



**sanedi**

South African National Energy  
Development Institute.

## Request for Quotations

### External Audit: Revenue Enhancement Project for govern Mbeki Local municipality and Nala Local Municipality

NAME OF BIDDER.....

POSTAL ADDRESS .....

STREET ADDRESS .....

CONTACT PERSON .....

TELEPHONE NUMBER Code ..... Number .....

CELL PHONE NUMBER Code ..... Number .....

FACSIMILE NUMBER Code .....Number .....

E-MAIL ADDRESS .....

**Signature of Bidder** ..... **Date** .....

<b>RFQ Number</b>	491
<b>Date of RFQ</b>	30 <sup>th</sup> August 2018
<b>Sanedi Contact</b>	All enquiries and RFQ submissions must be directed to :  Name: Ms. Fikile Manganyi Tel: 011 038 4416 e-mail address: <a href="mailto:enquiries.procurement@sanedi.org.za">enquiries.procurement@sanedi.org.za</a> Website address: <a href="http://www.sanedi.org.za">www.sanedi.org.za</a>
<b>Closing date</b>	6 <sup>th</sup> September 2018 at <a href="mailto:491.procurement@sanedi.org.za">491.procurement@sanedi.org.za</a>
<b>Work specification (and Technical specifications)</b>	<p><b>Project Background</b></p> <p>The South African National Development Institute (SANEDI) is a State Owned Company, having established in terms of the National Energy Act (Act 34 of 2008), and operates from its offices situated at Upper Grayston Office Park, Ann Crescent, Strathavon Sandton, Johannesburg.</p> <p>In January 2014, a business plan was developed between the Department of Energy and the South African National Development Institute. This plan set out the objectives and aspiration of the formally established European Union Donor Funded Smart Grids Programme. The implementation of the programme kicked-off in September 2014 and formally closed on the 30<sup>th</sup> of March 2018. Ten municipalities spread across South Africa were selected by the Department of Energy to participate in this programme.</p> <p>The Municipalities of Govan Mbeki and Nala were selected as two of the project participants on the EU Donor Funded Smart Grids Programme. Both municipalities had resolved to take part in the pilot project in order to address their revenue challenges, reduce operating and maintenance costs and ensure business sustainability. Smart metering technology is seen as a way to curb electricity losses from inefficient distribution and help local authorities monitor and control electricity supplied within its local grid.</p> <p>Guided by the requirements of the PFMA, MFMA, the Municipal Systems Act, the Government Immovable Asset management Act (GIAMA) and the National Infrastructure Maintenance Strategy (NIMS), the MFMA places a duty on Accounting officers for the management of all the assets of the municipality, including the safeguarding and maintenance of those assets; MFMA 96 (1) (a).</p> <p>The new technology infrastructure will form an integral part of the municipal assets and therefore, the assessment and status of the project is crucial to ascertain that the</p>

municipality has kept to the strategic objectives as described in the Annexure A (Scope of Work) of the Collaboration Agreement between the Municipality and the South African National Energy Development Institute (SANEDI).

## **1. PROFILE OF PARTICIPATING MUNICIPALITY**

**Govan Mbeki Municipality (GMM)** is one of 10 municipalities participating in the EU Donor Funded Smart Grid Programme. Govan Mbeki Municipality is situated in the Gert Sibande District Municipality, of Mpumalanga. A R10 million grant was made available through DoE/SANEDI to pilot a Revenue Enhancement project, with a matching portion of R10 million pledged by the municipality.

**Nala Local Municipality (NLA)** is one of 10 municipalities participating in the EU Donor Funded Smart Grid Programme. Nala Local Municipality is situated in the Lejweleputswa District of the Free State. A R10 million grant was made available through DoE/SANEDI to pilot a Revenue Enhancement project, with a matching portion of R10 million pledged by the municipality.

SANEDI as implementation agency to the Department of Energy centrally managed these 2 municipalities (Govan Mbeki and Nala) would like to carry out an **“External Audit** of 2 projects within the participating municipalities.

## **2. AUDIT OBJECTIVE**

The objective of the External Audit of these projects is to enable the auditor to express an independent professional opinion on the financial position of both “Revenue Enhancement projects” in particular to confirm that the reported expenditure has, in all material respects, been used in conformity with the provisions of the primary contract, including any amendments thereto as contained in implementation reports, and any applicable guidelines in force and applicable to the audit scope.

To also confirm that the Financial Statements agree with the Project accounts (books of account) which provide the basis for preparation of the Financial Statements and are established to reflect the financial transactions in respect of the Project, as maintained by the Govan Mbeki local Municipality and Nala Local Municipality and their relevant service providers.

To also confirm that the Financial Statements agree or reconcile with any other information reported to SANEDI.

## **3. AUDIT SCOPE AND PERFORMANCE**

The External Audit will be carried out in accordance with international standards of auditing. It will include such tests and controls as the auditor considers necessary including any visits to the project site. Representative sampling may be used as the auditor considers necessary. This exercise is required to give full and satisfactory audit

discharge to the project expenditure from September 2014 to March 2018. Specific focus will be:

**Scope of the Audit:**

- I. Verify all the EU Donor funds have been used in accordance with the established rules and regulations of the contract, municipality and only for the purposes for which the funds were provided.
- II. Goods, works and services financed have been procured in accordance with the established rules and procedures of the MFMA.
- III. Appropriate supporting documents, records and books of accounts relating to all activities have been kept. Clear linkages should exist between the books of accounts and the financial statements presented.
- IV. Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal control system to monitor expenditures and other financial transactions with regards the Revenue Enhance Project and the terms of the Collaboration Agreement.

**Conclusion and statement**

The formulation of the auditor's conclusion and statement shall be unambiguous, clear, and comprehensible.

**4. CONTRACT PERIOD**

The final audit report, including a memorandum of examination (management letter), must be submitted no later than 4 months following the commencement of the audit.

**5. DELIVERABLES**

- The auditors on completion of the audit work to submit 3 (three) original copies of the Audit report appended to the Project financial statements with conclusion and statement.
- Management letter which the audit findings that are summarized and prioritized.
- The Audit report and Management letter will be issued to SANEDI

**Minimum requirements**

- Company must be a registered member of The South African Institute of

	Chartered Accountants (SAICA) and The Institute of External Auditors (IIA SA)																								
<b>Required qualifications and experience (Technical Evaluation Criteria)</b>	<p><b>Criteria</b></p> <table border="1" data-bbox="480 470 1588 1881"> <tr> <td colspan="4" data-bbox="480 470 1588 527"><b>Minimum Technical Threshold 70 %</b></td> </tr> <tr> <td colspan="4" data-bbox="480 527 1588 583"><b>Technical Evaluation Criteria</b></td> </tr> <tr> <th data-bbox="480 583 886 716"><b>Technical Information</b></th> <th data-bbox="886 583 1146 716"><b>Proof of Document</b></th> <th data-bbox="1146 583 1398 716"><b>Scoring Allocation (Scale 1-10)</b></th> <th data-bbox="1398 583 1588 716"><b>Weighting Percentage</b></th> </tr> <tr> <td data-bbox="480 716 886 1129"> <b>Experience of company in External Auditing</b> of projects and programmes within municipalities.  (Provide relevant references) </td> <td data-bbox="886 716 1146 1129"> Reference Letters   3 reference letters  2 reference letters  1 reference letter </td> <td data-bbox="1146 716 1398 1129"> 3 or more reference letters =10  2 reference letters = 6  1 reference letter = 3  0 reference letter = 0 </td> <td data-bbox="1398 716 1588 1129"> 50% </td> </tr> <tr> <td data-bbox="480 1129 886 1415"> <b>Partner's experience in External Auditing of projects and programmes,</b> who will sign-off the audit report. </td> <td data-bbox="886 1129 1146 1415"> Curriculum Vitae (CV) </td> <td data-bbox="1146 1129 1398 1415"> &gt;5 years' experience =10  &gt;3 but &lt;5 years' experience =6  Up to 3 years' experience=2 </td> <td data-bbox="1398 1129 1588 1415"> 25% </td> </tr> <tr> <td data-bbox="480 1415 886 1881"> <b>Combined experience of External Audit team</b> (Exclusive of the partner) in financial auditing of projects and programmes (CV's of the audit team) </td> <td data-bbox="886 1415 1146 1881"> Curriculum Vitae   &gt;5 years combined experience  &gt;3 but &lt;5 year combined experience  Up to 3 years' experience </td> <td data-bbox="1146 1415 1398 1881"> &gt;5 years' experience =10  &gt;3 but &lt;5 years' experience =6  Up to 3 years' experience=2   No experience=1 </td> <td data-bbox="1398 1415 1588 1881"> 25% </td> </tr> </table>	<b>Minimum Technical Threshold 70 %</b>				<b>Technical Evaluation Criteria</b>				<b>Technical Information</b>	<b>Proof of Document</b>	<b>Scoring Allocation (Scale 1-10)</b>	<b>Weighting Percentage</b>	<b>Experience of company in External Auditing</b> of projects and programmes within municipalities.  (Provide relevant references)	Reference Letters  3 reference letters 2 reference letters 1 reference letter	3 or more reference letters =10 2 reference letters = 6 1 reference letter = 3 0 reference letter = 0	50%	<b>Partner's experience in External Auditing of projects and programmes,</b> who will sign-off the audit report.	Curriculum Vitae (CV)	>5 years' experience =10 >3 but <5 years' experience =6 Up to 3 years' experience=2	25%	<b>Combined experience of External Audit team</b> (Exclusive of the partner) in financial auditing of projects and programmes (CV's of the audit team)	Curriculum Vitae  >5 years combined experience >3 but <5 year combined experience Up to 3 years' experience	>5 years' experience =10 >3 but <5 years' experience =6 Up to 3 years' experience=2  No experience=1	25%
<b>Minimum Technical Threshold 70 %</b>																									
<b>Technical Evaluation Criteria</b>																									
<b>Technical Information</b>	<b>Proof of Document</b>	<b>Scoring Allocation (Scale 1-10)</b>	<b>Weighting Percentage</b>																						
<b>Experience of company in External Auditing</b> of projects and programmes within municipalities.  (Provide relevant references)	Reference Letters  3 reference letters 2 reference letters 1 reference letter	3 or more reference letters =10 2 reference letters = 6 1 reference letter = 3 0 reference letter = 0	50%																						
<b>Partner's experience in External Auditing of projects and programmes,</b> who will sign-off the audit report.	Curriculum Vitae (CV)	>5 years' experience =10 >3 but <5 years' experience =6 Up to 3 years' experience=2	25%																						
<b>Combined experience of External Audit team</b> (Exclusive of the partner) in financial auditing of projects and programmes (CV's of the audit team)	Curriculum Vitae  >5 years combined experience >3 but <5 year combined experience Up to 3 years' experience	>5 years' experience =10 >3 but <5 years' experience =6 Up to 3 years' experience=2  No experience=1	25%																						

		Total		100%								
		Technical Threshold		70%								
<b>Preferential Point system</b>	<p><b>The Bid will be evaluated on 80/20 Preferential Point System according to the Preferential Procurement Policy Framework Act,2000</b></p> <p>The points scored out of 80 should be calculated according to the following formula:</p> <p>(i) The 80/20 preference point system</p> $Ps = 80 \left( 1 - \frac{Hs - Rs}{Rs} \right)$ <p>where  Ps = points scored for functionality and price of the bid/proposal under consideration  Hs = highest percentage scored by any acceptable bidder for functionality and price  Rs = percentage scored for functionality and price by bid/proposal under consideration</p>											
<b>The maximum score</b>	<p>The maximum score for this bid shall be awarded as follows:</p> <table border="1"> <thead> <tr> <th>POINTS</th> <th>PRICE</th> </tr> </thead> <tbody> <tr> <td>BBBEE Status level of Contribution</td> <td>20</td> </tr> <tr> <td>Points for price</td> <td>80</td> </tr> <tr> <td><b>Total points for price and BBBEE do not exceed</b></td> <td><b>100</b></td> </tr> </tbody> </table>				POINTS	PRICE	BBBEE Status level of Contribution	20	Points for price	80	<b>Total points for price and BBBEE do not exceed</b>	<b>100</b>
POINTS	PRICE											
BBBEE Status level of Contribution	20											
Points for price	80											
<b>Total points for price and BBBEE do not exceed</b>	<b>100</b>											
<b>Terms and Conditions</b>	<p>The RFQ shall be subjected to the SANEDI procurement terms and conditions which can be found on <a href="http://www.sanedi.org.za">www.sanedi.org.za</a>.</p> <p>New suppliers are requested to apply for registration as suppliers on the database as no RFQs will be considered without suppliers firstly being registered on the supplier database.</p>											
<b>Quoted Price excluding Disbursements VAT inclusive</b>	(Attach a formal quotation on company official letterhead to this RFQ)											
	R											
<b>Discounted amounts Disbursements VAT inclusive</b>	R											
	R											
<b>Total Amount VAT inclusive</b>	R											
<b>Other Requirements</b>	<p>The supplier must submit the following returnable schedules:</p> <ol style="list-style-type: none"> <li>1. Pricing schedule</li> <li>2. Attach SBD9, SBD 4 and BBBEE Bid Declaration</li> <li>3. Attach valid tax clearance</li> <li>4. Certified BBBEE certificate</li> </ol> <p>Forms are available on <a href="http://www.sanedi.org.za">www.sanedi.org.za</a></p>											

**SBD 4: Bidder's Declaration of Interest**

	<p>Any legal person, including persons employed by the state, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favoritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where</p> <ul style="list-style-type: none"> <li>- the bidder is employed by the state; and/or</li> <li>- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.</li> </ul>
	<p><b>In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.</b></p>

<b>COMPANY &amp; REPRESENTATIVE DETAILS</b>	
Full Name of bidder or his or her representative	
Identity Number	
Position occupied in the Company (director, trustee, shareholder, member):	
Registration number of company, enterprise, close corporation, partnership agreement or trust	
Tax Reference Number	
VAT Registration Number	

<b>DECLARATIONS</b>	<b>YES</b>	<b>NO</b>
---------------------	------------	-----------

	Are you or any person connected with the bidder presently employed by the state?		
	If so, furnish the following particulars:  Name of person / director / trustee / shareholder/ member		
	Name of state institution at which you or the person connected to the bidder is employed :		
	Position occupied in the state institution		
	Any other particulars:		
	If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?		
	If yes, did you attach proof of such authority to the bid document?  <u>(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.</u>		
	If no, furnish reasons for non-submission of such proof:		
	Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?		
	If so, furnish particulars:		



	Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?		
	If so, furnish particulars:		
	Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies  Wither or not they are bidding for this contract?		
	If so, furnish particulars:		

<b>Full details of directors / trustees / members / shareholders.</b>			
The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in the table below.			
<b>Full Name</b>	<b>Identity Number</b>	<b>Personal Income Tax Reference Number</b>	<b>State Employee Number / Persal Number</b>


“State” means –

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

”Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

**DECLARATION OF INTEREST**

I, the undersigned (name).....

Certify that the information furnished in this declaration is correct and I accept that SANEDI may reject the bid or act against me should this declaration prove to be false.

Name of Enterprise Bidding: .....

Name of Authorised Representative .....

Signature of Authorised Bidder .....

Date .....

## **SBD 9: Certificate of Independent Bid Determination**

I, the undersigned, in submitting the accompanying bid for .....  
in response to the invitation for the bid made by SANEDI do hereby make the following  
statements that I certify to be true and complete in every respect:

I therefore certify, on behalf of ..... that I  
have read and I understand the contents of this Certificate;

1. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
2. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
3. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
4. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
5. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium will not be construed as collusive bidding.
6. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.

7. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
8. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
9. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

Name of Enterprise Bidding: .....

Name of Authorised Representative .....

Signature of Authorised Bidder .....

Date .....

**B-BBEE Bid Declaration**

Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:		
<b>B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED</b> (Points claimed for BBEE must be substantiated by means of a certified B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).	<b>Points Claimed</b>  .....	
<b>SUB-CONTRACTING</b>	<b>YES</b>	<b>NO</b>
Will any portion of the contract be sub-contracted?		
If yes, indicate: what percentage of the contract will be subcontracted?	%	
the name of the sub-contractor?		
the B-BBEE status level of the sub-contractor?		
is the sub-contractor an EME?		

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

Certify that the B-BBEE information furnished on this declaration form is true and correct and attach a current broad-based black economic empowerment certificate as verified by an accredited agency.

i accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

Name of Enterprise Bidding: .....

Name of Authorised Representative .....

Signature of Authorised Bidder .....

Date .....