



Request for Quotation for Assessment, Verification and Investigation of Irregular, Fruitless and Wasteful Expenditure

RFQ# NLM/BTO/R-AVIIFW/2022/2023

CLOSING DATE : 17 APRIL 2023
CLOSING TIME : 12: 00 PM

COMPANY (BIDDER) NAME.....

CONTACT PERSON.....

CONTACT NUMBER.....

BID PRICE (All Inclusive).....

CSD NUMBER.....



NTABANKULU LOCAL MUNICIPALITY

Erf no 85 Main Street

Ntabankulu, 5130

P.O. Box 234

Ntabankulu, 5130

Tel: 039 258 0056

Fax: 039 258 0173

E-mail: mdudio@ntabankulu.gov.za

REQUEST FOR QUOTATION (RFQ): ASSESSMENT, VERIFICATION, AND INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

NTABANKULU LOCAL MUNICIPALITY is calling upon service providers to bid for the

Assessment, Verification and Investigation of Irregular, Fruitless and Wasteful Expenditure

Please furnish all information as requested and return your quotation on the date stipulated.

Late and incomplete submissions will invalidate the quotation submitted.

Late and incomplete submissions will invalidate the quotation submitted.

ADVERTISEMENT DATE	05 April 2023
RFQ NUMBER	NLM/BTO/R-AVIIFW/2022/2023
DESCRIPTION OF GOODS/SERVICE	ASSESSMENT, VERIFICATION, AND INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE
CLOSING DATE AND TIME:	17 April 2023 AT 12H00
ENQUIRIES	071 273 8746/ vennx@ntabankulu.gov.za – Mrs. X.N Venn Technical Enquiries or 082 786 0772 /mdudio@ntabankulu.gov.za O. Mdudi-SCM Related,

Quotations above R30 000 will be evaluated on the basis of the 80:20 point system as stipulated in the Preferential Procurement Policy Framework Act (Act number 5 of 2000) & the Ntabankulu Local Municipality's Supply Chain Management Policies and Procedure.



List of Compulsory Returnable Documents that form part of the this Bid/Quote document:

1.	Invitation to Bid	MBD 1
2.	SARS Tax Pin number Certificate to be attached	MBD 2
3.	Pricing Schedule – Firm Prices (Purchases)	MBD 3.1
4.	MBD 4: Declaration of Interest	MBD 4
5.	Preference Points Claim form in Terms of the Preferential Procurement Regulations 2022	MBD 6.1
6.	Declaration of Bidders Past Supply Chain Management Practice	MBD 8
7.	Certificate of Independent Bid Determination	MBD 9
8.	Proof for claiming Points for Specific goals: <ul style="list-style-type: none"> • BBBEE or Sworn Affidavit • Centralized Supplier Database (CSD) Report clearly showing ownership of the company. • Proof of Disability and/or Military Veteran 	
9.	Original Certified ID Copy/s of all company directors	
10.	Rates Clearance for both company and director or proof stating that the company and director do not own property within urban area (affidavit or lease agreement)	
11.	Centralized Supplier Database (CSD) Report clearly showing ownership of the company.	
12.	Signed Quotation valid for 90 Days (validity must be indicated on the quotation or MBD 3.1)	

NB: No quotations will be considered from persons in the service of the state
 PLEASE NOTE THAT NOT SUBMITTING THE COMPULSORY DOCUMENTS MAY LEAD TO
 DISQUALIFICATION ON COMPULSORY REQUIREMENTS.

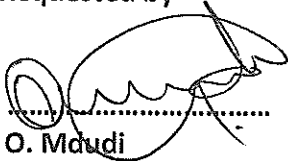
Specification:

- Specification is attached

CONDITIONS

1. All goods or services purchased will be subject to Ntabankulu Local Municipality SCM Policy and Procedures. A copy of said conditions is available from the SCMU office.
2. All purchases will be made through an official order form. Therefore no goods must be delivered or services rendered before an official order has been forwarded to and accepted by the successful bidder.
3. To participate in the Ntabankulu Local Municipality Quotation process for the procurement of goods and/or services, vendors are advised to be accredited and registered on the Ntabankulu Local Municipality Supplier Database.
4. All prices quoted must be inclusive of Value Added Tax (VAT). Suppliers who are not registered for VAT will be treated as Non VAT Vendors.
5. Prices quoted must include delivery charges and goods must be delivered to the address indicated on the quotation page.
6. All prices submitted must be firm. "Firm" prices are deemed to be fixed prices.
7. Quantities are given in good faith and without commitment to the Ntabankulu Local Municipality. The Municipality reserves the right to increase or reduce the quantity to be in line with the set threshold for quotations prescribed in the SCM Policy.
8. Submission of a Quotation can be dropped in a box clearly marked "**ASSESSMENT, VERIFICATION AND INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**" at the reception at Ntabankulu Local Municipality, in Ntabankulu ERF 85, Main Street.
9. THE NTABANKULU LOCAL MUNICIPALITY DOES NOT TAKE RESPONSIBILITY FOR ANY QUOTATIONS DEPOSITED IN THE WRONG BOX.

Requested by



O. Mdudi
SCM Manager

Recommended by



X.N. Venn
CFO

Approved by



M. Pinyana
Acting Municipal Manager



INVITATION TO BID

**INTERESTED SERVICE PROVIDERS ARE HEREBY INVITED TO SUBMIT QUOTES FOR:
ASSESSMENT, VERIFICATION, AND INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL
EXPENDITURE**

RFQ NO: NLM/BTO/R-AVIIFW/2022/2023

CLOSING DATE: 17 April 2023
CLOSING TIME: 12:00 PM

Quotation documents must be deposited in the tender box situated at Ntabankulu Local Municipality not later than 12:00 pm on the **17 April 2023**. Bidders should ensure that quotes are delivered timeously to the correct address. If the Quote is late, it will not be accepted for consideration.

THE FOLLOWING PARTICULARS MUST BE FURNISHED (FAILURE TO DO MAY RESULT IN YOUR QUOTE BEING DISQUALIFIED)

Name of Bidder		
Postal address		
Street address		
Telephone Number	Code	Number
Cell phone Number	Code	Number
Facsimile Number	Code	Number
Email address		
Vat Registration Number		

Has an original tax clearance certificate been submitted	Yes/No
Are you the accredited representative in South Africa for the good/services offered?	Yes/No (IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER	
DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED	
TOTAL BID PRICE	

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder..... Bid Number: **NLM/BTO/R-AVIIFW/2022/2023**
 Closing Time: **12H00** Closing Date: **17 APRIL 2023**

OFFER TO BE VALID FOR...90...DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED) R.....
-	Required by:		Ntabankulu Local Municipality
-	At:		..... .....
-	Brand and Model		.....
	Country of Origin		.....
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)		.....
-	Period required for delivery		..... *Delivery: Firm/Not firm
-	Delivery basis		.....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

*Delete if not applicable

DECLARATION OF INTEREST

- 1. No bid will be accepted from persons in the service of the state¹.
- 2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number:
.....

3.3 Position occupied in the Company (director, trustee, hareholder²):.....

3.4 Company Registration Number:

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....
..

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months?YES / NO

3.9.1 If yes, furnish particulars.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.10.1 If yes, furnish particulars.
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? YES / NO

3.11.1 If yes, furnish particulars
.....
.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.12.1 If yes, furnish particulars.
.....
.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state? YES / NO

3.13.1 If yes, furnish particulars.
.....
.....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. YES / NO

3.14.1 If yes, furnish particulars:
.....
.....

4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL
PROCUREMENT REGULATIONS 2022**

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) The 80/20 preference point system will be applicable in this tender. The lowest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
(b) Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”**
means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or } Ps = 90 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \text{ or } Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Business owned by =>50% black people		7		
Business owned by <50% black people		3		
Business owned by =>50% women		2		
Business owned by <50% women		1		
Business owned by =>50% Youth (age <= 35 years on the closing date)		3		
Business owned by <50% Youth (age >35 years on the closing date)		1		
Business owned by People with Disability / Military veteran		2		
Small Enterprise (SMME Category – QSE/EME		3		
Promoting Locality - Business located within Ntabankulu		3		
Promoting Locality - Business located in Alfred Nzo District		1		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:
.....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

	..... SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:	.....
DATE:	.....
ADDRESS:	..... ..... .....

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers and or in Ntabankulu Local Municipality as companies or persons prohibited from doing business with the public sector or with the municipality?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN
AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

NLM/BTO/AVIIFW/2022/2023, ASSESSMENT, VERIFICATION AND INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

(Bid Number and Description)

in response to the invitation for the bid made by:

Ntabankulu Local Municipality

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. 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;
5. 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

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 consortium³ 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.
10. 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.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

³ Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.



TERMS OF REFERENCE

**ASSESSMENT, VERIFICATION AND INVESTIGATION OF IRREGULAR,
FRUITLESS AND WASTEFUL EXPENDITURE
EXPENDITURE AS AT 30 JUNE 2023**

1. BACKGROUND

Ntabankulu Local Municipality, incurred irregular expenditure through non-adherence to the Municipal Finance Management Act no.56 of 2003, the Municipal Supply Chain Management regulations, the CIDB regulations the actual Municipal Supply Chain Management Policy. The irregular expenditure relates to the years dating back from 2020/2021 financial year and it has accumulated in amount and in instances of occurrence.

Also the Municipality has incurred fruitless and wasteful expenditure relating to late payment of accounts and SARS penalties, but the major contributor of the interest paid in the Litigation by SAMWU Provident fund which related to events in 2013 where Municipal employees transferred their membership to Municipal Employees Pension fund. This resulted into a litigation that led to the Municipality and Municipal Employees Pension Fund losing the case and becoming jointly liable for Capital Contributions and Interests. (Details of litigation documents are available at the Municipality)

This document serves as Terms of Reference for the review of Irregular Expenditure, Fruitless and wasteful expenditure as contemplated in terms of Local Government: Municipal Finance Management Act. 2003 Section 32.

Irregular Expenditure refers to the use of municipal funds that is in contravention of the following legislation:

- Municipal Finance Management Act, Act 56 of 2003 and its regulations;
- Municipal Systems Act, Act 32 of 2000 and its regulations;
- The municipality's Supply Chain Management Policy and any by-laws giving effect to that policy

Fruitless and wasteful expenditure is the **expenditure made in vain**, and would have been avoided had reasonable care been exercised, as defined by the MFMA.

In order to achieve completeness of treatments for the **Irregular expenditure**, the municipality seeks the services of a Bidder that will do an independent assessment on the procedures followed, value for money and whether it is justifiable and recommend to the MPAC whether there was value for money created in terms of the goods or services rendered or there was clear financial misconduct so that the recommendations to Council can be made clear.

With regards to fruitless and wasteful expenditure, an independent investigation will assist to identify if due care was not exercised, and if there is somebody who is liable for the fruitless and wasteful expenditure incurred so that the recommendations to the MPAC and the Financial misconduct board can be clear in order to advise Council of the steps to be taken to recover or write off the expenditure.

2. SCOPE OF WORK

2.1 IRREGULAR EXPENDITURE

- 2.1.1** To review and report on the root cause of all irregular expenditure incurred regarding the irregular expenditure incurred. This includes checks and balances for completeness and accuracy of the register for irregular expenditure incurred.
- 2.1.2** Review the circumstances surrounding non – compliance that resulted in irregular; expenditure and conclude if justifiable;
- 2.1.3** To review and confirm if the breach was in good faith or intentional financial misconduct.
- 2.1.4** Based on the facts revealed by the review; confirm whether the Municipality received value or suffered any loss;
- 2.1.5** Conclude that; where the Municipality:-
 - i. Received value and suffered no loss, that a claim against the official concerned would not succeed and that no further steps be taken, or
 - ii. Received no value and suffered loss, that a claim against the official for the recovery of such loss be instituted and
- 2.1.6** Report to the Municipal Public Accounts Committee with recommendations in line with Municipal Finance Management Act Circular 68.
- 2.1.7** To give an opinion of irregular expenditure that is disclosed on the register whether it is not over or under stated, especially the irregular expenditure relating to Appointed Panels.
- 2.1.8** To have a dedicated team and leader for the irregular expenditure

2.2 FRUITLESS AND WASTEFUL EXPENDITURE

- 2.2.1** To review all legal literature and all documentation available regarding the SAMWU Matter to identify any instances of negligence or financial misconduct.
- 2.2.2** To advise on the options available to recover the fruitless and wasteful expenditure incurred and recovery strategies than can be used by the Municipality to recover the loss
- 2.2.3** To advise, conclusively in terms of person/s that is liable for the fruitless and wasteful expenditure
- 2.2.4** To advise, if the fruitless and wasteful expenditure is recoverable or not
- 2.2.5** To report to the Municipal Public Accounts Committee on the findings with clear recommendations that can be tabled to Council.
- 2.2.6** To have a dedicated team and leader for the irregular expenditure

3. QUALIFICATIONS

- 3.1** The bidder's firm must have been in existence for more than 2years.
- 3.2** The bidder must be an Accounting Firm that has experience in Auditing and Financial Reporting
- 3.3** The project Team must be led by a qualified Chartered Accountant (CA) fully employed or assisting the Bidder in order to ensure quality assurance on this project.

4. DURATION

A detailed program of implementation must be submitted with clear time frames and milestones to be achieved. Milestones must be broken down into weekly activities. The project must be concluded within a period of 2 months from the date of appointment.

5. OUTCOME

After this independent assessment the expected outcomes are:

- 5.1 Proper analysis and characterization of the irregular expenditure, and fruitless and wasteful expenditure
- 5.2 The examination of the institutional capacity that will enable the municipality to navigate away from similar irregular, fruitless and wasteful expenditure in the future.
- 5.3 The proper implementation of Circular 68.
- 5.4 A detailed situational analysis on implementation of Regulation 32 and Regulation and Regulation 36
- 5.5 A comprehensive report with clear recommendations relating to write off and consequence management where misconduct has been identified.

6. PROPOSAL SUBMISSION REQUIREMENTS

6.1 List of Contents

All proposals must cover the following aspects of importance:

6.1.1 A Detailed Company Profile

Including brief history, field of expertise, staff resources, a proven track record of conducting Auditing with a CV for the personnel that will be dealing with the project.

6.1.2 Proposed Methodology

Bidder must compile a detailed methodology that will address Project initiation, project management, project milestones, time management, quality assurance and clear outcomes with specific time frames.

6.1.3 Mandatory Documents to be submitted

A proposal will not be considered unless the Bidder furnishes the Ntabankulu Local Municipality with the duly completed documents mentioned below. In the event that a proposal is submitted by a consortium/joint venture, each party, consultant and or sub-contractor of such consortium/joint venture must complete each of the documents mentioned below:-

- i) Company Profile with detailed organogram
- ii) MBD 4,8 & 9
- iii) Tax Certificate/ Pin from SARS
- iv) Proof of Rates not outstanding for more than 3 months or a valid lease agreement from the property owner

- v) Certified ID copies
- vi) Certified CK Document
- vii) NB: All certification must be not more than 3 months.
- viii) Evaluation criteria is 80/20 where 80 will be for points and 20 for Specific Goals
- ix) The consortium submitting the proposal must declare any conflict of interests that it may have.
- x) Successful bidders will need to be prepared to commence work within 5 days from the date of appointment.
- xi) Failure to comply with these conditions will result in the invalidation of the proposal and subsequent expulsion/termination from the process.
- xii) The guidelines contained in the Ntabankulu Local Municipality Supply Chain Management policy will apply.

7. EVALUATION CRITERIA

Bids will be evaluated using 80/20 evaluation criteria where 80 points will be allocated for price and 20 points for specific goals.

With regard to functionality the following criteria will be applicable and the maximum points of each criterion are indicated in brackets.

Criteria	Points
Clear company profile, with clear address/s Project team members with CV's and certified copies of qualifications attached (Including a registered Chattered Accountant)	40
Relevant experience with contactable references (attach certified copy/ies of appointment letters, certified reference letters or Completion certificates):	30
5 appointment Letters	30
3-4 Appointment Letter	15
1-2 Appointment letter	10
Detailed work plan with clear targets	30
Total	100

A bidder that scores less than 70 points out of 100 in respect of "functionality" will be regarded as submitting a non-responsive quote and will be disqualified and will be not evaluated for price.

Specific Goals will be evaluated as per the advert.

8. SUBMISSION OF BIDS

Bids are to be submitted in a tender box situated at ERF 85, Main Street, Ntabankulu Local Municipality.

- All submissions must be clearly marked: "INVESTIGATION OF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AS AT 30 JUNE 2023" and be addressed for the attention of the Acting Municipal Manager, M Pinyana submissions must be hand delivered to the Municipal Offices, Erf 85 Main Street, Ntabankulu

NTABANKULU LOCAL MUNICIPALITY reserves the right not to accept the lowest tender or any tender. Late, incomplete, telegraphic, or facsimile tenders will not be considered. The Council is not bound to accept the lowest or any proposal and reserves the right to accept the whole or part of the proposal any tender or to furnish reasons for its decisions.

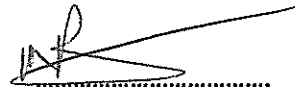
Further enquiries should be directed to X. Venn on 039 258 2452/071 273 8746 or vennx@ntabankulu.gov.za or Mr. O. Mdudi on 039 258 0314/082 786 0772 or mdudio@ntabankulu.gov.za during office hours i.e. between 08h00 and 16h30.

Recommended by:



.....
X.N.Venn
CFO

Approved by:



.....
M. Pinyana
Acting Municipal Manager