitigation of fraud and corruption to which the entity may be exposed to, in ensuring efficient, effective, and transparent systems and controls. It is on these bases that the CBE invites proposals from suitable service providers for managing its fraud and hotline service. The purpose of this service is to reinforce the zero tolerance towards fraud and corruption as well as ensuring commitment to combating all forms of fraud inherent to the CBE's operations.

The service shall include a confidential information gathering subscription service to the CBE and the Councils for the Built Environment Professionals (CBEPs) in respect of any unlawful activities occurring within the CBE's and business structures, including but not

restricted to theft, fraud, bribery and any other unlawful or dishonest activities of whatever nature perpetrated by the CBE's or CBEP's employees or their agents, whose activities directly or indirectly have a detrimental effect on CBE and CBEPs.

The expected outcome of this project is as follows:

- a) Access to a 24/7 National Free 0800 number;
- b) Anonymous confidential Ethics, Fraud, Health, Safety, Security Reporting Hotline;
- c) Dedicated Legal Advisor providing legal advise (Protected Disclosures Act);
- d) 24 hour live call management in the 11 South African official languages;
- e) Unique email address;
- f) Online reporting
- g) Free post reporting;
- h) For oversight role, monthly reporting to CBE and Councils and Audit Committee Chairpersons
- i) Preliminary investigation into reported tip offs to advise on action to be taken or further investigative action if required.
- j) 12 Quarterly fraud awareness training sessions to staff for 30 minutes on matters relating to fraud and ethics
- k) A complete close out report must be provided on completion of 3 years.

### **3. Scope of Work**

The scope of the project is described above, and the service provider is expected to deliver as per above mentioned objectives of the project. The service is required for a three year period. A preparatory meeting is expected with the service provider and the CBE team, at least a week before the contract commences, so as to delineate and agree on the deliverables of the project.

### **4. Required Qualification and Experience**

Bidders must have a undergraduate qualification in Forensic Accounting, Accounting, Internal Audit, Business Management or related field, and be an associate member of the Association of Certified Fraud Examiners (ACFE), or Institute of Commercial Forensic Practitioners (ICFP) or other related membership with minimum of 5 years of experience

in managing the fraud and corruption hotline.

## 5. Evaluation Process:

The following evaluation process shall be followed:

### 5.1 Pre-qualification Criteria (Bidders must meet the following pre-qualification criteria. Failure to meet the following requirement shall result in the disqualification of your proposal):

- a) Potential service providers must ensure that they are registered on the National Treasury Central Supplier Database (CSD). The CSD registration report must be submitted. This proposal will not be awarded to any bidder who is not registered on the CSD, whose tax matters are not in order and is a restricted supplier.
- b) **Potential service providers must submit proof of Safe Reporting Service Provider certification by the Ethics Institute, not older than a year.**

**\*\* The CBE reserves the right to verify the authenticity of the information submitted. The results of the verification will take precedence.**

### 5.2 Evaluation Phases:

- Phase 1: Technical Evaluation

The bidders' proposal will be evaluated against the set criteria indicated under paragraph 5.3 below. A form will be used which will reflect the name of the bidder, the different criteria, with space provided to record the points awarded and motivation for points awarded. The allocation of points will not be effected on a basis of consensus.

The following scoring matrix will be used:

Unable to evaluate	Does not comply with the requirements	Partially complies with the requirements	Fully complies with requirements	Exceeds requirements	Exceptionally exceeds requirements
0	1	2	3	4	5

The following formula will be used to convert the points scored against the weight:

$$Ps = \left( \frac{So}{Ms} \right) \times 100$$

Where:

Ps	=	Percentage scored for functionality by proposal under consideration
So	=	Total score of proposal under consideration
Ms	=	Maximum possible score

Service providers will be expected to achieve a minimum threshold score of 65% in order to proceed further in the evaluation.

A due diligence process will be conducted in respect of all short-listed bidders to determine the capability and ability of short-listed bidders to execute this contract. The CBE reserves the right to utilise any one or more of the below due diligence methods:

- Presentation by bidders with pre-determined questions being posed by the CBE. A set of pre-determined questions based on the submitted proposal will be posed. This will be evaluated based on a grading scheme of either consistent or not consistent with the proposal. Should more than 20% of the responses not be consistent to the bidder's proposal their proposal will be disregarded.
- An investigation by the CBE of the bidder's previous contracts carried out, availability of skills or knowledge, existing workload
- Confirmation of the authenticity and content of the reference letters submitted (bidders must provide a minimum of **three** signed reference letters of the same work undertaken even if this method is not selected for due diligence). The reference letters must:
  - Be on the official letterhead of the issuing company
  - Not be older than three (3) years
  - Bear the signature of an official authorized to do so
  - Contain valid contactable details

Purchase orders will also be accepted, subject to the CBE verifying the authenticity of the information submitted.

Should negative feedback be obtained from the aforementioned that will render the bidder unsuitable to execute the assignment, their proposal will be disregarded at this point, and they will not proceed for further evaluation.

It must be noted that if a bidder has previously undertaken work for the CBE to which a positive report is on record, such report may be used for the purpose of due diligence in the event that the selected method(s) above is/are unsuccessful.

Should the bidder meet the requirements of due diligence, their proposal will proceed to Phase 2.

- Phase 2: Calculation of points
  - a) Please note that the proposals will be evaluated using the 80/20 preference point system.
  - b) An original or originally certified copy (it must be fresh ink and not a copy) of the B- BBEE certificate OR valid original sworn affidavit (whichever is applicable) must be submitted to confirm your B-BBEE Level. Failure to submit a B-BBEE certificate or sworn affidavit will result in the forfeiture of points. Failure to submit a correct and valid certificate or affidavit will result in the forfeiture of B-BBEE points. Only points for price will be allocated. Any enquiries in respect of B-BBEE Status Level Verification Certificates may be directed to the B-BBEE Commission at 012-649 0918. Bidders must note that affidavits must adhere to the requirements set out in The Broad Based Black Economic Empowerment Practice Guide 1 of 2022, Determining the validity of a Broad-based Black Economic Empowerment verification certificate, B-BBEE certificate and affidavit, paragraph17. (Please ensure that your affidavit complies with the requirements set out under this paragraph. If one or more requirements are not met, it will render the affidavit invalid).

**Special note: Bidders must ensure that affidavits indicate the title of the deponent i.e. director or member or owner (please circle/underline the relevant title applicable to you); and the full financial year must be stated i.e. date, month and year (not only the calendar year).**

During phase 2, points for price will be calculated for all shortlisted bidders in accordance with the following formula:

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

Where:

$P_s$  = Points scored for price of proposal under consideration

$P_t$  = Rand value of proposal under consideration

$P_{\min}$  = Rand value of lowest acceptable proposal

- The final points will be calculated as follows:

Points for price:	80 points
B-BBEE Status Level of Contribution:	<u>20 points</u>
Final points:	<u>100 points</u>

In accordance with section 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000, the CBE reserves the right to apply the following objective criteria, based on current case law, in determining the final outcome of the award irrespective of which bidder scores the highest final points:

- (1) the rotation of contracts amongst suppliers; following two (2) awards by the CBE to the same supplier within a period of 12 months
- (2) protection of the environment
- (3) the receipt of an abnormally low or high price i.e. more than 10% below the estimated price or more than 5% above the estimated price

A recommendation for award will then be formulated for approval by the relevant delegated authority.

### 5.3 Evaluation Criteria

The following criteria and weights shall apply when considering the proposals:

CRITERIA FOR TECHNICAL EVALUATION	WEIGHT	SCORING GUIDELINE
<p><b>Quality of the proposed methodology relevant to the assignment</b></p> <p>Bidders must submit a detailed proposal of the methodology/ approach to be used to carry out the scope of work, including project timeframes. The methodology/approach must cover how the objectives of the project stated under paragraph 3 above will be implemented and achieved.</p>	20	<p>1 = The information provided is unsuitable or Insufficient</p> <p>2 = Proposed approach and methods partially meets the needs of the project</p> <p>3 = Proposed approach and methods meets the needs of the project. Sufficient detail on services/ skills/ resources.</p> <p>4 = Proposed approach meets the needs of the project and the Levels of services/ skills/ resources are very good and the bidder displays the ability to perform the functions</p> <p>5 = Proposed approach meets the needs of the Project. Very detailed and very well laid out proposed project plan and excellent level of detail on services/ skills/resources</p>
<p><b>Experience Relevant to Assignment</b></p> <p>Provide a minimum of <b>three</b> signed reference letters where the bidder has undertaken similar projects</p>	30	<p>0 = No letters or unsigned/undated letters or letters/list of contactable references not relevant to assignment</p> <p>1 = List of contactable references relevant to assignment</p> <p>2 = 1-2 reference letters relevant to the assignment</p> <p>3 = 3 letters relevant to the assignment</p> <p>4 = 4 letters relevant to the assignment</p> <p>5 = 5+ letters relevant to the assignment</p>

<p>Minimum of 5 years proven experience in managing the fraud and corruption hotline for a public sector organisation. Please provide condensed CVs of the key resources which illustrates a minimum of 5 years proven experience:</p> <p>Each resource's experience will be scored separately and then be averaged to give a final score {score will be rounded off to the nearest 2 decimal places (where applicable)}.</p>	20	<p>0 = Less than 12 months experience or no experience</p> <p>1 = 1-2 years</p> <p>2 = 3-4 years</p> <p>3= 5 years</p> <p>4 = 6 -9 years</p> <p>5 = 10+ years</p>																					
<p><b>Qualifications Relevant to Assignment</b></p> <p>Bidders must have a undergraduate qualification in Forensic Accounting, Accounting, Internal Audit, Business Management or related field and be an associate member of the Association of Certified Fraud Examiners (ACFE ), or Institute of Commercial Forensic Practitioners (ICFP) or other related membership</p> <p>Please provide certified copies of Qualifications (not older than 6 months). and proof of membership</p> <p>Should the bidder propose more than one resource, each resource will be scored separately and averaged to give a final score {score will be rounded off to the nearest 2 decimal places (where applicable)}.</p>	20	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Qualifications</th> <th style="width: 33%;">With professional membership</th> <th style="width: 33%;">Without professional membership</th> </tr> </thead> <tbody> <tr> <td>Masters and above</td> <td style="text-align: center;">Score = 5</td> <td style="text-align: center;">Score = 4</td> </tr> <tr> <td>Honours</td> <td style="text-align: center;">Score = 4</td> <td style="text-align: center;">Score = 3</td> </tr> <tr> <td>Bachelors' Degree</td> <td style="text-align: center;">Score = 3</td> <td style="text-align: center;">Score = 2</td> </tr> <tr> <td>Diploma</td> <td style="text-align: center;">Score = 2</td> <td style="text-align: center;">Score = 1</td> </tr> <tr> <td>Certificate</td> <td style="text-align: center;">Score = 1</td> <td style="text-align: center;">Score = 0</td> </tr> <tr> <td>No qualification</td> <td style="text-align: center;">Score = 0</td> <td style="text-align: center;">Score = 0</td> </tr> </tbody> </table>	Qualifications	With professional membership	Without professional membership	Masters and above	Score = 5	Score = 4	Honours	Score = 4	Score = 3	Bachelors' Degree	Score = 3	Score = 2	Diploma	Score = 2	Score = 1	Certificate	Score = 1	Score = 0	No qualification	Score = 0	Score = 0
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Certificate	Score = 1	Score = 0																					
No qualification	Score = 0	Score = 0																					
<p><b>Empowering supplier</b></p> <p>The CSD report shall be used to determine the ownership statistics of the bidder. The CBE reserves the right to verify the authenticity of the information submitted</p>	10	<p>5= 100% black female and/or youth-owned entity</p> <p>4= 100% Black-owned entity</p> <p>3= More than 51% black-owned entity</p> <p>0 = No information submitted</p> <p>An additional point will be allocated if an entity has demonstrated that it employs or is owned by persons living with disabilities.</p>																					
<p><b>Total weight</b></p>	<b>100</b>																						
<p><b>Total threshold</b></p>	<b>65</b>																						

## Costing

The CBE estimates approximately 10 tip offs annually per year via the hotline.

Please use the below schedule to populate your pricing.

Description	Costs for year 1 (VAT inclusive)	Costs for year 2 (VAT inclusive)	Costs for year 3 (VAT inclusive)
4 Quarterly fraud awareness training sessions per year to staff for 30 minutes			
Oversight role, monthly reporting to CBE Council and Audit Committee Chairpersons.			
Preliminary investigation into reported tip offs to advise on action to be taken or further investigative action if required. Based on the previous year tip offs received, an estimated number of tip offs could be 10 annually.			
<b>Total Ceiling Price</b>			

## 6. IMPORTANT CONDITIONS

- Protection of Personal Information - All bidders agree that personal information of persons related to or linked with bidders or respondents to this request for quotations/request for proposals or tender document is/may be required to fulfil the requirements for submitting a bid. All bidders agree that the CBE may collect, keep and process such information provided that the aforesaid uses shall be for purposes of evaluating the bid submitted. Where the information is sought to be used for other purposes, further and specific consent shall be obtained.
- Bidders shall note that any personal information that they may disclose to or share with the CBE pursuant to this request/Bid may be processed by the CBE in terms of the Protection of Personal Information Act, No.4 of 2013 and Regulations promulgated thereunder ("POPI Act"). By disclosing or sharing any personal information, the bidder is unconditionally consenting to the processing thereof by the CBE, its stakeholders or partners of such personal information for purposes related to this request/Bid. Further, the bidder declares all consents required by the POPI Act or any other law applicable in respect of all personal information disclosed has been duly and legally obtained. Thus, the bidder hereby indemnifies the CBE against any civil or criminal action, administrative fine or other penalty

or loss that may arise as a result of the processing of any personal information disclosed to the CBE pursuant hereto.

- Bidders are required to submit a detailed breakdown of their pricing.
- The price quoted must be inclusive of VAT (if applicable) and prices must be fixed for the entire contract duration. No price adjustments will be permitted. Please use the Pricing Schedule provided to populate your pricing.
- All Supply Chain Management compliant (required) documents must be completed in full and submitted. These include SBD 1, 4 and 6.1.
- Bidders must submit the company registration documents (CIPC), share certificate and ID documents of all Directors.
- Any award made to a Bidder under this proposal is conditional upon the Bidder accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which the CBE is prepared to enter into a contract with the successful Bidder.
- The General Conditions of Contract (GCC) are to be acknowledged and returned with your bid.
- All parties forming a joint venture or consortium for the purpose of this assignment must submit a separate CSD report for each party and all SBD forms and GCC must be completed by each party to the joint venture or consortium and submitted accordingly.
- Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements (where applicable). The CBE will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.
- The CBE reserves the right to disregard a bidders' proposal should it be found that work was previously undertaken for the entity to which poor performance was noted during the execution of such contract that subsequently led to the cancellation of said contract in the last five years. Documentary evidence of poor performance without a cancellation of the contract may also result in the disqualification of the bidders' proposal.
- Any communication between the closing date and the award of the proposal by Bidders is discouraged.

- Whilst all due care has been taken in connection with the preparation of this proposal, the CBE makes no representations or warranties that the content of the proposal or any information communicated to or provided to Bidders during the bidding process is, or will be, accurate, current or complete. The CBE and its employees and advisors will not be liable with respect to any information communicated which may not be accurate, current or complete.
- If a Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this proposal or any other information provided by the CBE (other than minor clerical matters), the Bidder(s) must promptly notify the CBE in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the CBE an opportunity to consider what corrective action is necessary (if any).
- Any actual discrepancy, ambiguity, error or inconsistency in the proposal or any other information provided by the CBE will, if possible, be corrected and provided to all Bidders without attribution to the Bidder(s) who provided the written notice.
- Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such proposals.
- The CBE supports the spirit of broad based black economic empowerment and recognises that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the CBE condemns any form of fronting.
- The CBE, in ensuring that Bidders conduct themselves in an honest manner may, as part of the evaluation process, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the proposal / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the CBE may have against the Bidder / contractor concerned.

- A Bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this BID. In the event that the CBE allows a Bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the Bidder and the CBE will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.
- If a Bidder breaches the conditions of this proposal and, as a result of that breach, the CBE incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the Bidder indemnifies and holds the CBE harmless from any and all such costs which the CBE may incur and for any damages or losses the CBE may suffer.
- **Proposals must be emailed to** both [sthembile@cbe.org.za](mailto:sthembile@cbe.org.za) and [afika@cbe.org.za](mailto:afika@cbe.org.za).
- **Bidders must please note that the CBE server can receive files to a maximum size limit of 150mb (inclusive of message content and attachment). Should files exceed this size limit, bidders may either send their files in separate emails or alternatively compress the files and submit.**
- The original or originally certified BBBEE Certificates or original sworn affidavits must be hand delivered to 2<sup>nd</sup> floor, Lourie Place, Hillcrest Office Park, 179 Lunnon Road, Hillcrest, Pretoria and deposited into the bid box before the closing date and time stipulated below.
- It is the responsibility of prospective bidders to ensure that their proposal documents are submitted before the closing date and time of the proposal.
- Proposals received after the closing time and date will not be considered for evaluation.
- The CBE reserves the right not to award this contract.
- The award of this RFP may be subject to price negotiation with the preferred bidders.
- The CBE will enter into a formal contract with the successful bidder.
- Any change of information provided in the bid document that may affect service delivery by the successful bidder must be brought to CBE's attention as soon as possible. Failure to comply may result in the contract being terminated.
- Should the bidder present information intentionally incorrectly/fraudulently their proposal will be disqualified.
- It must be noted that payment will be made upon satisfactory delivery of the service and receipt of an invoice.

- The invoice will be paid within 30 days of receipt thereof. No deposit, advance and lump-sum payments will be made. A shorter payment period may be agreed upon by the CBE and the successful supplier and a supplier development agreement will be signed in this regard. To be considered for the shorter payment period the service provider must meet the following requirements:
  - ✓ Be at least 51% black owned.
  - ✓ Be an Exempt Micro Enterprise (EME) (Turnover under R10 million) or a Qualifying Small Enterprise (QSE) (Turnover less than R50 million), subject to the specific Sector Code.
- The closing date for submission of proposals is **25 March 2024 at 11:00AM**.
- Proposals will be valid for a period of **30 days** after the closing date of the proposal.

**\*\* Special Note: The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.**

**Written enquiries:**

**Supply Chain Management**

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