



# TERMS OF REFERENCE

**APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT A PROBITY AUDIT OF THE  
INTERNAL AUDIT BID**

# TERMS OF REFERENCE FOR PROBITY AUDIT OF THE INTERNAL AUDIT BID

## 1. Background

The Council for the Built Environment (CBE) is a statutory body established under the Council for the Built Environment Act (no. 43 of 2000). It is an overarching body that coordinates the six Professional Councils (Architecture, Engineering, Landscape Architecture, Project and Construction Management, Property Valuation and Quantity Surveying – all operating within the Built Environment) for the purpose of promoting good conduct within the Profession, transforming the professions and advising Government on issues relating to the Built Environment. 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.

## 2. Objectives of the project

The purpose and objective of this assignment is to appoint a professional service provider to conduct a probity audit on the internal audit bid in accordance with the standards and best practices.

## 3. Scope of Work

The scope of work will include the following:

1. Execute probity audit on the entire tender process to ensure compliance with the Treasury and SCM legislation, regulations, policies, procedures etc.
2. The probity audit will require a review of the following documents for compliance to the relevant Treasury and SCM legislation, regulations, policies and procedures:
  - a. Review recommended bid specification and approval thereof for completeness and compliance
  - b. Review the advertising, tender closing and opening processes
  - c. Review the bid evaluations and specification committee appointment letters, minutes, declarations and attendance registers.
  - d. Examine the bid evaluation committee and SCM units assessment of mandatory requirements
  - e. Examine the bid evaluation committee evaluation process and compliance thereof against the evaluation criteria specified in the terms of reference.

- f. Examine bid evaluation committee calculations in respect of price/preference
  - g. Review the evaluation process and bid evaluation report for completeness and accuracy
  - h. Review the bid adjudication process and evaluate its compliance
  - i. Review the bid recommendation and adjudication report for completeness and accuracy.
  - j. Conduct probity on successful bidder and employees involved in the procurement process.
3. The successful supplier will be expected to submit a detailed report to the Chief Executive Officer within 2 days upon completion of the probity audit.
4. Suppliers should also include the price per hour and time estimation for each category of key personnel. **The assignment will be limited to 60 hours and will be conducted in less than 4 days.**

#### 4. Evaluation Process

The following evaluation process shall be followed:

##### 4.1 Basic Compliance (should a bidder not meet the below requirements, their proposal will be disqualified ):

- 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. Prospective bidders must be tax compliant. **This bid 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) All Supply Chain Management compliant (required) documents must be completed in full and submitted. These include: SBD 1, 4, 6.1, 8 & 9. Failure to fully complete these documents and failure to return one or more with your proposal will result in the disqualification of your proposal. **The onus is on bidders to make sure that all SBD forms are completed in full and returned with your proposal.**
- c) All parties forming a Joint Venture/Consortium for the purpose of this assignment must submit a separate CSD report for each party; and all SBD forms must be completed by each party to the Joint Venture/Consortium and submitted accordingly.

## 4.2 Evaluation Phases:

- Phase 1: Technical Evaluation

The service provider's proposal will be evaluated against the set criteria indicated under paragraph 4.3 below. A form will be used which will reflect the name of the service provider, 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:

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 to Phase 2.

- Phase 2: Calculation of points

Please note that the 80/20 preference point system will be used where 80 points are allocated for price and 20 points are allocated for the service provider's B-BBEE Level of Contribution.

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 correct and valid certificate or sworn 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 Department of Trade and Industry (DTI) at 0861 843 384. Bidders must note that sworn affidavits need to 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, paragraph 17. (Please ensure that your sworn affidavit complies with the requirements set out under this paragraph. If one or more requirements are not met, it will render the sworn affidavit invalid.

**Special note: Bidder must please ensure that sworn affidavits indicate the title of the deponent and the full financial year not only the calendar year.**

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:

Ps = Points scored for price of proposal under consideration  
 Pt = Rand value of proposal under consideration  
 Pmin = 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>

A due diligence process will be conducted for the top 3 highest scoring bidders to determine the capability and ability of short-listed bidders to execute this contract. This may include a presentation by bidders with pre-determined questions being posed by the CBE or an investigation by the CBE of the bidder's previous contracts carried out, availability of skills or knowledge, existing work load, etc. Should negative feedback be obtained from the above exercise that will render the bidder unsuitable to execute this service, their proposal will be disregarded at this point.

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

### 4.3 Evaluation Criteria

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

CRITERIA FOR FUNCTIONALITY	WEIGHT	SCORING
<b>Experience relevant to assignment</b> Provide detailed information on the background of the company in undertaking this type of project.	20	5 = Excellent (Meets and exceeds the expected level in terms of understanding the problem, proposed approach to achieve the end result, and displaying the ability to perform the necessary project administration functions)  4 = Very good (Above average understanding of the technical aspects and proposed solution of the project and displaying the ability to perform the necessary project administration functions)  3 = Good (Satisfactory in terms of understanding the technical requirements and should be adequate to achieve the end result but do not display the ability to perform the necessary project administration functions)  2 = Fair (Compliance with some of the technical and administrative requirements)  1 = Poor (Unacceptable, does not meet set criteria)
Provide a minimum of <b>three</b> signed referee letters wherein similar projects have been undertaken.	20	5 = 5+ signed referee letters 4 = 4 signed referee letters 3 = 3 signed referee letters 2 = 2 signed referee letters 1 = 1 signed referee letter
Minimum of 5 years' experience in the public sector	20	5 = 10 years + 4 = 6 – 9 years 3 = 5 years 2 = 4 years 1 = 3 years or lower

<b>Competency of Key Personnel</b> Provide short CV's of the key personnel who will be involved in the project and certified copies of qualifications including but not limited to: <ul style="list-style-type: none"> <li>• Partner/Engagement Director</li> <li>• Manager</li> <li>• Senior</li> <li>• Intermediate</li> <li>• Junior</li> <li>• Specialist(s)</li> </ul>	30	5 = Excellent (Meets and exceeds the expected level in terms of understanding the problem, proposed approach to achieve the end result, and displaying the ability to perform the necessary project administration functions)  4 = Very good (Above average understanding of the technical aspects and proposed solution of the project and displaying the ability to perform the necessary project administration functions)  3 = Good (Satisfactory in terms of understanding the technical requirements and should be adequate to achieve the end result but do not display the ability to perform the necessary project administration functions)  2 = Fair (Compliance with some of the technical and administrative requirements)  1 = Poor (Unacceptable, does not meet set criteria)
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, Labour Legislation, Protection of Personal Information (POPI) Act	10	5 = Excellent (Meets and exceeds the expected level in terms of understanding the problem, proposed approach to achieve the end result, and displaying the ability to perform the necessary project administration functions)  4 = Very good (Above average understanding of the technical aspects and proposed solution of the project and displaying the ability to perform the necessary project administration functions)  3 = Good (Satisfactory in terms of understanding the technical requirements and should be adequate to achieve the end result but do not display the ability to perform the necessary project administration functions)  2 = Fair (Compliance with some of the technical and administrative requirements)  1 = Poor (Unacceptable, does not meet set criteria)
<b>Total</b>	100	
<b>Threshold Score</b>	65	

## 5. Important Conditions

- Please provide a detailed breakdown of the pricing based on the total estimated hours per category of key staff members and their rates per hour. Pricing must be **firm** for the contract duration.
- The General Conditions of Contract are to be acknowledged and returned with your proposal.

- 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 in the last five years.
- **The assignment will be limited to 60 hours and will be conducted in less than 4 days.**
- Pricing must be inclusive of VAT (if VAT registered).
- All eligible service providers to hand deliver their proposals to 169 Corobay Avenue, Corobay Corner (Block A – 2<sup>nd</sup> Floor), Menlyn, Pretoria and deposit into the bid box, not later than **Monday, 20 January 2020 by 11:00AM.**
- It is the responsibility of prospective bidders to ensure that their bid 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, they will be disqualified.
- Although adequate care has been given in the drafting of this document, errors such as those of a typographical nature may occur which the CBE will not be responsible for.
- It must be noted that payment will be made to the successful bidder upon the satisfactory delivery of the service and receipt of an invoice.
- The invoice will be paid within 30 days of receipt thereof. No deposit and advance payments will be made.

Enquiries:

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