

ENGINEERING COUNCIL OF SOUTH AFRICA		 E C S A <small>ENGINEERING COUNCIL OF SOUTH AFRICA</small>
REQUEST FOR PROPOSAL (RFP) FOR THE APPOINTMENT OF A SUITABLY QUALIFIED FIRM FOR THE PROVISION OF INTERNAL AUDIT SERVICES OF THE COUNCIL FOR A PERIOD OF THREE (3) YEARS COMMENCING ON 2023/24 TO 2025/26 FINANCIAL YEARS		
UNIQUE IDENTIFIER: ECSA/RFP01/2023	Date: 12 May 2023	

(PRIVATE & CONFIDENTIAL)

REFERENCE NUMBER: ECSA/RFP01/2023

ISSUE DATE: 12 May 2023

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Terms of reference for the appointment of a service provider for the provision of Internal Audit services for a period of three (3) years.

1. BACKGROUND

The Engineering Council of South Africa (“ECSA”) is a statutory body established by section 2 of the Engineering Profession Act, Act 46 of 2000 (EPA). ECSA's primary role is the regulation of the engineering profession in terms of the EPA. Its core functions are the accreditation of engineering programs, registration of persons as professionals in specified categories, maintenance of registration through Continuing Professional Development (CPD) and the regulation of the conduct of registered persons.

1.1. Our mandate

ECSA operates within the ambit of the Built Environment Profession. ECSA is, therefore, a creature of statute, with its mandate anchored in the EPA. ECSA has a myriad of mandates embedded in the Act, which enables ECSA to, inter alia:

- i. Decide on any applications for registration by applicants;
- ii. Determine and impose fees and charges, including registration fees, application fees, annual fees and appeal fees;
- iii. Conduct accreditation visits to educational institutions and to grant, refuse and withdraw accreditations;
- iv. Establish mechanisms and minimum standards for registration.

2. PURPOSE OF THE BID

ECSA would like to invite suitable, qualified and competent service providers, to submit tender proposals for the provision of Internal Audit Services for a period of three years (3). To be considered for the final stage of bid evaluation, A service provider must submit a complete response that substantially satisfies all of requirements as stated!

3. CHECKLIST OF RETURNABLE DOCUMENTS AND ATTACHMENTS

Please adhere to the following instructions.

- i. Tick in the relevant block below, the documents and schedules that form part of your response
- ii. Ensure that the documents are completed and signed where applicable.
- iii. Use the prescribed sequence in attaching the annexes that complete the Bid Document
- iv. Should all of these documents not be included or any part of the bid document not fully-completed, the bidder may be disqualified on the basis of noncompliance/ non-responsiveness.
- v. Please index and paginate your bid documentation.

Checklist- the bid / request for quotation returnable documents and attachments

Item	Tick
Invitation to Bid	
Company Profile	
Proposal incorporating requirements set out in paragraphs 5 and 6 below	
BBBEE certificate issued in accordance with SANAS` requirements	
A valid tax clearance certificate	
The physical address of the firm, confirmation that the firm is registered by and the name(s) of resident partners	
Bidder`s Disclosure Form Declaration of Interest form	
Joint Venture Agreement in case of a Joint Venture	
Proof of banking	

4. SCOPE OF THE PROJECT

The objective of this bid is to appoint a firm to provide internal audit services to ECSA. ECSA does not have an in-house internal audit function. The duration of the contract is anticipated to run for a period of three years. The contract will however be renewable annually during the three-year period, subject to performance reviews.

4.1. Expectations/services

- The successful bidder will be expected to provide the services in accordance with:
 - Internal auditing Ethics and Standards;
 - Applicable industry and other professional standards; and
 - Proprietary internal audit methodology and practice standards.
- Assist in developing an audit plan for consideration by Management and approval by the Audit, Risk and Compliance Committee. The Audit Risk and Compliance Committee will satisfy itself that the plan covers the specific risks of ECSA business, as part of their approval.
- Develop a detailed annual operational plan indicating each assignment.
- Provide a proposed timeline (Gantt chart) for each annual operational plan.
- Propose annual budgets for the duration of the project.
- Carrying out the audit work included in the plan, reporting the findings, conclusions and recommendations in relation to each assignment.
- Attend meetings with the Audit Risk and Compliance Committee as requested and for each meeting provide a report detailing the work undertaken.
- Risk management service.
- Liaising with ECSA's external auditors and any other assurance providers as directed by ECSA and anticipate a regular exchange of information in relation to work completed.
- Provide copies of audit assignments and summary reports, if requested.
- For any additional services not covered on the audit service scope, the successful bidder will provide such service after approval by the Audit Risk and Compliance Committee, upon such terms and conditions mutually agreed upon between ECSA and the Service Provider. In no event shall the Service Provider be obligated to perform any additional services that would cause the Service Provider to be in conflict with any law, rule or regulation of both parties.
- Perform audits in compliance with the International Standards for the Professional Practice of Internal Auditing (Standards) as issued by the Institute of Internal Auditors.
- Provide ECSA Management with comments and to report breakdowns, failures or weaknesses of internal control systems together with recommendations for remedial action.
- Upon completion of work, the deliverables to be provided as part of services will comprise a detailed report, which will include the following sections:
 - Report circulation;
 - Executive summary;
 - Audit scope and objectives;
 - Detailed findings;
 - Root cause analysis;
 - Conclusions;
 - Recommendations and action plans.
- The service provider is expected to provide an annual report which will include a summary of work and conclusions.
- Providing access to working papers to ECSA's external auditors.
- Play a key role in managing the combined assurance model as recommended in King IV.

- Maintain audit files as per the ECSA Document Controls and ensure that they are the property of the ECSA.

4.2. **Expected outcomes and deliverables.**

As indicated above the expected outcomes and deliverables will be:

- Three-year risk-based rolling audit plan
- Detailed annual audit operational plan.
- Gantt chart of timelines for the annual plan
- Detailed annual budgets.
- Audit working paper files for completed audits.
- Reports for the Audit Risk and Compliance Committee
- Summary report for Audit Risk and Compliance Committee
- Attendance at Audit Risk and Compliance Committee
- Annual conclusion on the control environment
- Evidence of working closely with external auditors and other assurance providers to prevent duplication of effort and display value-added advice on combined assurance and integrated reporting.

5. **EVALUATION AND SELECTION CRITERIA**

ECSA has set minimum standards that prospective suppliers must meet in order to be evaluated and selected as successful suppliers. The received proposals will be evaluated in different phases in order to arrive at the final phase of the award, and the phases will be as follows:

- i. Administrative Criteria (Phase 1) - Prospective suppliers (s) must submit all required minimum and mandatory documents.
- ii. Technical Evaluation Criteria (Phase 2) - The bids will be evaluated according to the criteria set below.
- iii. Price and BBB-EE evaluation Criteria (Phase 3) - Prospective suppliers (s) will be evaluated based on the 80/20 preference point system.

6. **MINIMUM ADMINISTRATIVE REQUIREMENTS – PHASES**

6.1. **Minimum Screening Requirements (Phase 1)**

Note: In this phase all proposals received will be verified for compliance and completeness of the submitted documents per the below set of mandatory requirements. Prospective suppliers who fail to comply with the below requirements will be eliminated and prospective suppliers who comply with the below will progress to the next phase of technical evaluation.

- Bid forms must be properly received on the bid closing date and time specified on the invitation, fully completed, dated and signed in ink.
- Invitation to Bid (SBD 1) must be duly completed.
- Company Profile
- A valid Tax clearance certificate
- Submission of fully completed and signed Pricing Schedule (*Use an estimate of 2000 hours - Attach a separate price schedule, stating all pricing information including levels of seniority, hourly rates, disbursement etc including and excluding vat*)
- Submission of duly completed SBD 4 (Bidder's disclosure),
- Submission of duly completed Preference Claim Certificate (SBD 6.1), accompanied by the original or certified B-BBEE Status Level Verification Certificate as issued by SANAS accredited service providers.
- Proof of banking.

6.2 Mandatory Requirements (Phase 2):

Note: Prospective suppliers who fail to comply with the below requirements will be eliminated

- A comprehensive proposal which covers the following:
 - The highest risk areas of ECSA, based on information gathered about the council and industry specific information.
 - Provide a proposed three-year and detailed risk based annual operational plan.
 - Total costing should also be completed for the three-year project, including the charge-out rates.
 - Provide examples of reports to management and audit committee.
 - An overview of the internal audit methodology used by the firm.
 - The approach that will be adopted at ECSA. (ECSA does not have an Internal Audit function)
- Submission of Company Profile - the firm's profile shall inter alia include a short history of the firm/auditors practice and the areas of operations.
- The controls in place to ensure that conflict of interest will be managed effectively and to the best interest of ECSA; and
- Any value-added services that the prospective supplier may be in a position to offer ECSA.
- Provide evidence of work done for other/ related professional councils.
- Three (3) reference letters for which the firm have conducted Internal Audit service in the past 4 years.
- CVs with proof of qualifications (and completed courses) of the lead auditors as well as the proposed team members.
- Submission of proof of registration with Institute of Internal Auditors, South African Institute of Chartered Accountants and Independent Regulatory Board of Auditors and other relevant accredited professional bodies.

6.3 Technical evaluation point allocation (phase 2):

Only prospective supplier(s) that have met the Administrative Criteria in Phase 1 will be evaluated in Phase 2. Phase 2 (Technical Evaluation) will be evaluated out of 60 points.

- Prospective supplier(s) that achieve a minimum threshold of 36 points out of 60 points for technical capabilities for each category will proceed to Phase 3.

The allocation of points for the evaluation of quality is set out in Table 1 below:

Table 1 Criteria	Maximum Points
Methodology Proposed methodology to be adopted or applied that demonstrate an in-depth understanding of the audit function and project planning.	10
Knowledge of the ECSA environment (incorporating potential business specific risks as indicated above)	10
Experience of the audit firm in a professional council or related industry	5
Capability and knowledge of staff to be used for the assignments (Qualifications, demonstrated skills, experience)	10
Experience with implementing combined assurance.	10
Company References • Reference letters (minimum 3) indicating the service provided, Quality of services, team professionalism and achievement of deadlines.	15
Total evaluation points for quality	60

6.4 Price and B-BBEE evaluation (phase 3):

- Stage 1 – Price Evaluation
- Prospective suppliers must clearly indicate their respective proposed tariffs and costs as indicated above
- Stage 2 - B-BBEE Evaluation
 - ECSA is committed to encouraging black economic empowerment through providing opportunities to historically disadvantaged individuals.
 - B-BBEE points may be allocated to prospective suppliers on submission of the following documentation or evidence:
 - A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
 - A valid B-BBEE Certificate.

7. LIABILITY

The successful prospective supplier shall be liable to ECSA for any direct damages and/or losses incurred by ECSA due to failure by the prospective supplier to perform its obligations in the manner required by the Service Level Agreement signed by the parties.

The successful prospective supplier shall further be liable to ECSA for all indirect and consequential or special damages and/or losses suffered by ECSA as a result of gross negligence, willful misconduct, a breach of confidentiality provisions stipulated in the signed Service Level Agreement between the parties, breach of applicable laws, infringement of a third party's intellectual property rights, or a criminal act committed by the prospective supplier or any employees of the prospective supplier.

8. PROSPECTIVE SUPPLIER'S OWN TERMS AND CONDITIONS OR BID QUALIFICATIONS

This document contains the terms and conditions of this bid and prospective suppliers must not modify / qualify the specifications or come up with their own terms and conditions. ECSA reserves the right to disqualify a bid, which seeks to modify or depart from the specified conditions.

9. PREPARATION COSTS

The prospective supplier will bear all its costs in preparing, submitting and presenting any response 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 ECSA, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the prospective suppliers in the preparation of their response to this bid.

10. INDEMNITY

If a prospective supplier breaches the conditions of this bid and, as a result of that breach, ECSA 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 prospective supplier indemnifies and holds ECSA harmless from any and all such costs which ECSA may incur and for any damages or losses ECSA may suffer.

11. LIMITATION OF LIABILITY

A prospective supplier participates in this bid process entirely at its own risk and cost. ECSA shall not be liable to compensate a prospective supplier on any grounds whatsoever for any costs incurred or any damages suffered as a result of the prospective supplier's participation in this bid process.

12. TAX COMPLIANCE

No bid shall be awarded to a prospective supplier whose tax affairs are not in order. ECSA reserves the right to withdraw an award made, or cancel a contract concluded with a successful prospective supplier in the event that it is established that such prospective supplier was in fact not tax compliant at the time of the award. ECSA further reserves the right to cancel a contract with a successful prospective supplier in the event that such prospective supplier does not remain tax compliant for the full term of the contract.

13. CONFIDENTIALITY

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 prospective supplier's submission will be disclosed by any bidder or other person not officially involved with ECSA's examination and evaluation of a tender/ bid.

Throughout this bid process and thereafter, prospective suppliers must secure ECSA'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.

No confidential information relating to the process of evaluating or adjudicating tenders or appointing a prospective supplier will be disclosed to a prospective supplier or any other person not officially involved with such process.

14. INTELLECTUAL PROPERTY

ECSA retains ownership of all Intellectual Property rights in the bid/ tender information documents that form part of this RFP. Prospective suppliers will retain the Intellectual Property rights in their bid/ tender responses, but grant ECSA the right to make copies of, alter, modify or adapt their responses, or to do anything which in its sole discretion is necessary to do for reasons relating to the RFP process.

15. TERMS & CONDITIONS OF THE APPLICATION

- ECSA reserves the right without furnishing any reasons whatsoever, to cancel, withdraw or re-advertise, or to appoint or not to appoint any of the Legal Service Provider.
- ECSA may request clarification or further information regarding any aspect of the prospective supplier. The prospective supplier must provide the requested information within forty-eight (48) hours after the request has been made; otherwise, the prospective supplier may be disqualified.
- The Bid and supporting documents shall be submitted strictly in accordance with the instructions given in these ToRs.
- All prices quoted must be VAT inclusive. ECSA will not provide upfront payments.

16. BID SUBMISSION

The Bid/ proposal must be emailed to ECSA-TENDERS@ECSA.CO.ZA by no later than **12H00** on **02 JUNE 2023**

- Do not send submissions to email addresses other than ecsa-tenders@ecsa.co.za
- The completed bid must be attached to the email, any text included in the body will not be evaluated.
- The email subject should clearly indicate the name of the service provider and the bid reference number. If amending a submission, the title of the email should also include the word amendment.
 - Example: Company ABC, ECSARFP01/2023-PROVISION OF INTERNAL AUDIT SERVICES
 - Example: Company ABC, Amendment to ECSARFP01/2023-PROVISION OF INTERNAL AUDIT SERVICES
- If the submission is larger than 20 MB, please zip the folder to reduce size, and or submit in parts referencing each submission accordingly.
- Where a response is not submitted at the time of the bid closing date, such submission will not be evaluated.
- Submissions must be made in PDF format only; no editable documents will be accepted.
- PDF documents submitted must not be protected.
- Failure to adhere to the above submission rules may lead to disqualification.

ECSA is entitled to amend any application condition, validity period, specification, or extend the return date of such an application before the closing date. All applicants, to whom the application documents have been issued, will be advised in writing of such amendment or of extensions, promptly.

17. RETENTION OF APPLICATIONS

All applications submitted shall become the property of ECSA. ECSA will make all reasonable efforts to maintain applications in confidence. Proprietary information should be identified in each application.

18. CANCELLATION AND RE-INVITATION OF BIDS

The decision to cancel a bid will be published in the same media in which the original bid invitation was advertised.

19. VENDOR COMMUNICATIONS

During the application period, communications between applicants and ECSA will only be in writing through email for any queries and questions. All communications, correspondence, documentation, manuals, applications, presentations, demonstrations etc., must be in English.

All questions concerning the Application must refer to the Application page number, section and paragraph. All questions and correspondence must only be directed to the authorized ECSA Application Representatives, listed below:

- **General Enquiries:**

Supply Chain Management: Ms. Nthabiseng Somoro
Telephone number:(011) 607 9534
Email address: nthabiseng@ecsa.co.za

- **For Technical Enquiries**

Quality and Risk Systems Specialist: Ms. Molatelo Mohale
Telephone number: (011) 607 9520
Email address: molatelo@ecsa.co.za

