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# **Request for Proposal for Internal Audit Services For the period of 60 months**

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**DEN414/01/16/2019**

**Date Issued: 16 January 2019**

**Closing date and time: 06 February 2019 at 12:00**

**Bid Validity Period: 180 days**

**TENDER BOX ADDRESS:**

DENEL SOC LTD

CORPORATE OFFICE RECEPTION

NELLMAPIUS DRIVE

IRENE

**PRE-QUALIFICATION REQUIREMENT**

- Bidder must be prepared to subcontract 30% value of the contract to an EME who is 51% Black Owned (must be submitted with bid)
- The bidder must have provided Audit Services for Financial, Compliance and IT audits to an organisation similar to the size of Denel in term of revenue (R8bn);
- Audit Services provided above should have been for at least a total period of 5 years. List references indicating service and value

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PART A: INVITATION TO TENDER

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THE PURPOSE OF THIS RFP :

- Denel Corporate Office Denel is looking to appoint an Internal Audit Firm for the provision of internal audit services for a period of five years
- The bidder will be required to compile a risk based audit plan and submit for approval to the Audit Committee;
- The bidder should provide appropriate human resource capacity to perform internal audits based on the approved internal audit plan with regard to the below specialized audits for Denel

Denel are looking for experienced service provider to provide internal audit service for a period of five (5) years.

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**Tenderers should ensure that Tenders are delivered timeously and to the correct address (reflected on the cover page of this document). If the Tender is late, it will not be considered for evaluation.**

**The Tender box is open during the following hours (09:00 to 15:00) Monday to Friday.**

**ALL TENDERS MUST BE SUBMITTED ON THIS DOCUMENT – (NOT TO BE RE-TYPED)**

**No Tenders received by facsimile, email or any other similar medium will be considered.**

THIS TENDER IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (*Refer to Annexure L*) AND SPECIAL CONDITIONS SPECIFIED IN THIS RFT, WHICH ARE SET OUT IN PART C OF THIS DOCUMENT.

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

<b>NAME OF TENDERER AND EACH ENTITY IN CONSORTIUM:</b>	
<b>POSTAL ADDRESS:</b>	
<b>STREET ADDRESS:</b>	
<b>CONTACT PERSON (FULL NAME):</b>	
<b>EMAIL ADDRESS:</b>	
<b>TELEPHONE NUMBER:</b>	
<b>FAX NUMBER:</b>	
<b>TENDERER REGISTRATION NUMBER OR REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM</b>	

<b>TENDERER VAT REGISTRATION NUMBER OR VAT REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM</b>				
<b>TAX CLEARANCE CERTIFICATE SUBMITTED OR PIN?</b>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
<b>B - BBEE CERTIFICATE SUBMITTED?</b>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
<b>REGISTERED WITH THE NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)</b>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
<b>FULL NAME OF AUTHORISED REPRESENTATIVE:</b>				
<b>CAPACITY IN WHICH AUTHORISED REPRESENTATIVE SIGNS:</b>				
<b>SIGNATURE OF AUTHORISED REPRESENTATIVE:</b>				
<b>DATE OF SIGNATURE</b>				

## PART B: CHECKLIST OF COMPULSORY RETURNABLE SCHEDULES AND DOCUMENTS

### Please adhere to the following instructions:

Tick in the relevant block below

Ensure that the following documents are completed and signed where applicable:

Use the prescribed sequence in attaching the annexures that complete the Tender Document

**NB: Should all of these documents not be included, the Tenderer may be disqualified on the basis of non-compliance.**

**YES NO**

One (1) original (three (3) hard copies) and one (1) electronic copy on a CD/USB for Qualifying and Functionality Evaluations - (clearly marked as original and copies)

One (1) original (three (3) hard copies) and one (1) electronic copy on a CD/USB for Price and Preferential points.

**Each submission must be divided and enclosed into two separate envelopes, one (1) envelope for Qualifying and Functional Evaluations and the other one for Price and Preferential Points (Annexure "A").**

**Part A:** Invitation to Tender (with a signature of an authorised representative of the Tenderer)

**Part C:** Specifications, Conditions of tender and Undertakings by Tenderer (with a signature of an authorised representative of the Tenderer)

**Annexure A:** Schedule of Rates/Price Proposal

**Annexure B:** Executive Summary

**Annexure C:** SBD2 - Tax Clearance Certificate Requirement

**Annexure D:** Declaration of Interest

**Annexure E:** SBD6.1 and B-BBEE status level certificate

**Annexure F:** SBD8: Declaration of Tenderer's Past Supply Chain Practices

**Annexure G:** SBD9: Certificate of Independent Tender Determination

**Annexure H:** Certified copies of your CIPC company registration documents listing all members with percentages, in case of a close corporation

**Annexure I:** Certified copies of latest share certificates, in case of a company.

**Annexure J:** A breakdown of how fees and work will be spread between members of the Tendering consortium.

- Annexure K:** Supporting documents in response to Mandatory Criteria /Requirements
- Annexure L:** General Conditions of Contract
- Annexure M:** Supporting documents - CSD Registration Summary Report
- Annexure N:** Recent references and transactions the Tenderer has handled as specified in this document
- Annexure O:** Proposed Human Resources and Organogram
- Annexure P:** EE report or detailed employee profile report and Transformation Plan (if applicable)

## PART C: SPECIFICATIONS, CONDITIONS OF TENDER AND UNDERTAKINGS BY TENDERER

### 1. DEFINITIONS

In this Request for Proposals, unless a contrary intention is apparent:

- 1.1 B-BBEE means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- 1.2 **B-BBEE Act** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- 1.3 **B-BBEE status level** means the B-BBEE status received by a measured entity based on its overall performance used to claim points in terms of Regulation 6 and 7 of the Preferential Procurement Regulations, 2017;
- 1.4 **Business Day** means a day which is not a Saturday, Sunday or public holiday;
- 1.5 **Tender** means a written offer in the prescribed or stipulated form lodged by a Tenderer in response to an invitation in this Request for Tender (“RFT”), containing an offer to provide goods, works or services in accordance with the Specification as provided in this RFT;
- 1.6 **Tenderer** means a person or legal entity, or an unincorporated group of persons or legal entities that submit a Tender;
- 1.7 **Companies Act** means the Companies Act, 2008 (Act No 71 of 2008);
- 1.8 **Compulsory Documents** means the list of compulsory schedules and documents set out in table1 of this document;
- 1.9 **Closing date and time** means the Date and time, specified as such under the Clause 4 (Tender Timetable) in this document, by which Tenders must be received;
- 1.10 **Denel** means **Denel SOC Ltd**, a state-owned company with registration number: 1992/001337/30) or any of its Divisions and Subsidiaries;
- 1.11 **Evaluation Criteria** means the criteria set out under the Clause 22 (Evaluation Process) of this document, which includes the Mandatory Criteria, Functional Criteria (gate 1) and Price and Preferential Points (gate 2) Assessment;

- 1.12 **Functional/Technical Criteria** means the criteria set out in clause 22.2 referring to the qualify specification of supply and delivery of heavy fuel oil in accordance with the relevant standards. Refer this document;
- 1.13 **Includes or including** means includes or including without limitation;
- 1.14 **Intellectual Property Rights** means all rights, title and interests in and to any creation of the mind that is capable of being protected by statute or through common law including, but not limited to, Copyright, Designs, Know-how, Patents and Trademarks and any other ensuing Intellectual Property Rights and interests of a similar nature whether registerable or not;
- 1.15 **NKP** means an area declared as a National Key Point area in terms of the National Key Point Act, 1980 (Act No 102 of 1980) as amended;
- 1.16 **PFMA** means the Public Finance Management Act, 1999 (Act No 1 of 1999), as amended;
- 1.17 **PPPFA** means the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) as amended;
- 1.18 **PPPFA Regulations** means the Preferential Procurement Regulations 2017, published in terms of the PPPFA;
- 1.19 **Price and Preferential Points Assessment** means the process described in Clause 22.3 of this document, as prescribed by the PPPFA.
- 1.20 **Rand or R** is a reference to the lawful currency of the Republic of South Africa;
- 1.21 **Request for Tender or RFT** means this document including all annexures and any other documents so designated by Denel;
- 1.22 **SARS** means the South African Revenue Service;
- 1.23 **Services** means the services required by Denel, as specified in this RFT/P;
- 1.24 **SLA** means Service Level Agreement that will be concluded between Denel and successful Tenderer;
- 1.25 **SOC** means State Owned Company, as defined by the Companies' Act;
- 1.26 **Specification** means specification or description of Denel's requirements contained in this RFT;
- 1.27 **State** means the Republic of South Africa;
- 1.28 **Tendering Process** means the process commenced by the issuing of this Request for Tenders and concluding upon formal announcement by Denel of the



selection of a successful Tenderer(s) or upon the earlier termination of the process;

1.29 **Website** means a website administered by Denel under its name with web address [www.denel.co.za](http://www.denel.co.za);

**Note:** The term SLA and Contract are used interchangeably in this document.

## 2. INTRODUCTION

Denel (SOC) Ltd is the largest manufacturer of defence equipment in South Africa and operates in the military aerospace and landward defence environment. Incorporated as a private company in 1992 in terms of the South African Companies Act (No 62 of 1973)

Denel's sole shareholder is the South African Government and the following are Divisions / Units that constitute Denel:

- Denel Corporate
- Denel Land Systems
- Denel Aeronautics
- Denel LMT
- Denel PMP
- Denel Vehicles Systems
- Denel Industrial Properties
- Denel Dynamics
- Denel Overberg Test Range
- Denel Maritime

## 3. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

- Denel is looking to appoint an Internal Audit Firm for the provision of internal audit services for a period of five years
- The bidder will be required to compile a risk based audit plan and submit for approval to the Audit Committee
- The bidder should provide appropriate human resource capacity to perform internal audits based on the approved internal audit plan with regard to the below specialized audits for Denel;

## 4. LEGISLATIVE FRAMEWORK OF THE BID

### 4.1 Tax Legislation

- 4.1.1 Bidder(s) must be compliant when submitting a proposal to Denel SOC Ltd and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- 4.1.2 It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 4.1.3 The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 4.1.4 It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 4.1.5 Bidders are required to be registered on the Central Supplier Database and the National Treasury shall verify the bidder's tax compliance status through the Central Supplier Database.
- 4.1.6 Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database.

### 4.2 Procurement Legislation

Denel SOC Ltd has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

### 4.3 Technical Legislation and/or Standards

Bidder(s) should be cognisant of the legislation and/or standards specifically applicable to the services.

#### 4.4 BRIEFING SESSION

The will not be site briefing

#### 5. TIMELINE OF THE BID PROCESS

The period of validity of tender and the withdrawal of offers, after the closing date and time is 180 days. The project timeframes of this bid are set out below:

<b>Activity</b>	<b>Due Date</b>
<b>Advertisement of bid on Government e-tender portal</b>	<b>16 January 2019</b>
<b>Questions relating to bid from bidder(s)</b>	<b>03 February 2019</b>
<b>Bid closing date</b>	<b>06 February 2019 at 12:00</b>
<b>Notice to bidder(s)</b>	<b>Denel SOC Ltd will endeavour to inform bidders of the progress until conclusion of the tender.</b>

**All dates and times in this bid are South African standard time.**

Any time or date in this bid is subject to change at Denel SOC Ltd discretion. The establishment of a time or date in this bid does not create an obligation on the part of Denel SOC Ltd to take any action, or create any right in any way for any bidder to demand that any action be taken on the date established. The bidder accepts that, if Denel SOC Ltd extends the deadline for bid submission (the Closing Date) for any reason, the requirements of this bid otherwise apply equally to the extended deadline.

#### 6. CONTACT AND COMMUNICATION

- 6.1 A nominated official of the bidder(s) can make enquiries in writing, to the tender committee via email address [TenderResponse@denel.co.za](mailto:TenderResponse@denel.co.za). Bidder(s) must reduce all telephonic enquiries to writing and send to the above email address.
- 6.2 The delegated office of Denel SOC Ltd may communicate with Bidder(s) where clarity is sought in the bid proposal.
- 6.3 Any communication to an official or a person acting in an advisory capacity for Denel SOC Ltd in respect of the bid between the closing date and the award of the bid by the Bidder(s) is discouraged.

- 6.4 All communication between the Bidder(s) and Denel SOC Ltd must be done in writing.
- 6.5 Whilst all due care has been taken in connection with the preparation of this bid, Denel SOC Ltd makes no representations or warranties that the content of the bid or any information communicated to or provided to Bidder(s) during the bidding process is, or will be, accurate, current or complete. Denel SOC Ltd, and its employees and advisors will not be liable with respect to any information communicated which may not accurate, current or complete.
- 6.6 If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by Denel SOC Ltd (other than minor clerical matters), the Bidder(s) must promptly notify Denel SOC Ltd in writing of such discrepancy, ambiguity, error or inconsistency in order to afford Denel SOC Ltd an opportunity to consider what corrective action is necessary (if any).
- 6.7 Any actual discrepancy, ambiguity, error or inconsistency in the bid or any other information provided by Denel SOC Ltd will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 6.8 All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the Bid or the Tendering process must keep the contents of the Bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.

## 7. LATE BIDS

- 7.1 Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the Bidder(s).

## 8. COUNTER CONDITIONS

- 8.1 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders or qualifying any Bid Conditions will result in the invalidation of such bids.

## 9. FRONTING

- 9.1 Government supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and

businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Government condemn any form of fronting.

- 9.2 The Government, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies Denel SOC Ltd may have against the Bidder / contractor concerned.

## 10. SUPPLIER DUE DILIGENCE

- 10.1 Denel SOC Ltd reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

## 11. SUBMISSION OF PROPOSALS

- 11.1 Bid documents shall only be placed in the tender box OR couriered to the aforesaid address (Denel SOC Ltd, Nellmapius Drive, Irene) on or before the closing date and time.

11.2 Bid documents will only be considered if received by Denel SOC Ltd before the closing date and time, regardless of the method used to send or deliver such documents to Denel SOC Ltd.

FILE 1 (TECHNICAL FILE)	FILE 2 (PRICE & BBBEE)
<b>Exhibit 1:</b> Pre-qualification documents <i>(Refer to Section 22.1 - Gate 0: Pre-qualification Criteria (Table 1))</i>	<b>Exhibit 1:</b> Pricing Schedule <i>(Refer to Section 22.3 – Pricing Model and Annexure A – Pricing Submission)</i>
<b>Exhibit 2:</b> <ul style="list-style-type: none"> <li>• Technical Responses and Bidder Compliance Checklist for Technical Evaluation</li> <li>• Supporting documents for technical responses. <i>(Refer to Section 22.2 - Gate 1: Technical Evaluation Criteria)</i></li> </ul>	
<b>Exhibit 3:</b> <ul style="list-style-type: none"> <li>• General Conditions of Contract (GCC)</li> </ul>	
<b>Exhibit 4:</b> <ul style="list-style-type: none"> <li>• Company Profile</li> <li>• Any other supplementary information</li> </ul>	

11.3 The bidder(s) are required to submit four (4) copies of each file (one (1) original and three (3) duplicate) and one (1) CD-ROM or (1) Memory Stick with content of each file by the 06 February 2019 at 12:00. Each file and CD-ROM must be marked correctly and sealed separately for ease of reference during the evaluation process. Furthermore, the file and information in the CD-ROM or Memory Stick must be labelled and submitted in the following format

11.4 Bidders are requested to initial each page of the tender document on the top right hand corner.

## 12. PRESENTATION / DEMONSTRATION

12.1 Denel SOC Ltd reserves the right to request presentations/demonstrations from the short-listed Bidders as part of the bid evaluation process.

### 13. DURATION OF THE CONTRACT

13.1 The successful bidder will be appointed for a period of 60 (sixty) months.

### 14. GENERAL CONDITIONS OF SPECIFICATION

14.1 All intellectual proprietary rights emanating from this project will reside with Denel.

14.2 All reports and working paper files shall become the property of Denel.

14.3 The prospective service providers must submit an all-inclusive price and detailed cost breakdown schedule (the price must be VAT inclusive).

14.4 Travelling costs and time spent or incurred between the service provider offices and Denel or home and office the staff shall not be for the account of Denel

14.5 Payment will be strictly based on completed and approved deliverables and time spent and not only based on time spent at Denel.

14.6 The successful bidder will be expected to conduct themselves in a manner that will be seen as part of Denel.

### 15. SCOPE OF WORK

15.1 Denel is looking to appoint an Internal Audit Firm for the provision of internal audit services for a period of five years

15.2 The bidder will be required to compile a risk based audit plan and submit for approval to the Audit Committee;

15.3 The bidder should provide appropriate human resource capacity to perform internal audits based on the approved internal audit plan with regard to the below specialized audits for Denel;

- Financial and Compliance Audits:
  - Follow up audits on AG findings
  - Contract management (procurement and commercial)
  - Accounts payable/procure to pay
  - Revenue accounting
  - Internal financial controls (including facilitation of control self-assessments)
  - Working capital review
  - Financial statements review
  - Inventory
  - Taxation
  - Programmes execution and management
  - Audit of pre-determined objectives
  - Safety management system

- Corporate governance and compliance
- Business continuity
- Payroll
- Treasury
- Audit of enterprise risk management and fraud prevention
- Development and implementation of combined assurance processes and reports
- IT Audits:
  - IT general controls reviews
  - IT systems applications controls/ automated control reviews
  - IT Security Reviews
  - System development reviews
  - Software and Licencing reviews (including usage assessment)
- Legal and compliance
  - Compliance with Procurement policy and laws and regulations
  - Compliance to company policies
  - Compliance to Arms Control requirement
  - Countertrade
- Human resources management

Audit the adequacy and effectiveness of the following Strategies in context of the state of the business for:

  - Skills identification and talent management
  - Recruitment
  - Critical Skill and Succession Planning
  - Mentorship programmes
  - Remuneration and rewards
  - Transformation
  - Performance management
  - Employee satisfaction survey and action
  - Consistent ethical standards
  - Planning for changing workforce demographics
  - Training and staffing
  - Staff turnover (especially programme management officials).
- IP Management and Protection
- Risk management- Fraud Prevention
  - Report the results of reviews and the progress against the plan at the management meetings and the Audit and Risk Committee where progress reports from internal audit are required.
  - Fulfil all requirements pertaining to Internal Audit in line with the PFMA, Treasury Regulations and the Institute of Internal Auditors (IIA) Standards; and internal audit methodology.
  - Attend Audit and Risk Committee meetings on request of the Audit and Risk Committee.
  - Preparation of the annual Internal Audit Plan.



**Note 1:**

Adhoc requests will be treated separately should this come up.

**Note 2:**

The estimated total hours for both Financial/Compliance and IT Audits is between 10 000 - 12 000 hours per annum.

16. KEY DELIVERABLES

16.1 The following are key deliverables to the bid:

- Execute audit projects in line with the project requirements, timeframes and budget as per the approved Internal Audit Plan;
- Reports on projects completed, progress and feedback;
- Completed audit/review working paper files;
- Provide Internal Quality assurance on all work performed in this regard;
- Attendance of audit and risk committee meetings – as requested;

17. RIGHTS AND DUTIES OF THE SUPPLIER

17.1 Timing of Audit Projects

17.2 All audit projects must be conducted and carried out in line with the approved Internal Audit Plan.

- Quality Assurance Review
  - The Service provider must ensure that all work is conformed in accordance with the Standards for the Professional Practice of Internal Auditing and such work shall be subject to an external quality assurance review every 3 years.
- Independence and Objectivity of Audit Staff
  - In carrying out the work, service provider shall ensure that staff maintains their objectivity by remaining independent of the activities they audit. Service provider shall comply with relevant IIA standards in this regard including but not limited to the following:
    - Not be involved in the day-to-day operation of Denel;
    - Not be responsible for the detailed development or implementation of new operational systems and procedures;
    - To declare independence in writing for each audit to be performed.
- Monitoring Progress of Audit Projects

Submit written reports on completion of each audit engagement to the Audit Committee

- Fraud and Irregularities

In planning and conducting the work, service provider shall seek to identify serious defects in the internal controls, which might result in possible malpractices and report such defects reported immediately. This also applies to instances where serious fraud and irregularity is uncovered.

- Continuity and Profile of Staff on the Project

The bidder must guarantee the availability of the same skill and experience should an audit team member have to leave the project.

17.3 The project requires that the service provider shall possess and maintain all the required practical and technical competencies associated with Internal Auditing; Understanding of the International Internal Auditing Standards (IIA)

17.4 Personnel assigned to this project must have:

- Extensive experience in conducting IT, Financial and Compliance Internal Audits engagements in the public sector;
- A thorough understanding of the Public Finance Management Act (PFMA) and National Treasury Regulations;
- Be registered with the Institute of Internal Auditors and other relevant professional bodies;
- Have high levels of communication, interpersonal and analytical skills;
- Possess the ability to work under pressure; and
- Attention to detail and the ability to meet deadlines.
- Understanding/experience in a project management environment

17.5 Possess Data Analytics tools used to extract and analyze data. The entity must have an adequate team

## 18. EVALUATION AND SELECTION CRITERIA

Denel SOC Ltd has set minimum standards (Gates) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

Pre-qualification Criteria (Gate 0)	Technical Evaluation Criteria (Gate 1)	Price and B-BBEE Evaluation (Gate 2)
Bidders must submit all documents as outlined in paragraph 21.1 (Table 1) below. Only bidders that comply with ALL these criteria will proceed to Gate 1.	Bidder(s) are required to achieve a minimum of 80 points out of 100 points to proceed to Gate 2 (Price and BEE).	Bidder(s) will be evaluated out of 100 points and Gate 2 will only apply to bidder(s) who have met and exceeded the threshold of 60 points.

### 18.1 Gate 0: Pre-qualification Criteria

18.1.1 Without limiting the generality of Denel SOC Ltd's other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

**Table 1: Documents that must be submitted for Pre-qualification**

Document that must be submitted	Non-submission may result in disqualification?	
Invitation to Bid – SBD 1	YES	Complete and sign the supplied pro forma document
Tax Status Tax Clearance Certificate – SBD 2	YES	Written confirmation that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status. (Refer Section 4.1.4) Proof of Registration on the Central Supplier Database (Refer Section 4.1.5) Vendor number In the event where the Bidder submits a hard copy of the Tax Clearance Certificate, the CSD verification outcome will take precedence.
Declaration of Interest – SBD 4	YES	Complete and sign the supplied pro forma document
Preference Point Claim Form – SBD 6.1	NO	Non-submission will lead to a zero (0) score on BBEE

<b>Declaration of Bidder's Past Supply Chain Management Practices – SBD 8</b>	YES	Complete and sign the supplied pro forma document
<b>Certificate of Independent Bid Determination – SBD 9</b>	YES	Complete and sign the supplied pro forma document
<b>Bidder Compliance form for Functional Evaluation</b>	YES	Complete and sign
<b>Registration on Central Supplier Database (CSD)</b>	NO	The bidder must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> to obtain your vendor number. Submit proof of registration.
<b>Valid letter of Good Standing (COIDA)</b>	YES	Bidder must provide the certificate
<b>Subcontracting agreement</b>	YES	Proof of Subcontract agreement with EME company with 51% Black Ownership
<b>Pricing Schedule</b>	YES	Submit full details of the pricing proposal as per Annexure A in a separate envelope

## 18.2 Gate 1: Technical Evaluation Criteria = 100 points

All bidders are required to respond to the technical evaluation criteria scorecard and compliance checklist. This involves the number of years competing in similar work, monetary size of contract / agreements, references. Refer below for detailed information

18.2.1 Understanding of the assignment; approach, Plan to address key industry issues, value adding procedures, risk management and Identification of key internal controls. 30%

Provide a detailed example of an Audit plan for Denel and submit a comprehensive document detailing the methodology and approach to audit.

- Meet expectation = 30%
- Partially meet expectation = 20%
- Does not meet expectation = 0%

18.2.2 Company competency and track record. Audit portfolio/ credentials, strength & depth for the firm, company experience in similar assignment, reputation with client/ general ability to deliver, industry involvement and transitional plan/ learning curve= **30%**

18.2.3 Provide the company profile, group structure and related companies. Attach reference letters on letterhead from client with contactable reference of the firm's

services indicating detail of services in light of the scope, duration of the contract and value

- Five (5) references provided 20 %
- Four (4) reference provided 15%
- Three (3) references provided 10%
- Two (2) references provided 5%
- One (1) reference provided 2%
- Zero (0) reference provided 0%

18.2.4 Suitability of key Personnel: professional qualification, experience of the team and commitment to continuity of audit team = **25%**

- The bidder must submit detailed CV's of the team that they intend to allocate for specific work assignments, demonstrating relevant qualifications, skills expertise and experience
- Lead Audit Manager/ Partner of the audit (provide detailed CV), Minimum of five (5) years' experience as a partner internal audit and Qualified (CA) SA or Internal Audit Qualifications
- Four Profiles of service team members meet expectations (5%)
- Profiles of service team members partially meet expectations (3%)
- Profiles of service team members do not meet expectations (0%)

18.2.5 Senior Manager Financial / Compliance (provide detailed CV)

BCom (CTA) or CIA, Minimum of 3 years' experience in public or private sector audit, Must be a member of SAICA and OR IIA.

- Profiles of service team members meet expectations (10%)
- Profiles of service team members partially meet expectations (5%)
- Profiles of service team members do not meet expectations (0 %)

18.2.6 IT Audit Manager (provide detailed CV)

CISA or Equivalent qualifications in the Internal Audit field, practical and management experience in IA for at least more than 5 years.

- Profile of service team members meet expectation 10%
- Profile of service team members partially meets expectation (5%)
- Profile of members not meeting expectation (0%)

18.2.7 Developing of Audit Industry i.e. subcontracting of EME firms. Skills development and job creation.= **25%**

18.2.8 Audit firm must allocate **30%** value of the contract to EME company with 51% black ownership for Enterprise Supplier Development (ESD) The Nominated Enterprise Beneficiary Audit Firm must meet the following minimum criteria:

- Minimum of 3 (CAs or IIA registered Internal Auditors) on staff (provide detailed CVs)
  - Appropriate staffing with minimum of 5 years' experience;
  - Provide Denel with all required documents, for example though not limited to B-BBEE certificate, Shareholder certificate, shareholder agreement, company organogram and or other which Denel may require.
  - The main firm should indicate in writing, how the development and skills transfer in terms of specific audit area of expertise required by the emerging firms will be executed.
  - Furthermore, the main or the lead firm must indicate in detail demonstrating how the growth of the Enterprise Development Beneficiary will be developed by using an increase on the fee structure in the five year period.
- Nominated firm and skills transfer plan provided meets requirement 25%
  - Nominated firm and skills transfer plan provided partially meet requirement 15%
  - Nominated firm and skills transfer plan provided does not meet requirement 0%

<b>Total score</b>	<b>100%</b>
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<b>Minimum Score</b>	<b>80%</b>
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### 18.3 Gate 2: Price and BBEE Evaluation (80+20) = 100 points

18.3.1 Only Bidders that have met the 60 point threshold in Gate 1 will be evaluated in Gate 2 for price and BBEE. Price and BBEE will be evaluated as follows:

18.3.2 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 80 points)
- B-BBEE status level of contributor (maximum 20 points)

#### 1) Stage 1 – Price Evaluation (80 Points)

Criteria	Points
<b>Price Evaluation</b> <i>Ps</i> $80 \left( 1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right)$	<b>80</b>

The following formula will be used to calculate the points for price:

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

## 2) Stage 2 – BBBEE Evaluation (20 Points)

### a. BBBEE Points allocation

A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
- B-BBEE Certificate

### b. Joint Ventures, Consortiums and Trusts

- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE

scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

- iii) Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. Denel SOC Ltd will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.
- iv) The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

**c. Sub-contracting**

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.

The following is an extract from the PPPFA Act:

11(8) "A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract."

11(9) "A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract."

- 3) Stage 3 (80 + 20 = 100 points)

The Price and BBEE points will be consolidated.

## 19. GENERAL CONDITIONS OF CONTRACT

### 19.1 **Any award made to a bidder(s) under this bid is conditional, amongst others, upon –**

- a. The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which Denel SOC Ltd is prepared to enter into a contract with the successful Bidder(s).



- b. The bidder submitting the General Conditions of Contract to Denel SOC Ltd together with its bid, duly signed by an authorised representative of the bidder.

## 20. CONTRACT PRICE ADJUSTMENT

20.1 Contract price adjustments will be done annually on the anniversary of the contract start date. The price adjustment will be based on the Consumer Price Index Headline Inflation

## 21. SERVICE LEVEL AGREEMENT

21.1 Upon award Denel SOC Ltd and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by Denel SOC Ltd.

21.2 Denel SOC Ltd reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.

21.3 Bidder(s) are requested to:

- a. Comment on draft Service Level Indicators and where necessary, make proposals to the indicators;
- b. Explain each comment and/or amendment; and
- c. Use an easily identifiable colour font or “track changes” for all changes and/or amendments to the Service Level Indicators for ease of reference.

21.4 Denel SOC Ltd reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to Denel SOC Ltd or pose a risk to the organisation.

## 22. SPECIAL CONDITIONS OF THIS BID

22.1 Denel **SOC Ltd reserves the right:**

22.2 To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000)

22.3 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

22.4 To accept part of a tender rather than the whole tender.

22.5 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.

22.6 To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.

22.7 To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

22.8 Award to multiple bidders based either on size or geographic considerations.

### 23. DENEL SOC LTD REQUIRES BIDDER(S) TO DECLARE

In the Bidder's Technical response, bidder(s) are required to declare the following:

23.1 Confirm that the bidder(s) is to: –

- a. Act honestly, fairly, and with due skill, care and diligence, in the interests of Denel SOC Ltd;
- b. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- c. Act with circumspection and treat Denel SOC Ltd fairly in a situation of conflicting interests;
- d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with Denel SOC Ltd;
- f. Avoidance of fraudulent and misleading advertising, canvassing and marketing;
- g. To conduct their business activities with transparency and consistently uphold the interests and needs of Denel SOC Ltd as a client before any other consideration; and
- h. To ensure that any information acquired by the bidder(s) from Denel SOC Ltd will not be used or disclosed unless the written consent of the client has been obtained to do so.

## 24. CONFLICT OF INTEREST, CORRUPTION AND FRAUD

24.1 Denel SOC Ltd reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of [Institution name] or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")

- a. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- b. seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- c. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of Denel SOC Ltd's officers, directors, employees, advisors or other representatives;
- d. makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- e. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- f. pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- g. has in the past engaged in any matter referred to above; or
- h. has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## 25. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

25.1 The bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that Denel SOC Ltd relies upon the bidder's Tender as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.

25.2 It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by Denel SOC Ltd against the bidder notwithstanding the conclusion of the Service Level Agreement between Denel SOC Ltd and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

## 26. PREPARATION COSTS

26.1 The Bidder will bear all its costs in preparing, submitting and presenting any response or Tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing Denel SOC Ltd, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

## 27. INDEMNITY

27.1 If a bidder breaches the conditions of this bid and, as a result of that breach, Denel SOC Ltd incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds Denel SOC Ltd harmless from any and all such costs which Denel SOC Ltd may incur and for any damages or losses Denel SOC Ltd may suffer.

## 28. PRECEDENCE

28.1 This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

## 29. LIMITATION OF LIABILITY

29.1 A bidder participates in this bid process entirely at its own risk and cost. Denel SOC Ltd shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Bidder's participation in this Bid process.

## 30. TAX COMPLIANCE

30.1 No tender shall be awarded to a bidder who is not tax compliant. Denel SOC Ltd reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent Tax Clearance Certificate to Denel SOC Ltd, or whose verification against the Central Supplier Database (CSD) proves non-compliant. Denel SOC Ltd further reserves the right to cancel a contract with a successful bidder in the event that such bidder does not remain tax compliant for the full term of the contract.

## 31. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS

31.1 No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. Denel SOC Ltd reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

## 32. GOVERNING LAW

32.1 South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

### 33. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL

33.1 A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that Denel SOC Ltd allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and Denel SOC Ltd will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

### 34. CONFIDENTIALITY

34.1 Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's tender(s) will be disclosed by any bidder or other person not officially involved with Denel SOC Ltd's examination and evaluation of a Tender.

34.2 No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by Denel SOC Ltd remain proprietary to Denel SOC Ltd and must be promptly returned to Denel SOC Ltd upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

34.3 Throughout this bid process and thereafter, bidder(s) must secure Denel SOC Ltd.'s written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

### 35. DENEL SOC LTD PROPRIETARY INFORMATION

35.1 Bidder will on their bid cover letter make declaration that they did not have access to any Denel SOC Ltd proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidder(s).

## 36. AVAILABILITY OF FUNDS

36.1 Should funds no longer be available to pay for the execution of the responsibilities of this bid RFP TMC01/06/08/2018 the Denel SOC Ltd may terminate the Agreement at its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure: Provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

## 37. ANNEXURE A

### 1 PRICE PROPOSAL

Tenderers must complete the table for the Schedule of Rates below and submitted as a pricing proposal. Failure to submit this document will result in the Tenderer's submission being disqualified.

### 2 CURRENCY

All prices must be quoted in South African Rand on a fixed price basis, with all applicable taxes included.

### 3 Prices Subject to Confirmation

Prices quoted which are subject to confirmation will not be considered.

### 4 *Binding Offer*

Any tender furnished pursuant to this RFT shall be deemed to be an offer. Any exceptions to this statement must be clearly and specifically indicated.

### 5 *Disclaimers*

Tenderers are hereby advised that Denel is not committed to any course of action as a result of its issuance of this RFT and/or its receipt of Tenders. In particular, please note that Denel reserves the right to:

- 5.1 Modify the RFT's requirements and request Tenderers to re-tender on any changes;
- 5.2 Reject any Tender which does not conform to instructions and specifications which are detailed herein;
- 5.3 Not necessarily accept the lowest priced Proposal or an alternative Tender;
- 5.4 Reject all Tenders/Proposals, if it so decides;
- 5.5 Award only a portion of the proposed product(s)/service(s) which are reflected in the scope of this RFT;
- 5.6 Split the award between more than one enterprise/organisation should it at Denel's discretion be more advantageous in terms of, amongst others, cost or developmental considerations; or make no award at all;

- 5.7 Validate any information submitted by Tenderers in response to this Tender. This would include, but is not limited to, requesting the Tenderers to provide supporting evidence. By submitting a tender, Tenderers hereby irrevocably grant the necessary consent to Denel to do so;
- 5.8 Request audited financial statements or other documentation for the purposes of a due diligence exercise;
- 5.9 Award the Tender to the next highest ranked Tenderer, should the preferred Tenderer fail to sign or commence with the contract within a reasonable period after being requested to do so, provided that the preferred Tenderer is still prepared to provide the required goods at the quoted price. Under such circumstances, the validity of the tenders of the next ranked Tenderer(s) will be deemed to remain valid, irrespective of whether the next ranked Tenderer(s) were issued with a Letter of Regret. Tenderers may therefore be requested to advise whether they would still be prepared to provide the required goods at their quoted price, even after they have been issued with a Letter of Regret;
- 5.10 Cancel the contract and/or place the Tenderer on Denel's list of Restricted Suppliers, should a contract be awarded on the strength of information furnished by the Tenderer, which after award of the contract, is proven to have been incorrect;
- 5.11 Award Tender to the highest scoring Tenderer(s) unless objective criteria justifies the award to another Tenderer.

**Note:** Denel will not reimburse any tenderer for any preparatory costs or other work performed in connection with its Proposal, whether or not the Tenderer is awarded a contract.

**6 PAYMENT TERMS**

The service provider shall note and accept Denel's payment terms as stipulated in the SLA and/or contract.

**7 SCHEDULE OF RATES/PRICE**

**1. Fee (escalated year on year, ending 31 March)**

	Escalation (%)	2019/20	2020/2021	2021/2022
Proposed fee	%	R	R	R

**Note:** This Annexure must be put in the Envelope for 'Price and Preference'



38. ANNEXURE B: EXECUTIVE SUMMARY/COMPANY PROFILE

### **TAX CLEARANCE CERTIFICATE REQUIREMENTS**

**It is a condition of Tender that the taxes of the successful Tenderer must be in order, or that**

**Satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the Tenderer's tax obligations.**

- 1) In order to meet this requirement TENDERERS are required to complete in full the attached form TCC 001
- 2) "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally.
- 3) The Tax Clearance Certificate Requirements are also applicable to foreign TENDERERS / individuals who wish to submit Tenders.
- 4) SARS will then furnish the Tenderer with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 5) The original Tax Clearance Certificate must be submitted together with the Tender. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the Tender. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 6) In Tenders where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate
- 7) Tax Clearance Certificate 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website [www.sars.gov.za](http://www.sars.gov.za).
- 8) Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website [www.sars.gov.za](http://www.sars.gov.za).

**Note: Valid Original Tax Clearance Certificate is mandatory (TENDERERS may also provide Tax Compliance Pin)**

**DECLARATION OF INTEREST**

1. Is the Tenderer or any person connected with or employed by the Tenderer or an entity which forms part of the Tenderer, aware of any fact which may give rise to an actual or perceived conflict of interest on the part of the Tenderer, DENEL or any person involved in the evaluation or adjudication of this Tender?

**YES NO**

2. If the answer to 1 above is "Yes", TENDERERS are required to set out, in detail immediately below, the facts which may give rise to an actual or perceived conflict of interest and identify the individuals to which those facts relate.


3. In addition, TENDERERS are required to complete the following:

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

.....

3.2. Identity Number:

.....

3.3. Position occupied in the Company (director, trustee, shareholder<sup>1</sup>):

.....

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, tax reference numbers and, if applicable, employee / personnel numbers must be indicated in paragraph 4 below.

---

<sup>1</sup> "Shareholder" means a person who owns shares in the company.

3.8. Are you or any person connected with the Tenderer presently employed by the state?

**YES NO**

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 Tenderer is  
employed:

.....  
.....

Position occupied in the state  
institution:.....

Any other particulars:

.....  
.....  
.....  
.....  
.....  
.....

3.8.1. If you are presently employed by the state, did you obtain the appropriate  
authority to undertake remunerative work outside  
employment in the public sector? **YES NO**

If yes, did you attach proof of such authority to the Tender document? (Note:  
Failure to submit proof of such authority, where applicable, may result in the  
disqualification of the Tender.)

If no, furnish reasons for non-submission of such proof:

.....  
.....  
.....

3.9. 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?

**YES NO**

If so, furnish particulars:

.....  
.....  
.....

3.10. Do you, or any person connected with the Tenderer, 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 Tender?

**YES NO**

If so, furnish particulars:

.....  
.....  
.....

3.11. Are you, or any person connected with the Tenderer aware of any relationship (family, friend, other) between any other Tenderer and any person employed by the state who may be involved with the evaluation and or adjudication of this Tender?

**YES NO**

If so, furnish particulars.

.....  
.....  
.....

3.12. Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are Tendering for this contract?

**YES NO**

If so, furnish particulars:

.....  
.....  
.....

**4. Full details of owners, directors / trustees / members / shareholders.**

Full Name	Identity Number	Personal Tax Reference Number	State Number / Employee Peral Number

**DECLARATION**

I, \_\_\_\_\_ THE \_\_\_\_\_ UNDERSIGNED  
 (NAME).....

CERTIFY ON BEHALF OF THE TENDERER THAT THE INFORMATION FURNISHED IN THIS DECLARATION IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE TENDER OR ACT AGAINST ME IN TERMS OF PARAGRAPH 15 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
 Signature

.....  
 Date

.....  
 Position

.....  
 Name of Tenderer

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL  
PROCUREMENT REGULATIONS 2017**

This preference form must form part of all Tenders invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

**1. GENERAL CONDITIONS**

1.1 The following preference point systems are applicable to all Tenders:

- **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

- a) The value of this Tender is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) Either the 80/20 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this Tender shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this Tender are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a Tenderer to submit proof of B-BBEE Status level of contributor together with the Tender will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser 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 purchaser.

## 2. DEFINITIONS

- (a) “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) “**B-BBEE status level of contributor**” means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) “**Tender**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive Tendering processes or proposals;
- (d) “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) “**EME**” means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) “**Functionality**” means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) “**prices**” includes all applicable taxes less all unconditional discounts;
- (h) “**proof of B-BBEE status level of contributor**” means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of Tender invitation, and includes all applicable taxes;

## 3. POINTS AWARDED FOR PRICE

### 3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20 or 90/10

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for price of Tender under consideration

$P_t$  = Price of Tender under consideration

$P_{\min}$  = Price of lowest acceptable Tender

## 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR



- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a Tenderer for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

## 5. TENDER DECLARATION

- 5.1 TENDERERS who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

### 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

**(Tick applicable box)**

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted.....%

ii) The name of the sub-contractor.....

iii) The B-BBEE status level of the sub-contractor.....

iv) Whether the sub-contractor is an EME or QSE

**(Tick applicable box)**

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b>	<b>QSE</b>
	√	√
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
  - One person business/sole propriety
  - Close corporation
  - Company (Pty) Limited
- [TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....  
 .....COMPANY CLASSIFICATION

- Manufacturer
  - Supplier
  - Professional service provider
  - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

8.6 Total number of years the company/firm has been in business:.....

8.7 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser 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 by the National Treasury 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.

WITNESSES  
1. ....  
.....

.....  
SIGNATURE(S) OF TENDERERS(S)  
DATE.....  
ADDRESS

42. ANNEXURE F: SBD8

**1. DECLARATION OF TENDERER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

- 1.1 This Standard Tendering Document must form part of all Tenders invited.
- 1.2 It serves as a declaration to be used by institutions 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.
- 1.3 The Tender of any Tenderer may be disregarded if that Tenderer, or any of its directors have-
- a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. Failed to perform on any previous contract.

**2. In order to give effect to the above, the following questionnaire must be completed and submitted with the Tender.**

Item	Question	Yes	No
2.1	<p><b>Is the Tenderer or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</b> (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><b>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.1.1	If so, furnish particulars:		
2.2	<p>Is the Tenderer 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><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.2.1	If so, furnish particulars:		

2.3	Was the Tenderer or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.3.1	If so, furnish particulars:		
2.4	Was any contract between the Tenderer and any 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"/>
2.4.1	If so, furnish particulars:		

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME).....**

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS 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 Tenderer**

### CERTIFICATE OF INDEPENDENT TENDER DETERMINATION

- 1 This Standard Tendering Document (SBD) must form part of all Tenders<sup>1</sup> 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 Tendering (or Tender rigging).<sup>2</sup> Collusive tendering is a *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the Tender of any Tenderer if that Tenderer, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the Tendering process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when Tenders are considered, reasonable steps are taken to prevent any form of Tender-rigging.
- 5 In order to give effect to the above, the attached Certificate of Tender Determination (SBD 9) must be completed and submitted with the Tender:

**<sup>1</sup> Includes price quotations, advertised competitive Tenders, limited Tenders and proposals.**

**<sup>2</sup> Tender rigging (or collusive Tendering) 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 Tendering process. Tender rigging is, therefore, an agreement between competitors not to compete.**

**CERTIFICATE OF INDEPENDENT TENDER DETERMINATION**

I, the undersigned, in submitting the accompanying Tender:

\_\_\_\_\_

(Tender Number and Description)

in response to the invitation for the Tender made by:

\_\_\_\_\_

(Name of Institution)

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 Tenderer)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying Tender will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the Tenderer to sign this Certificate, and to submit the accompanying Tender, on behalf of the Tenderer;
4. Each person whose signature appears on the accompanying Tender has been authorized by the Tenderer to determine the terms of, and to sign the Tender, on behalf of the Tenderer;
5. For the purposes of this Certificate and the accompanying Tender, I understand that the word "competitor" shall include any individual or organization, other than the Tenderer, whether or not affiliated with the Tenderer, who:
  - (a) Has been requested to submit a Tender in response to this Tender invitation;
  - (b) Could potentially submit a Tender in response to this Tender invitation, based on their qualifications, abilities or experience; and
  - (c) Provides the same goods and services as the Tenderer and/or is in the same line of business as the Tenderer
6. The Tenderer has arrived at the accompanying Tender independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive Tendering.

7. 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 Tender;
  - (e) The submission of a Tender which does not meet the specifications and conditions of the Tender; or
  - (f) Tendering with the intention not to win the Tender.
8. 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 Tender invitation relates.
9. The terms of the accompanying Tender have not been, and will not be, disclosed by the Tenderer, directly or indirectly, to any competitor, prior to the date and time of the official Tender 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 Tenders and contracts, Tenders 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.

**<sup>3</sup> 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.**

.....  
 .....

Signature

Date



.....

.....

Position

Name of Tenderer

**Annexure H – CIPC Registration Documents**

Tenderers are required to include, as Annexure H to their Tenders, certified copies of all relevant CIPC registration documents listing all members with percentages, in the case of a close corporation.

**Annexure I – Latest Shareholder Agreements**

Tenderers are required, as Annexure “I” to their Tenders, to submit certified copies of their latest Shareholder Agreements.

**Annexure J – Joint Venture, Consortium Documents**

Tenderers which submit Tenders as an unincorporated joint venture, consortium or other association of persons are required to submit, as Annexure J, a breakdown of how the fees and work will be split between the various people or entities which constitute the Tenderer.

**Annexure K – Mandatory Evaluation Criteria (Table 1)**

Tenderers are required to include, as Annexure K to their Tenders, supporting documents to their responses. These include but not limited to:

- a. Valid BBBEE Certificate
- b. Proof of registration with the Central Supplier database
- c. Certified copy of the Company Registration with CIPC
- d. Original letter from the Bank issued on a bank letterhead with stamp
- e. Certified copies of all shareholder certificates and their ID copies
- f. Certified copies of shareholder agreements **(if applicable)**

**Annexure L – General Conditions of Contract**

General Conditions of Contract can be accessed on the National Treasury website.

**Annexure M – CSD Registration**

CSD Registration Summary Report

**Annexure N – References and Transactions(refer page 48)**

Recent references and transactions the Tenderer has handled as specified in the evaluation criteria.

**Annexure O-** Proposed Human Resources who will be handling Denel Instructions(refer page 49)

**Annexure P-** Denel Business Structure (refer page 50)

44. ANNEXURE N

**MOST RECENT/CONTATABLE REFERENCES (Refer to the gate 1/ First Stage  
\_Functional Evaluation 22.2.2)**

REFERENCES			
Company Name	Contact Name	Contact Telephone number	Original letter of reference attached (Yes/No)
1.			
2.			
3.			
4.			
5.			

**REFERENCE LETTER TEMPLATE (this must be completed by the References listed in the above table)**

(REFERENCE TO BE PRINTED ON LETTER HEAD OF REFEREES)

**Attn.: Denel - Corporate**

Date:

**To Whom It May Concern**

DENEL: TENDER REFERENCE No. : .....

I hereby confirm that:

- The Tenderer; \_\_\_\_\_ performed \_\_\_\_\_ work for our Company.
- The work was completed to our satisfaction and successfully implemented at our Company.
- The estimated value of the contract with the Tenderer was R \_\_\_\_\_.
- The Tenderer performed the specified work for our Company

From \_\_\_\_\_ To \_\_\_\_\_  
MM/YYYY MM/YYYY

*Note to referee: If any other work was done, please explain the relationship with your company below:*

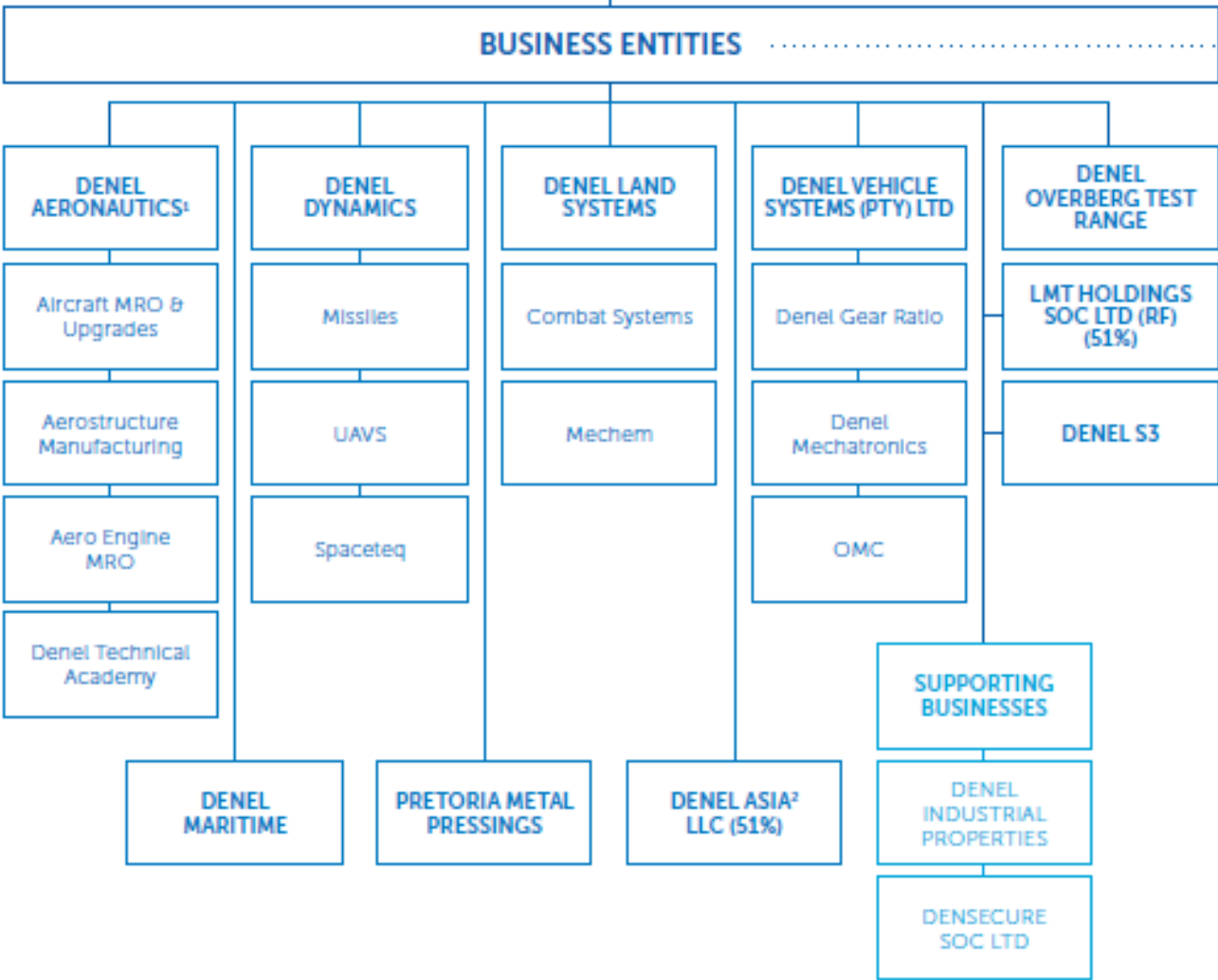
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours faithfully

\_\_\_\_\_  
**NAME & SURNAME  
POSITION**



46. Annexure P- Denel Business Structure





ERROR: syntaxerror  
OFFENDING COMMAND: --nostringval--

STACK:

/Title  
( )  
/Subject  
(D:20190117162140+02'00')  
/ModDate  
( )  
/Keywords  
(PDFCreator Version 0.9.5)  
/Creator  
(D:20190117162140+02'00')  
/CreationDate  
(Ditaum)  
/Author  
-mark-