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RFQ Number	**:**	**KTVR OEC 001/2024**
Closing Date	**:**	**11 NOVEMBER 2024**
Closing Time	**:**	**16:00 pm**
Electronic Submission	**:**	**tenders@ktvr.co.za** **portiad@ktvr.co.za**
Hand Submission	**:**	**KTVR Bus Services (PTY) LTD** **Finance Department** **3 Margaret Avenue** **Kempton Park** **1619**

REQUEST FOR PROPOSAL FOR THE PROVISION OF OUTSOURCED INTERNAL AUDIT SERVICES TO KTVR BUS SERVICE (PTY) LTD

DATE: 25 October 2024

REF: KTVR OEC 001/2024

1. PREAMBLE

KTVR Bus Service (Pty) Ltd ("KTVR") is a private company incorporated in terms of the Companies Act of 2008. KTVR is a special purpose vehicle that has been established to offer Bus Rapid Transit (BRT) transport services under an interim service agreement of the Phase 1A of City of Ekurhuleni (CoE) Integrated Rapid Public Transport Network (IRPTN).

KTVR is a company that has been established for the benefit and empowerment of the Ekurhuleni Taxi Industry, the shareholders of KTVR will be made up of the affected operators identified from the Ekurhuleni Taxi Industry.

2. REQUEST FOR PROPOSAL (RFP)

The objective of this bid is to appoint a suitable, independent service provider that will provide an appropriate internal audit service to KTVR Bus Service.

The internal audit service will be an independent function, which will provide management with a systematic review and evaluation of operations to determine compliance, efficiency and effective policies, procedures, practices and the overall internal control within KTVR.

a) Assists KTVR in the effective discharge of its responsibilities, by furnishing it with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

b) The service provider will assist KTVR to accomplish the internal audit service and to assist in complying with the relevant legislation such as the MFMA, DoRA, etc.

c) Other objectives are to review the following

- Internal Control processes
- The information system environment
- The reliability and integrity of financial and operational information
- The effectiveness of operations
- Compliance with departmental policies, regulations, and contracts
- The safeguarding of asset
- The economical and efficient use of resources
- The achievement of established operational goals and objectives; and
- Compliance with laws and regulations and controls.

3. SCOPE OF WORK

The scope of the internal audit function includes the points listed below. However, should any other function be regarded as imperative by the bidder, it should be added and clearly defined. The internal audit function must, in consultation with the Audit and Risk Committee (ARC), prepare the following:

3.1 Develop a three-year internal audit and risk management strategic plan. The plan should consider the assurance activities of relevant internal and external assurance providers.

3.2 Develop a detailed annual internal audit plan to be approved by the ARC every year indicating the scope, cost, and timelines for each audit

3.3 Attend ARC meetings, and provide feedback on internal audits completed, the management of risks including a regular overview of the control environment

3.4 Present audit reports directed to ARC detailing its performance against the plan to allow effective monitoring and intervention, when necessary.

3.5 Work closely with other internal and external providers of assurance to ensure proper coverage and minimal duplication of effort and to obtain reliance on work performed.

3.6 The internal audit function must assist the organisation in maintaining effective controls by evaluating those controls and developing recommendations for enhancement or improvement.

3.7 Perform the following audits that will need to be considered at KTVR, amongst other.

- IT Security and system process audit
- Operations, financial, procurement, corporate governance and human resources efficiencies
- Company policies
- Conducting special assignments and investigations, on behalf of ARC into any matter or activity affecting the probity, interest, and operating efficiency of KTVR
- Any other statutory and regulatory requirements
- Audit designed to detect fraud.

3.8 Fraud and Irregularities

- In planning and conducting work, the internal auditors should seek to identify serious defects in internal controls, which might result in possible malpractices. Any such defects must be reported immediately to ARC without disclosing these to any other staff.
- This also applies to instances where serious fraud and irregularities have been uncovered.

4. PROPOSAL CONTENTS

The bidders are required to prepare a proposal that focuses on the following aspects to qualify and be considered.

4.1 Experience of the audit firm in internal audit services, including specialized skills, expertise, and value-added services.

- Demonstration of the firm's substantial internal audit experience
- Specialized skills, expertise, and value-added services in the field of internal audit, with an emphasis on best practice methodology, tools and technology used.
- Availability of computer audit skills.

4.1 Experience in internal audit of similar entities in transport or of KTVR's size.

- Advanced understanding of and sufficient exposure to the Municipal finance management act and International Financial Reporting Standards.
- External reference, the size of auditors and the size of the client base.

4.3 Qualifications and experience of team members.

- The relevant individuals must be registered with IIA.
- Detailed CV's of the auditor/s who will be responsible for managing the internal audits and the person who will be signing the audit plan and reports.

4.4 Ability to provide the service and adequate institutional support

- Shareholders and management structure
- Years in business
- Audited financial statement.

4.5 The proposal should clearly set out all costs involved including the consultants of hourly rates inclusive of overheads and **VAT.**

- Proposed fee's structure based on the following:

Table 1 - Hourly rates

Resource	**Hourly rate (Including overheads and VAT)**
Engagement partner	
Partner	
Senior Manager	
Manager	
Assistant Manager	
Supervisor	
Senior Auditor	
Trainee Auditor	
IT Specialists	

Table 2 – Price Proposal for a financial year:

Financial Year	**Total Hourly rate (Inclusive of VAT)**	**Total Annual Hours**

5. MONITORING THE PROGRESS OF ASSESSMENTS

On completion of each assignment, the auditor shall distribute the reports to ARC and on a quarterly basis, a report on progress against the plan, significant findings and administrative matters will have to be presented to ARC.

6. CONDITIONS OF BID

6.1 Bids will be adjudicated in two stages:

- Firstly, on functionality which must be done in terms of the evaluation criteria and the minimum threshold must be met before proceeding to the next stage.
- Secondly, only the qualifying bids will be evaluated in terms of the 80:20 preference points system; where 80 points will be used for price and the 20 points will be awarded in terms of the B-BBBEE Contributor level as per B-BBEEE Verification Certificate submitted by the bidders.

6.2 The proposal should include, amongst other things, the following.:

- A proposed plan of action in accordance with the proposal paragraph above.
- A list of references.
- A validity of Original Tax Clearance Certificate.

6.3 Only bidders who score at least 70% or 70 points for the technical information will be preferred.

6.4 KTVR reserves the right to invite short listed companies to present their bid proposals for final decision

6.5 Bidders must be prepared to work at rates not exceeding those prescribed by the office of the Auditor-General

6.6 Travelling costs and time spent or incurred between home and office of consultants and KTVR offices will not be for the account of KTVR

7. VALIDITY PERIOD

The bidder is required to confirm that it will hold its proposal valid for 90 days from the closing date of submission of the proposals, during which time it will maintain without change the personnel proposed for the service together with the proposed rates’

8. APPOINTMENT, COMMENCEMENT AND DURATION

The successful bidder shall sign a contract with KTVR Bus Service which will be valid for three (3) years from the date of signature subject to confirmation on an annual basis by KTVR, Audit and Risk Committee based on an evaluation of effectiveness as well as the independence and objectivity of the internal auditors.

The successful bidder will have access to all appropriate information about KTVR required to execute the internal audit function within normal working hours of the company.

9. SUPPORTING DOCUMENTATION AND MINIMUM CRITERIA

Tenderers must provide the following supporting documentation.:

a. Original/Certified B-BBEE status level certificate level verification status/sworn affidavit must be submitted in order to qualify for preference points for B-BBEE or sworn affidavit as prescribed by DTI;
b. Tax Status Pin issued by SARS;
c. Three references including organisation name, contact person and contact numbers;
d. Proof of registration with relevant professional bodies;
e. The Proposal should have a financial cost breakdown of all fees
f. Submit completed Annexure A and Annexure B.

10. EVALUATION CRITERIA

Stage 1: Technical Evaluation

The evaluation of the technical proposal will be based on the responsiveness to the TOR, as well as application of the evaluation criteria and points system indicated below. Each responsive proposal will be given a technical score, individuals who will be providing the service and the company capacity supporting the project team.

The minimum functionality threshold is 70% any bidder that does not meet the minimum threshold will not be evaluated further.

#	Criteria	Points Allocated
1	Experience of the firm internal audit services, including specialized skills expertise and value-added services	30
2	Experience in the internal audit of similar entities of KTVR size	25
3	Qualifications and experience of team members	30
4	Ability to provide the services and adequate institutional support	15
		100

Stage 2: Pricing and BEE Evaluation

- Lowest price weighs 80 points
- B-BBEE weighs 20 points (as indicated below)

B-BBEE Status level Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-Contributor	0

11. TERMS AND CONDITIONS

Emailed RFP documents are preferred. However, the onus is on the tenderer to ensure that complete email documents have been received by KTVR by the due date and time.

Proposals should be **VAT** inclusive.

a. Proposals must be valid for a minimum period of 30 days from the date of issue.

b. The full costs must be disclosed, and no variances will be entertained.

c. KTVR has the right to withdraw any request for proposals at any time within the validity of the RFP.

d. KTVR reserves the right to invite suppliers/companies to present for final decision.

e. KTVR may prior to the award of a bid, cancel a bid if;

(i) Due to changed circumstances, there is no longer a need for the goods or services requested.

(ii) Funds are no longer available to cover the project.

12. COMPULSORY BRIEFING

Briefing session will be held on the 5th of November 2024 via teams. All potential bidders who wish to attend the briefing session must send an email to leratop@ktvr.co.za and portiad@ktvr.co.za to receive a meeting invitation.

13. SUBMISSION DETAILS

Deadline for submission: **Monday, 11th November 2024, 14:00**

All proposal to be sent and/or delivered to:

Name: Portia Dhlamini

Email: portiad@ktvr.co.za **AND** tenders@ktvr.co.za

For further information, contact: Ms. Lerato Phume by email: leratop@ktvr.co.za

Address: Procurement Officer

KTVR Bus Services (PTY) LTD

Finance Department

3 Margaret Avenue

Kempton Park

1619

Annexure A

KTVR BUS SERVICE (PTY) LTD SUPPLIER DATABASE CONSENT FORM

General: In order for KTVR BUS SERVICE (PTY) LTD ("**KTVR**") to consider the supplier's (referenced below) response to the Request for Proposal (RFP) or Request for Quotation (RFQ) to become a supplier to KTVR, and to be included in the KTVR supplier database, it will be necessary for KTVR to process certain personal information which the supplier may share with KTVR for the purpose of the RFP/RFQ, including personal information – which may include special personal information (all hereafter referred to as "**Personal Information**"). KTVR will process the supplier's Personal Information in accordance with KTVR's POPI Policy.

Access to your Personal Information and purpose specification: Personal Information will be processed by KTVR for purposes of assessing the supplier's submission in relation to the RFP/RFQ and for registering the supplier on KTVR supplier database and may be shared and stored internally for the purposes of assessing current and future services required by KTVR. We may also share the supplier's Personal Information with third parties, both within the Republic of South Africa and in other jurisdictions, including to carry out verification, background checks and Know Your Customer obligations in terms of the Financial Intelligence Centre Act, No. 38 of 2001 ("**FICA"**). In this regard, the supplier acknowledges that KTVR's authorised verification agent(s) and service providers will access Personal Information and conduct background screening and checks.

Consent: By [ticking/clicking] "Yes" and signing below, you agree and voluntarily consent to KTVR's processing of the supplier's Personal Information for the purposes of evaluating its RFP/RFQ submission, including to confirm and verify any information provided in the submission and the supplier gives KTVR permission to do so. The supplier acknowledges and understands that it is free to withdraw its consent on written notice to KTVR and the supplier agrees that the Personal Information may be disclosed by KTVR to third parties, including KTVR's affiliates, service providers and associates. Please note that if you withdraw your consent at any stage we may be unable to process your RFP/RFQ and/or continue to retain your details on the supplier database.

Yes ☐

No ☐

Supplier Name	Date	Signature

Annexure B

SUPPLIER CONFLICT OF INTEREST DECLARATION FORM

KTVR operates a procurement process which is fair, transparent and cost-effective. In view of this, KTVR requires that anyone nominated to participate in its procurement processes declares any potential conflicts of interest.

i. Conflict of interest declaration

Potential conflicts of interest include the following (but the list is not exhaustive):-

1. Relationship/ Association with any of the KTVR employees.
2. Previously worked with/for any of KTVR employees.
3. Relationship/Association with Shareholder/ Board Member/ of KTVR.

If you are in any doubt about whether something is a potential conflict of interest, you are advised to declare it below.

A) I have conflicts of interest to declare.

Yes ☐

No ☐

B) If Yes above, I therefore wish to declare the following conflict(s) of interest: -

1. .....

2. .....

3. .....

ii. Confidentiality Declaration

I confirm that the declarations I have made above are, to the best of my knowledge, correct. I fully understand that, if KTVR concludes that the declarations I have made are false or materially misleading, KTVR has the right to disqualify the supplier to participate in the procurement process.

_____	_____	_____
Supplier Name	Date	Signature