



MOGALAKWENA LOCAL MUNICIPALITY

DIVISION : OFFICE OF THE CHIEF FINANCIAL OFFICER

BID DESCRIPTION : FINANCIAL MANAGEMENT TURNAROUND
AND OPERATION CLEAN AUDIT

BID NUMBER : 17-2018/19

NAME OF BIDDER :

CSD NUMBER :

ADDRESS :

TELEPHONE NUMBER:.....

CELLPHONE NUMBER:.....

E-MAIL ADDRESS :

BID AMOUNT : QUALITY BASED SELECTION

CLOSING DATE : 03 DECEMBER 2018

CLOSING TIME : 12 PM

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SECTION 1

1.1 PRICING SUMMARY (RATES BASED)



**TENDER: FINANCIAL MANAGEMENT TURNAROUND AND
OPERATION CLEAN AUDIT**

TENDER NUMBER: 17-2018/2019

TENDERER NAME:

PROJECT TEAM	RATE/ HOUR
1.	
2.	
3.	
4.	
5.	

NB: THE PROJECT TEAM MUST BE DESCRIBED BY POSITIONS AND THE RATES FOR EACH OF THE POSITIONS

ESTIMATED ESCALATION %: YEAR 2 _____, YEAR 3 _____

SIGNATURE:

DATE:

SECTION 2

2.1 INVITATION TO TENDER



TENDER NOTICE AND INVITATION TO TENDER

CLOSING TIME & DATE: 03 DECEMBER 2018 @12:00

Mogalakwena Local Municipality hereby invites suitably qualified service providers to tender for the below mentioned project.

The details of the project is as follows:

No:	Project Name	Tender Number	Compulsory Briefing Session	Enquiries
1.	Financial Management Turnaround and Operation Clean Audit.	17-2018/19	Yes	Mathibe B 015 491 9701 074 348 0142 Mathibeb@mogalakwena.gov.za

Mogalakwena Municipality will evaluate, adjudicate and award the bids in accordance with the PPPFA of 2017 and Mogalakwena Supply Chain Management Policy.

BID DOCUMENTS CONTAINING THE CONDITIONS OF BIDS AND REQUIREMENTS CAN BE DOWNLOADED ON E-TENDERS PUBLICATION PORTAL AT www.etenders.gov.za for free and also on www.mogalakwena.gov.za.

Official and compulsory briefing meeting will be held on Wednesday 21st of November 2018 at 10h00 in the Old Council Chamber, Civic Centre, 54 Retief Street, Mokopane, 0669.

The respective project name with the project number must be clearly marked on the envelope before submission.

Complete tender documents, fully priced, signed and sealed in an envelope must be deposited in the Tender Box at Mogalakwena Municipality, 54 Retief Street, Mokopane, by no later than **12H00 on 03 DECEMBER 2018** for the above project where all tenders received will be opened in public in the Old Council Chamber, on the Ground Floor.

No late, faxed, telegraphic, emailed and telephonic tenders will be accepted. The council also reserves the right to negotiate further conditions and requirements with the successful tenderer.

NB* Service providers should take note that no bid/service will be awarded to a service provider who is not registered and valid on Web Based Central Service provider Database (CSD).

Enquiries related to this tenders must be addressed to Deputy Manager Finance, Mathibe B on 074 348 0142.

The Municipality does not bind itself to accept the lowest or any tender and reserves the right to accept any tender or any part thereof, which may result in the acceptance of more than one tender, whichever the case may be.

**MALULEKA K
ACTING MUNICIPAL MANAGER
54 RETIEF STREET
MOKOPANE
0601
NOTICE NUMBER:130 /2018**

2.2 TENDER CONDITIONS AND INFORMATION

2.2.1 Project Scope

- (a) Review of policies and policies
- (b) Implementation of audit turnaround plan (assistance in clearing audit issues)
- (c) Preparation of annual financial statements
- (d) Assistance in monthly account reconciliations and reporting
- (e) Contract management

2.2.2 Acceptance or Rejection of a Tender

The Municipality reserves the right to withdraw any invitation to tender and/or to re-advertise or to reject any tender or to accept a part of it. The Municipality does not bind itself to accepting the lowest tender or the tender scoring the highest points.

2.2.3 Validity Period

Bids shall remain valid for 90 (ninety days) days after the tender closure date.

2.2.4 Cost of Tender Documents

The tender document will be available for free on www.etenders.gov.za and also on www.mogalakwena.gov.za

2.2.5 Completion of Tender Documents

- (a) The original tender document must be completed fully in black ink and signed by the authorised signatory to validate the tender. Section 5: DECLARATION must be completed and signed by the authorised signatory and returned. Failure to do so will result in the disqualification of the tender.
- (b) Tender documents may not be retyped. Retyped documents will result in the disqualification of the tender.
- (c) The complete original tender document must be returned. Missing pages will result in the disqualification of the tender.
- (d) No unauthorised alteration of this set of tender documents will be allowed. Any unauthorised alteration will disqualify the tender automatically. Any ambiguity has to be cleared with contact person for the tender before the tender closure.

2.2.6 Compulsory Documentation

2.2.6.1 Tax Clearance Certificate

1. The taxes of the successful bidder **must** be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form “Application for Tax Clearance Certificate (in respect of bidders)”, must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of six (6) months from date of issue. This Tax Clearance Certificate must be submitted together with the bid. Failure to submit a **Valid** Tax Clearance Certificate **may** invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Clearance Certificate. Copies of the Application for Tax Clearance Certificates are available at any Receiver’s Office.

2.2.7 Other Documentation

2.2.7.1 Municipal Rates, Taxes and Charges

(a) A certified copy of the bidder’s and those of its directors municipal accounts (for the Municipality where the bidder pays his account) for the month preceding the tender closure date must accompany the tender documents. If such a certified copy does not accompany the bid document of the successful bidder, the Municipality reserves the right to obtain such documents after the closing date to verify that their municipal accounts are in order.

(b) Any bidder which is or whose directors are in arrears with their municipal rates and taxes or municipal charges due to any Municipality or any of its entities for more than three months and have not made an arrangement for settlement of same before the bid closure date will be unsuccessful.

(c) If a bidder rents their premises, proof must be submitted that the rental includes their municipal rates and taxes or municipal charges and that their rent is not in arrears.

2.2.8 Authorised Signatory

(a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder’s behalf must be attached to the Bid Document on submission of same.

(b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder.

(c) If such a copy of the Resolution does not accompany the bid document of the successful bidder, the Municipality reserves the right to obtain such document after the closing date to verify that the signatory is in order. If no such document can be obtained within a period as specified by the Municipality, the bid will be disqualified.

2.2.9 Submission of Tender

(a) The tender must be placed in a sealed envelope, or envelopes when the two-envelope system is specified, clearly marked with the tender number, title as well as closing date and time and placed in the tender box at the Municipality by not later than 12:00 on Monday, 03 December 2018.

(b) Faxed, e-mailed and late tenders will not be accepted. Tenders may be delivered by hand or by courier at the bidder's risk and must be received by the deadline specified above, irrespective of how they are sent or delivered.

2.2.10 Expenses Incurred in Preparation of Tender

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the tender.

2.2.11 Contact with Municipality after Tender Closure Date

Any effort by the firm to influence the Mogalakwena Local Municipality in the bid evaluation, bid comparison or contract award decisions will result in the rejection of the bid.

2.2.12 Opening, Recording and Publications of Tenders Received

(a) Tenders will be opened on the closing date immediately after the closing time specified in the tender documents. The names of the bidders will be read out aloud.

(b) Details of tenders received in time will be recorded in a register which is open to public inspection and also be published on the website.

(c) Faxed, e-mailed and late tenders will not be accepted.

2.2.13 Evaluation of Tenders

Tenders will be evaluated in terms of their responsiveness to the tender specifications and requirements as well as such additional criteria as set out in this set of tender documents.

2.2.14 Procurement Policy

Bids will be awarded in accordance with the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000 and its amendments as well as the Municipality's Supply Chain Management Policy.

2.2.15 Wrong Information Furnished

Where a bidder has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the bidder all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

2.2.16 Past Practices

(a) The bid of any bidder may be rejected if that bidder or any of its directors have abused the municipality's supply chain management system or committed any improper conduct in relation to such system.

(b) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors influenced or tried to influence any official or councillor with this or any past tender.

(c) The bid of any bidder may be rejected if it is or has been found that that bidder or any of its directors offered, promised or granted any official or any of his/her close family members, partners or associates any reward, gift, favour, hospitality or any other benefit in any improper way, with this or any past tender.

2.3 GENERAL CONDITIONS OF CONTRACT

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the municipality and the service provider, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the service provider under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the service provider bearing all risks and charges involved until the goods are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 “Force majeure” means an event beyond the control of the service provider and not involving the service provider’s fault or negligence and not foreseeable. Such events

may include, but is not restricted to, acts of the municipality in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

- 1.13 “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 “GCC” means the General Conditions of Contract.
- 1.15 “Goods” means all of the equipment, machinery, and/or other materials that the service provider is required to supply to the municipality under the contract.
- 1.16 “Imported content” means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the service provider or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the goods covered by the bid will be manufactured.
- 1.17 “Local content” means that portion of the bidding price, which is not included in the imported content provided that local manufacture does take place.
- 1.18 “Manufacture” means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 “Order” means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 “Project site,” where applicable, means the place indicated in bidding documents.
- 1.21 “Municipality” means the organization purchasing the goods.
- 1.22 “Republic” means the Republic of South Africa.
- 1.23 “SCC” means the Special Conditions of Contract.
- 1.24 “Services” means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the service provider covered under the contract.

- 1.25 “Service provider” means the successful bidder who is awarded the contract to maintain and administer the required and specified service(s) to the State.
- 1.26 “Tort” means in breach of contract.
- 1.27 “Turnkey” means a procurement process where one service provider assumes total responsibility for all aspects of the project and delivers the full end product / service required by the contract.
- 1.28 “Written” or “in writing” means hand-written in ink or any form of electronic or mechanical writing.

2. Use of contract documents and information inspection

- 2.1 The service provider shall not, without the municipality’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the municipality in connection therewith, to any person other than a person employed by the service provider in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 2.2 The service provider shall not, without the municipality’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 2.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the municipality and shall be returned (all copies) to the municipality on completion of the service provider’s performance under the contract if so required by the municipality.
- 2.4 The service provider shall permit the municipality to inspect the service provider’s records relating to the performance of the service provider and to have them audited by auditors appointed by the municipality, if so required by the municipality.

3. Subcontracts

- 3.1 The service provider shall notify the municipality in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the service provider from any liability or obligation under the contract.

4. Applicable law

- 4.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified.

2.4 LIST OF RETURNABLE DOCUMENTS

Project description:	Provision of Banking Services		
Notice number / bid number: 130/2018	17-2018/19	Closing date:	03 December 2018

1. The bidders must complete the following returnable documents :
(bidders may use the "Returnable documents" column to confirm documents have been completed and returnable by inserting a tick").

1. Bid to be submitted in time as per advertisement and/or bid document	
2. MBD 1 : Invitation to be bid	
3. MBD 2 : Tax clearance certificate require	
4. MBD 4 : Declaration of interest	
5. MBD 5 : Annual Financial Statements	
6. MBD 6.1 : Preference points claim form in terms the preferential Procurement Regulations 2001	
7. MBD 8 : Declaration of bidder's past supply chain management	
8. MBD9 : Certificate of independent bid determination	
9. Signed joint-venture agreement (if applicable)	
10. CSD Report	
11. Company's proof of payment municipal rates and taxes	
12. Detailed price quotation or proposal as per clause 1.1 and 4.1 of the tender document	
13. Any other requirement as per bid specification / tender document	

Name of bidder : _____

Date confirmed : _____

SECTION 3

3.1 COMPANY PROFILE

It is the intention of the Mogalakwena Local Municipality to enter into a formal contract with a service provider that will carry out the services described hereunder. These Terms of Reference and the service provider's company profile will form part of the tender.

Service providers must in addition to completing the tender document, submit their company profile which should be presented as follows:

1. Expertise in financial management turnaround and operation clean audit

- (a) Company overview
- (b) Company organogram
- (c) Company contact details

2. Preparation of GRAP compliant annual financial statements within Local Government in the past 3 years

- (a) Provide a list of the municipalities assisted with preparation of AFS
- (b) Attach reference letters from the relevant municipalities

3. Assistance of Municipalities from Adverse/Disclaimer to unqualified or clean audit opinion in the past 5 years

- (a) Provide list of municipalities assisted and specify the improved audit opinion achieved
- (b) Attach reference letters from the relevant municipalities

4. Detailed proposal (methodology) demonstrating how the service provider will assist the municipality to achieve an unqualified/ clean audit opinion

5. Project team composition

- (a) Project Leader's CV and qualifications (attach proof of qualifications)
- (b) Project Manager's CV and qualifications (attach proof of qualifications)
- (c) Other team member's CV's and qualifications (attach proof of qualifications)

6. BBBEE contribution

- (a) BBBEE contribution (attach BBBEE certificate as proof)

3.2 EVALUATION CRITERIA

Bids will be evaluated based on functionality due to the nature of the service required. The company scoring the most points and having fulfilled all other requirements in terms of submissions will be awarded the tender. The municipality further reserves the right not to accept any tender.

100 points for functionality

	CRITERIA	MAXIMUM POINTS
1	Company has in the past 3 (three) financial years assisted in compiling GRAP compliant annual financial statements within Local Government sector. (Submit reference letters from relevant municipalities as proof) – Compulsory requirement	20
	1.1 Prepared 1 (one) set of annual financial statements	4
	1.2 Prepared 2 (two) sets of annual financial statements	10
	1.3 Prepared 3 (three) sets of annual financial Statements or more	20
2	Assistance of municipality from adverse/ disclaimer audit opinion to favourable audit opinion in the past 5 years (Submit reference letters from relevant municipalities as proof) – Compulsory requirement	20
	2.1 Adverse/ disclaimer audit opinion to unqualified audit opinion	10
	2.2 Adverse/ disclaimer audit opinion to clean audit opinion	20
3	Detailed proposal (methodology) demonstrating how the service provider will assist the municipality to achieve an unqualified/ clean audit outcome.	45
4	Project team composition	15
	4.1 Project leader must be a Chartered Accountant and (Submit CV and qualifications as proof) registered with IRBA – Compulsory requirement	8
	4.2 Project Manager must be a Chartered Accountant (Submit CV and qualifications as proof)	4
	4.3 Other team members must have AGSA articles or be registered with SAICA as Associate General Accountants (AGA) (Submit CVs and qualifications as proof)	3
TOTAL		100

3.2.1 COMPANIES NOT MEETING THE COMPULSORY REQUIREMENTS WILL AUTOMATICALLY BE DISQUALIFIED