

**CBE 4/2022**

**APPOINTMENT OF AN INDEPENDENT EXTERNAL  
AUDITOR FOR THE PROVISION OF EXTERNAL AUDIT  
SERVICES TO THE CBE FOR A PERIOD OF THREE  
YEARS**

## **1. BACKGROUND OF THE CBE**

The Council for the Built Environment (CBE) is a Schedule 3A Public Entity which reports to the National Department of Public Works and Infrastructure. The entity is a statutory body established under the Council for the Built Environment Act (No. 43 of 2000) (the CBE Act). It is an overarching body that coordinates the six Councils for the Built Environment Professions (Architecture, Landscape Architecture, Engineering, Property Valuers, Project and Construction Management, and Quantity Surveying). 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; promotion of professional status; and legislation impacting on the built environment.
- ensure the uniform application of norms and guidelines set by the councils for the professions throughout the built environment.

## **2. BACKGROUND OF THE ASSIGNMENT**

In line with general notice 839 of 2011, published in the Government Gazette of 28 November 2011, a Public Entity may proceed to appoint its own auditor if it was notified by the Auditor-General (“AG”) that he will not perform the audit.

The CBE received notification that the Auditor-General of South Africa (AGSA) will not be conducting the audit as of March 2020 and that the CBE could proceed with the process of consultation for the appointment of auditors.

Consequently, CBE is inviting audit firms that comply with the tender criteria set out below, to submit bids for the external audit services required for a period of 3 years commencing in the March 2023 financial year-end, subject to annual re-appointment in line with the Public Audit Act.

### **3. MAIN OBJECTIVE OF THIS ASSIGNMENT**

The objective of the assignment is to appoint a reputable independent external audit service provider to provide an independent audit opinion of the accounts, financial statements, annual performance report and annual financial reports of the CBE. The external auditor must adhere to and meet all statutory requirements of the Public Audit Act, the International Auditing Standards (ISA) and such requirements as may be set by the AGSA.

### **4. SCOPE OF WORK AND PROJECT DELIVERABLES**

The independent external auditor will be required to:

- 4.1 Perform an audit in accordance with the Public Audit Act of South Africa (Act No. 25 of 2004), the General Notice issued in terms thereof, International Standards on Auditing and the Public Finance Management Act 29 of 1999 and National Treasury Regulations, including required interim work in order to limit the time required after year end.
- 4.2 In accordance with the Public Audit Act of South Africa, and the General Notice issued in terms thereof, report on the findings relevant to performance against predetermined objectives, information systems audit, compliance with laws and regulations and other reports required by the Public Finance Management Act 29 of 1999 and National Treasury Regulations.
- 4.3 Determine the scope, methodology and approach as per AGSA guidelines and legislative requirements (i.e Public Audit Act) and prepare the audit strategy (Audit Planning Memorandum) with a detailed budget for approval.
- 4.4 Communicate audit findings to management and ensure they are fully aware of the implications to business operations;
- 4.5 Provide a final report with management responses on corrective actions and the presentation thereof to the Audit Committee and Council.
- 4.6 Review the annual report prior to publishing
- 4.7 Attend and provide input to the Audit Committee meetings, where necessary.
- 4.8 Perform a review and express an opinion on the National Treasury financial statements template based on the statutory work performed by 31 July of each year.

All bidders must please note that the CBE is classified as a small audit in terms of Auditor-General classification.

**Note: The latest CBE audited financial statements are available on the CBE website in order to help understand the scope of the CBE audit.**

## **5. EXPERTISE AND CAPACITY**

The key criteria to be considered for the suitability of the independent external auditor include the following:

- 5.1 Have knowledge and a comprehensive understanding of the public sector; and an understanding of the CBE's regulatory universe.
- 5.2 The independent external auditor must demonstrate that they:
  - 5.2.1 Have sufficient in-house capacity to perform statutory audits for the CBE.
  - 5.2.2 Will not be over-reliant on CBE audit fee (i.e. audit fees from CBE must not exceed 15% of its total revenue). In other words, the independent external auditor should be a going concern without depending on CBE's audit fees.
- 5.3 Have a minimum of three (3) partners including the engagement partner.
- 5.4 Audit engagement partner must be based in Gauteng. This is in accordance with National Treasury General Procurement Guidelines, which states that the aim of the PPPFA is to promote local enterprises in specific provinces, in a particular region, in a specific local authority or in rural areas.
- 5.5 The independent external auditor must be prepared to forsake any non-audit services for the duration of the audit appointment. The independent external auditor is therefore required to declare its interest.
- 5.6 The bidder must provide evidence of satisfactory results (i.e. latest IRBA firm-level review results) of the partner(s) committed on the assignment. Satisfactory results must be maintained for the tenure of the contract. If satisfactory results are not maintained for the duration of the contract this may have financial implications to which the appointed service provider will be liable for.
- 5.7 Independence and Objectivity – No conflict of interest. A firm where any of the Board members, management or staff of CBE are partners or part-owners in will not be eligible for appointment.

- 5.8 The independent external auditor will not, and has no right to, assign the audit contract to third parties.
- 5.9 The independent external auditor will be bound to the Code of Conduct and confidentiality as per the International Auditing Standards in the course of their duties.
- 5.10 The independent external auditor must have a quality control system in place as required by ISQC 1.

## **6. PROFESSIONAL MEMBERSHIP AND REGISTRATION**

It is mandatory for the audit engagement partner of the preferred independent external auditor that will be in charge of the CBE's account to be a Registered Auditor (RA) with the Independent Regulatory Board for Auditors (IRBA). Similarly, the preferred independent external auditor (audit firm) must also be registered with the IRBA.

## **7. PROJECT TIMEFRAME**

The term of the appointment is for a period of 3 years subject to annual re-appointment in line with the Public Finance Management Act 29 of 1999, Public Audit Act 25 of 2004 and the annual performance review by the Audit Committee.

## **8. CONTENT OF THE PROPOSAL**

8.1 For Technical evaluation the following is required:

- 8.1.1 Company profile and relevant experience.
- 8.1.2 Proposed methodology and approach to be used in keeping with the scope of works.
- 8.1.3 A minimum of five years experience for similar public sector audit work including fee per project undertaken in the past 5 years.
- 8.1.4 A minimum of five contactable reference letters where the bidder has successfully concluded similar audit work within the public sector in terms of scope and complexity.

8.1.5 Composition of the project team. Bidders must note that the proposed engagement partner and engagement manager will be the contracted resources and should preferably be South African. The project team must at least have the following experience:

<b>Team member</b>	<b>Qualification/Experience</b>
Partner, Quality reviewer	Registered Auditor, 10 years' experience
Senior Audit Manager	Registered CA(SA), 5 years' experience
Trainee Accountant	BCom: Accounting and SAICA article registration

Should the proposed trainees be replaced during the tenure of the contract, they should have similar qualifications and experience of the previous resource.

8.1.6 Abridged CV of each member of the proposed team (qualifications, experience, expertise etc.).

8.1.7 Evidence of registration with IRBA.

8.1.8 The latest satisfactory IRBA firm-level review results or the engagement partners' latest satisfactory IRBA review score (attained in respect of the inspection conducted during the period of 1 April 2019 to tender closing date).

8.1.9 Detailed statement on the independence of the bidder and the proposed external audit team as per Annexures B and C.

8.1.10 Company registration documents and ID's of registered directors.

8.1.11 Latest Annual Financial Statements

8.2 For the Financial Proposal the following is required:

8.2.1 The Financial Proposal must indicate the proposed annual cost for the service which gives an indication of the following:

8.2.1.1 Overall fixed price for the three year period must be inclusive of VAT and disbursements. Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.47% for the next two years. The

4.47% escalation is based on the current average three year CPI forecast as per the latest MTEF National Treasury Guidelines.

8.2.1.2 A breakdown of these anticipated out-of-pocket expenses (disbursements) must be provided.

8.2.1.3 The pricing must be based on a **total number of 1 970 hours per year** (Average actual hours for the last two financial years). The split of the hours for the different levels of proposed resources can be determined by the bidder.

8.2.1.4 Fees must be quoted at an inclusive rate for the different levels of proposed resources to be utilised, as listed below.

Category	No of audit personnel (A)	Hours per resource (B)	Total hours (C = AxB)	Rate per hour (D)	Total (CxD)
Engagement partner					
Second partner review (if applicable)					
Engagement Quality Control reviewer (if applicable)					
Senior Audit Manager					
IT Audit Manager					
Audit Senior					
Audit Assistant/ Trainee accountant					
Other (specify)					
<b>Total excluding VAT</b>			<b>1 970</b>		
Disbursements					
Vat @ 15%					
<b>Total audit costs inclusive of VAT - Year 1</b>					
<b>Total audit costs inclusive of VAT escalated at 4.47% - Year</b>					

2					
Total audit costs inclusive of VAT escalated at 4.47% - Year 3					
TOTAL					

## 5. EVALUATION PROCESS

After the closing date, an appointed Bid Evaluation Committee will evaluate the proposals received. The following evaluation process shall be followed:

### 5.1 Pre-qualification criteria

Bidders must meet the following pre-qualification criteria. Failure to meet these requirements will result in the disqualification of your proposal.

- a) Potential service providers must be registered on the National Treasury's Central Supplier Database (CSD); The CSD registration report must be submitted. Prospective bidders must be tax compliant. **This proposal will not be awarded to any bidder who is not registered on the CSD, or whose tax matters are not in order and/or is a restricted supplier.**
- b) Only **B-BBEE Level 1** and **Level 2** contributors must submit a response to this bid. An original or originally certified copy (it must be fresh ink and not a copy) of a correct and valid B-BBEE certificate (**only SANAS accredited certificates will be accepted**) OR valid original sworn affidavit (whichever is applicable) must be submitted to confirm your Level 1 or 2 status. Failure to submit a B-BBEE certificate or sworn affidavit will result in the disqualification of your bid. Failure to submit a correct and valid certificate or sworn affidavit will result in the disqualification of your bid. 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 sworn affidavits must adhere to the requirements set out in The Broad Based Black Economic Empowerment Practice Guide 1 of 2018, Determining the validity of a Broad-based Black Economic Empowerment verification certificate, B-BBEE certificate and sworn affidavit, par 17 (Annexure A). (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 please 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). Your empowering supplier status must also be indicated.**

- c) The bidder must be registered with the Independent Regulatory Board for Auditors (IRBA) and proof of registration must be submitted with the proposal.
- d) Detailed statement confirming the independence of the bidder and the proposed external audit team as per Annexure C.

**\*\* 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: Functionality Evaluation

The service provider's 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 service provider and 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	Partial compliance with requirements	Full compliance 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:

$$P_s = \left( \frac{S_o}{M_s} \right) \times 100$$

Where:

$P_s$  = Percentage scored for functionality by proposal under consideration

$S_o$  = Total score of proposal under consideration

$M_s$  = Maximum possible score

Service providers will be expected to achieve a minimum threshold score of 70% in order to proceed for further 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 **five** signed reference letters of the same work undertaken even if this method is not selected for due diligence). 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 service provider 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

**Please note that the proposals will be evaluated using the 80/20 preference point system where:**

- 80 points are allocated for price and 20 points are allocated for the service provider's B-BBEE Level of Contribution.

During phase 2, points for price will be calculated for all shortlisted service providers 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:	<u>80 points</u>
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. The CBE reserves the right not to award two contracts that are in direct conflict with each other to the same service provider.

### 5.3 Evaluation Criteria

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

CRITERIA FOR FUNCTIONALITY	WEIGHT	SCORING GUIDELINE
<p><b>Experience and methodology relevant to the assignment</b></p> <p>Bidders must submit a company profile illustrating the following information:</p> <ul style="list-style-type: none"> <li>Provide detailed proposal of the methodology/ approach to be used to carry out the scope of work, conforming to AGSA requirements, outlined above and clearly demonstrate how the audit deliverables will be achieved. (15)</li> <li>Minimum of 5 years' experience in the public sector. (10)</li> </ul>	40	<p>No methodology = 0</p> <p>Poor methodology = 1</p> <p>Methodology and one area = 2</p> <p>Methodology and two areas = 3</p> <p>Methodology and three areas = 4</p> <p>Methodology and all areas = 5</p> <p>No demonstration of years' experience = 0</p> <p>Newly registered = 1</p> <p>Below 5 years = 2</p> <p>5 years = 3</p> <p>6-9 years = 4</p> <p>10 years plus = 5</p>

Provide a minimum of <b>five</b> signed reference letters where the bidder has successfully concluded similar audit work in terms of scope and complexity. (15)		<p>No letters = 0</p> <p>List of contactable references relevant to the assignment = 1</p> <p>Below 5 letters relevant to the assignment = 2</p> <p>5 letters relevant to the assignment = 3</p> <p>6 letters relevant to the assignment = 4</p> <p>More than 6 relevant to the assignment = 5</p>																					
<p><b>Team Experience</b></p> <p>The bidders must submit, as part of its proposal the following:</p> <ul style="list-style-type: none"> <li>In-house capacity at least 3 Registered Auditor's (Audit partners); with the audit engagement partner being based in Gauteng. (10)</li> </ul>	30	<table border="1"> <thead> <tr> <th>Number of Registered audit partners</th><th>Engagement partner in Gauteng</th><th>Engagement partner not in Gauteng</th></tr> </thead> <tbody> <tr> <td>No information</td><td>Score = 0</td><td>Score = 0</td></tr> <tr> <td>1</td><td>Score = 1</td><td>Score = 0</td></tr> <tr> <td>2</td><td>Score = 2</td><td>Score = 1</td></tr> <tr> <td>3</td><td>Score = 3</td><td>Score = 2</td></tr> <tr> <td>4-7</td><td>Score = 4</td><td>Score = 3</td></tr> <tr> <td>&gt;7</td><td>Score = 5</td><td>Score = 4</td></tr> </tbody> </table>	Number of Registered audit partners	Engagement partner in Gauteng	Engagement partner not in Gauteng	No information	Score = 0	Score = 0	1	Score = 1	Score = 0	2	Score = 2	Score = 1	3	Score = 3	Score = 2	4-7	Score = 4	Score = 3	>7	Score = 5	Score = 4
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2	Score = 2	Score = 1																					
3	Score = 3	Score = 2																					
4-7	Score = 4	Score = 3																					
>7	Score = 5	Score = 4																					

- The structure and composition of the proposed team, clearly outlining the main disciplines/ specialities of this audit and the key personnel responsible for each speciality. Please refer to Annexure B of this document for the format in which the required information must be provided.

- \* Audit partner (8)
- \* Audit Manager (5)
- \* Trainee Accountants (2)

Submit the condensed CV's of the key resources to work on the project.

***If more than one resource is proposed for each of the resources listed above, 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)).***

#### Engagement partner

Years experience	IRBA registered	IRBA and any other relevant professional registration
No information	Score = 0	Score = 0
<6	Score = 1	Score = 2
6-9	Score = 2	Score = 3
10	Score = 3	Score = 4
12- 14	Score = 4	Score = 5
>14	Score = 5	Score = 5

#### Audit Manager

Years experience	Not SAICA registered	SAICA registered	IRBA and any other professional registration relevant to the assignment
No information	Score = 0	Score = 0	Score = 0
Below 5	Score = 0	Score = 2	Score = 3
5	Score = 1	Score = 3	Score = 4
6	Score = 2	Score = 4	Score = 5
7 and more	Score = 3	Score = 5	Score = 5

<ul style="list-style-type: none"> <li>Demonstration of knowledge and understanding of the Public Service Regulatory Framework such as, but not limited to: the Public Finance Management Act (PFMA), Treasury Regulations, South African Constitution etc. (5)</li> </ul>		Majority (60%) of Trainee Accountants  No information submitted = 0  No degree = 2  BCom: Accounting = 3  BCom (Hons): Accounting = 4  Public sector clients have been audited = 4  No public sector clients = 0
<b>Independence and objectivity</b>  The proposed audit fee does not exceed 15% of the independent external auditor's total turnover.	10	More than 15% = 0  Equal to 15% = 3  Less than 15% = 4
<b>Results from IRBA</b>  The independent external auditor must submit evidence of registration with the IRBA; including evidence of each audit partner's registration with the IRBA. [As per pre-qualification criteria]	10	No evidence of IRBA results = 0  IRBA review unsatisfactory = 2  Satisfactory IRBA review = 5



Furthermore, evidence of a “satisfactory” IRBA firm-level review results or the engagement partners’ latest satisfactory IRBA review score (attained in respect of the inspection conducted during the period of 1 April 2019 to tender closing date).		
<b>Empowering supplier</b>	10	<p>5 = 100% black female/ 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 employees or is owned by disabled persons.</p>
<b>Total</b>	100	
<b>Threshold Score</b>	70	

## **Important Conditions of Bid:**

- Protection of Personal Information - All bidders agree that personal information of persons related to or linked with bidders or respondents to this request/Bid 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.
- Service providers are required to submit a detailed breakdown of their pricing as per the Table under paragraph 8.2.1.4.
- The price quoted must be inclusive of VAT (if applicable).
- Prices for this contract are firm for the first year, and subject to a maximum escalation rate of 4.47% for the next two years.
- 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.
- Bidders who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.
- The following are extracts from the PPPFA Act:
  - a) 11(8) "A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an Exempted Micro Enterprise (EME) that has the capability and ability to execute the sub-contract."
  - b) 11(9) "A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract."
- 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 [renusha@cbe.org.za](mailto:renusha@cbe.org.za).** Bidder(s) are required to submit their technical and pricing proposal as two separate files/attachments. 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 BBEE Certificates or original sworn affidavits must be hand delivered to 169 Corobay Avenue, Corobay Corner (Block A – 2nd Floor), Menlyn, Pretoria and deposited into the bid box before the closing date and time stipulated below, as the documents must be original or originally certified copies.
- 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 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 **10 November 2022 at 11:00am**.
- Proposals will be valid for a period of **150 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**

Procurement Specialist: Mrs R Nanthlall Ganesh

Tel: 012 346 3985

Email: [renusha@cbe.org.za](mailto:renusha@cbe.org.za)

**Technical**

Manager: Finance: Mrs S Treeby

Tel: 012 346 3985

Email: [sarie@cbe.org.za](mailto:sarie@cbe.org.za)

**ANNEXURE B: Details of the key personnel of the bidders' proposed team**

Name	Position	Role/Duties in this Project	Qualification	Relevant project experience	
				Project description, client, Project period	Project Cost

## **ANNEXURE C: Confirmation of Independence**

Council for the Built Environment

2<sup>nd</sup> Floor Corobay Corner

169 Corobay Ave

Menlyn

Date

To Whom it May Concern,

### **Letter of confirmation of independence from the Council for the Built Environment**

[Insert Firm name] hereby confirms that independence and ethical requirements by all team members proposed for this assignment, are communicated during the planning, field work and finalisation phases of the audit and are monitored on a continuous basis.

I hereby confirm that our firm is independent with regard to the Council for the Built Environment and its related parties. I further confirm that all proposed members of the above engagement are in compliance with independence requirements as set out in the IFAC Code of Ethics and the Quality Control Policies and Procedures of the firm and no matters have occurred during the duration of the financial year ending 31 March 2020 and the pre-planning phase of the audit which may impair the firm's independence.

I hereby confirm that [insert Firms name] currently does not do, nor have we done any work for the Council for the Built Environment which may result in a direct conflict of interest.

I hereby confirm that there is no conflict of interest between the Council for the Built Environment and any of the staff members involved in the audit. The capabilities and competence of the staff assigned to the audit was also assessed and found to be sufficient.

I further confirm that none of the directors of our firm sit on any audit or advisory committees of the Council for the Built Environment.

I hereby confirm that [Insert Firms name] has not been subject to any issues regarding ethical misconduct and the firm is currently not involved in any scandals which may impact our reputation.



Yours sincerely,

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**Name of audit Partner**