NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

BID DESCRIPTION: APPOINTMENT OF PROFESSIONAL SERVICES FOR THE COMPILATION AND IMPLEMENTATION OF A GRAP-COMPLIANT FIXED ASSET REGISTER, ASSET MANAGEMENT SUPPORT AND AUDIT SUPPORT, INCLUDING THE RESOLUTION OF PRIOR-YEAR AUDIT FINDINGS FOR A PERIOD OF THREE YEARS.

BID NUMBER: NMMDM 26/27/08 BTO

TENDER SUBMITTED BY:
COMPANY DIRECTOR: .....

NAME OF BIDDING COMPANY: .....

BUSINESS ADDRESS:
.....

.....

.....

TEL. / CELL NUMBER: .....

E-MAIL ADDRESS: .....

ISSUED BY:

Acting Municipal Manager
Ngaka Modiri Molema District Municipality
Private Bag X 2167
Mafikeng
2745
Tel: (018) 381 9400

CLOSING DATE: 15 JANUARY 2027 @ 11H00AM

INDEX

INVITATION TO BID 3
PART A INVITATION TO BID 4
PART B TERMS AND CONDITIONS FOR BIDDING 5
LIST OF RETURNABLE DOCUMENTS 6
MBD 4 9
MBD 5 12
80/20 15
80/20 or 90/10 15
MBD 7.2 18
CONTRACT FORM - RENDERING OF SERVICES 18
PART 1: SKILLS TRANSFER IMPLEMENTATION PLAN 44
PART 2: TRAINING / SKILLS TRANSFER SESSION REGISTER 45
PART 3: PRACTICAL SKILLS TRANSFER ACTIVITY LOG 45
PART 4: COMPETENCY ASSESSMENT 45
PART 5: MONTHLY PROGRESS REPORT 46
PART 6: DELIVERABLES AND EVIDENCE CHECKLIST 46
GENERAL CONDITIONS OF CONTRACT 54

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

APPOINTMENT OF PROFESSIONAL SERVICES FOR THE COMPILATION AND IMPLEMENTATION OF A GRAP-COMPLIANT FIXED ASSET REGISTER, ASSET MANAGEMENT SUPPORT AND AUDIT SUPPORT, INCLUDING THE RESOLUTION OF PRIOR-YEAR AUDIT FINDINGS FOR A PERIOD OF THREE YEARS

TENDER NO: NMMDM 26/27/08 BTO

INVITATION TO BID

Prospective service providers are hereby invited to bid for the **APPOINTMENT OF A SERVICE PROVIDER FOR COMPILATION OF GRAP COMPLIANT FINACIAL STATEMENTS FOR NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS**

Detailed bids documents are obtainable from www.nmmdm.gov.za/tenders and www.etenders.gov.za

Tenders completed as prescribed shall be sealed in an envelope marked **"NMMDM BTO - APPOINTMENT OF PROFESSIONAL SERVICES FOR THE COMPILATION AND IMPLEMENTATION OF A GRAP-COMPLIANT FIXED ASSET REGISTER, ASSET MANAGEMENT SUPPORT AND AUDIT SUPPORT, INCLUDING THE RESOLUTION OF PRIOR-YEAR AUDIT FINDINGS FOR A PERIOD OF THREE YEARS"** and deposited in the bid box at Ngaka Modiri Molema District Municipality, Cnr Carrington and 1st Avenue, Industrial Sites, Mahikeng, to reach its destination not later than **15 JANUARY 2027 AT 11H00AM** when tenders shall be opened in public.

Bids will be adjudicated based on the Preferential Procurement Regulations 2022 using compliance, functionality, and 80/20 points system.

The validity period for this tender is 90 days.

Any enquiries regarding the bidding procedure may be directed to Ms. B. Mokate (018) 381 9400, e-mail mokateb@nmmdm.gov.za / Mr. O Seope (018) 381 9400, e-mail seopeo@nmmdm.gov.za
Any enquiries regarding technical information may be directed to Ms G. Moroane / Mr. O. Seope 018 381 9400, e-mail moroanep@nmmdm.gov.za / seopeo@nmmdm.gov.za

DULY SIGNED.
MR. F.T. MABOKELA
ACTING MUNICIPAL MANAGER

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*NAME OF MUNICIPALITY/ MUNICIPAL ENTITY*)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS*

SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE			NUMBER			
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE			NUMBER			
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
TAX COMPLIANCE STATUS	TCS PIN:		**OR**	CSD No:			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]			ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	☐Yes ☐No [IF YES, ANSWER PART B:3]		
TOTAL NUMBER OF ITEMS OFFERED				**TOTAL BID PRICE**	**R**		
SIGNATURE OF BIDDER	……			**DATE**			
CAPACITY UNDER WHICH THIS BID IS SIGNED							

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
DEPARTMENT		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

PART B TERMS AND CONDITIONS FOR BIDDING

1.	**BID SUBMISSION:**
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR ONLINE**
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3.	**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO
	IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....

LIST OF RETURNABLE DOCUMENTS

1. Proof of Central Suppliers Database (CSD) registration
2. A signed Joint Venture Agreement (In case of a Joint Venture)
3. Municipal Rates and Taxes Statements of all the Directors
   - 3.1 Municipal rates and taxes statement not older than three months from the date of tender closure for each directors' address must be attached; or
   - 3.2 Valid lease agreement of the director/s (showing all critical contractual obligations), the director must submit the statement of rates and taxes of the lessor or a letter from a tribal authority if the lessor is residing in a tribal land, or
   - 3.3 A letter from tribal authority (a copy acceptable) not older than three (3) months if the director/s are residing in a tribal land, or
   - 3.4 If the rates and taxes account are not in the names of the director/s the attached municipal rates and taxes statement of the residence owner must be submitted together with an original affidavit from the lessor and from the director of the company to confirm that the director resides on the property.
   - 3.5 the address that appears on the rates statement must correspond to the address on the CSD.
4. Municipal Rates and Taxes Statements of the Company
   - 4.1 Municipal rates and taxes statement not older than three months from the date of closure for the company's' address must be attached; or
   - 4.2 Valid lease agreement of the company (showing all critical contractual obligations), the lessor must submit the statement of rates and taxes or a letter from a tribal authority if the lessor is residing in a tribal land, or
   - 4.3 A letter from a tribal authority (a copy acceptable) not older than three (3) months if the company is operating from a tribal land, or
   - 4.4 If the rates and taxes account are not in the names of the company, the attached municipal rates and taxes statement of the lessor must be submitted together with an original affidavit from the lessor and from director of the company confirming that the company operates from the property.
   - 4.5 the address that appears on the rates statement must correspond to the address on the CSD.
5. Should the Company (Bidder) be operating from the Same Address as the Director, An affidavit confirming such should be submitted.

6. Three Years Audited Annual Financial Statements, if not required by law then Annual Financial Statements by independent reviewer.
7. Skills Transfer strategy, the strategy must outline the proposed approach and methodology for transferring relevant skills, knowledge and technical expertise to the Municipality's designated employees during the execution of the contract
8. Requirements should be submitted for J.V based on their applicability.
9. Soft copy of the entire document including returnable saved in a USB is **compulsory.**

BID REQUIREMENTS

1. Late bids will not be considered. Please note that bids are late if they are received after the closing date and time.
2. Bids will be valid for 90 days.
3. All MBDs must be fully completed and signed.
4. All prices must be quoted in South African currency and must be VAT Inclusive.
5. All items must be priced, failure to price all items will render your bid non-responsive.
6. All relevant forms attached to this bid document must be completed and signed in black ink where applicable by a duly authorised official. Use of tipex and pencil will not be acceptable.
7. Certified copies must have a date of certification and should be not older than 3 months as at the close of the tender. (Should the copy not have the date of certification the tender will be regarded as non-responsive)
8. Only original stamp and signature will be accepted.
9. Copy of a certified copy will be considered non-responsive.
10. For procurement expected to be less than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 90 days at the time of tender closure
11. For procurement expected to be more than 10 million, awards will not be made to bidders owing municipal rates and taxes for over 90 days at the time of tender closure
12. Proof of residence from ward councillors will not be accepted.

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

SIGNATORY AUTHORISATION

(To be completed by the Bidder)

SIGNATORY AUTHORISATION

I/We the undersigned, am/are authorized to enter into this contract on behalf of

---

(Name of Firm)

By virtue of resolution dated ----------day of ----------20----------
(Month)

The certified copy of resolution that is herewith attached to this Bid.

Physical Address:

……

……

1. …… ……
(Initials and Surname in full) Signature

MBD 4

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state∗.

2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.

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

3.1 Full Name: ……

3.2 Identity Number: ……

3.3 Position occupied in the Company (director, trustee, shareholder)……

3.3 Company Registration Number:……

3.5 Tax Reference Number: ……

3.6 VAT Registration Number: ……

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

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

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

(a) a member of –
- **(i) any municipal council;**
- **(ii) any provincial legislature; or**
- **(iii) the national Assembly or the national Council of provinces;**

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

3.8.1 If so, furnish particulars:
……

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

3.9.1 If so, furnish particulars:
……

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

3.10.1 If so, furnish particulars:

……

……

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

3.11.1 If so, furnish particulars:

……

……

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

3.12.1 If so, furnish particulars:

……

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

3.13.1 If so, furnish particulars:

……

3.14 Do you or any other of the directors,
Managers, principle shareholders or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract?

YES/NO

3.14.1 If so, furnish particulars:

.....

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

Full Name	**Identity Number**	**State Employee Number**

I, THE UNDERSIGNED (NAME)

.....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

....

Signature Date

....

Position Name of Bidder

MBD 5

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1. Are you by law required to prepare annual financial statements for auditing?

***YES / NO**

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

.....

.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

***YES / NO**

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....

.....

*** Delete if not applicable**

3. Has any contract been awarded to you by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract?

***YES / NO**

3.1 If yes, furnish particulars

.....

.....

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion ***YES / NO**

of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

4.1 If yes, furnish particulars

.....

.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

.....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

----------	**----------**
Signature	**Date**
----------	**----------**
Position	**Name of Bidder**

MBD 6.1

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

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

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

1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included)

1.2 To be completed by the organ of state
(delete whichever is not applicable for this tender).

a. The applicable preference point system for this tender is the 80/20 preference point system.

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

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

a. Price; and
b. Specific Goals.

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	**80**
SPECIFIC GOALS **51% youth owned companies**	**20**
Total points for Price and SPECIFIC GOALS	**100**

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

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1 POINTS AWARDED FOR PRICE

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

80/20 **or** **90/10**

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

b. any other invitation for tender, that the 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

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

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
51% Youth Owned Companies	**20**	

DECLARATION WITH REGARD TO COMPANY/FIRM

3.1. Name of company/firm……..

3.2. Company registration number: ……...

3.3. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and forward the matter for criminal prosecution, if deemed necessary.

……
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME: ……

DATE: ……

ADDRESS: ……

……

……

CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)…… in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number…….…….. at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

   (i) Bidding documents, *viz*
   - Invitation to bid;
   - Proof of tax compliance status;
   - Pricing schedule(s);
   - Filled in task directive/proposal;
   - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
   - Declaration of interest;
   - Declaration of Bidder's past SCM practices;
   - Certificate of Independent Bid Determination;
   - Special Conditions of Contract;

   (ii) General Conditions of Contract; and
   (iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) ……

CAPACITY ……

SIGNATURE ……

NAME OF FIRM ……

DATE ……

WITNESSES

1 ……

2 ……

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I……. in my capacity as……..…… accept your bid under reference number ……dated……for the rendering of services indicated hereunder and/or further specified in the annexure(s).

2. An official order indicating service delivery instructions is forthcoming.

3. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT …… ON ……..

NAME (PRINT) ……

SIGNATURE ……

OFFICIAL STAMP

WITNESSES

1 ……

2 ……

MBD 8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1. This Municipal Bidding Documents must form part of all bids invited.

2. It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3. The bid of any bidder may be rejected if that bidder, or any of its directors have:

   3.1 abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
   3.2 been convicted for fraud or corruption during the past five years;
   3.3 wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector during the past five years;
   3.4 been listed in the Register for Tender defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act(no 12 of 2004).

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

Item	Question	Yes	No
4.1.	Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector? **(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the *audi alteram partum* rule was applied)**	☐	☐
4.1.1	If so, furnish particulars		
4.2.	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **(To access this Register enter the National Treasury's website,** www.treasury.gov.za**, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445).**	☐	☐
4.2.1	If so, furnish particulars		
4.3.	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	☐	☐
4.3.1	If so, furnish particulars		

4.4.	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	☐	☐
4.4.1	If so, furnish particulars		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	☐	☐
4.5.1	If so, furnish particulars		

CERTIFICATION

I, THE UNDERSIGNED (NAME)

.....

.....

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

---------- **----------**

Signature **Date**

---------- **----------**

Position **Name of Bidder**

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids[1] invited.

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

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

a. take all reasonable steps to prevent such abuse;

b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and

c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

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

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

I, the undersigned, in submitting the accompanying bid:

_____

(Bid Number and Description)

in response to the invitation for the bid made by:

_____

(Name of Municipality / Municipal Entity)

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

I certify, on behalf of:_____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
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 bid;
    (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
    (f) bidding with the intention not to win the bid.

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 bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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Signature Date

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Position Name of Bidder

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

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

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

TERMS OF REFERENCES

1. PURPOSE

The purpose of this Terms of Reference (TOR) is to procure the services of a suitably qualified and experienced service provider to assist **Ngaka Modiri Molema District Municipality** with the compilation, reconstruction, cleansing, verification, reconciliation and implementation of a **complete and GRAP-compliant Fixed Asset Register (FAR)**.

The appointed service provider will further be required to provide technical and professional support to the municipality in relation to asset management and financial reporting, including support during the external audit process and assistance with addressing and resolving **prior-year audit findings relating to Property, Plant and Equipment (PPE), infrastructure assets, work-in-progress (WIP), intangible assets and other asset-related matters**.

The assignment must result in an accurate, complete, reliable, supported and auditable Fixed Asset Register that is aligned to the applicable **GRAP Standards, Municipal Finance Management Act (MFMA), National Treasury requirements and other applicable legislative and regulatory requirements**.

2. BACKGROUND

Ngaka Modiri Molema District Municipality is responsible for managing and accounting for a substantial portfolio of municipal assets, including infrastructure assets, land, buildings, machinery, motor vehicles, furniture and equipment, computer equipment, intangible assets, work-in-progress and other assets.

The municipality's Fixed Asset Register is a critical component of its financial management and financial reporting environment and must provide sufficient and appropriate information to support the recognition, measurement, depreciation, impairment, disposal and disclosure of assets in accordance with the applicable GRAP Standards.

The municipality has experienced challenges relating to the completeness, accuracy, classification, valuation, supporting documentation and reconciliation of its asset records and the financial records.

These challenges have contributed to audit findings relating to asset management and financial reporting. In particular, matters have been raised concerning the reliability and completeness of the asset register, supporting documentation for assets, infrastructure assets, work-in-progress, asset values and the reconciliation between the asset register and the General Ledger.

The municipality therefore requires the services of a suitably qualified service provider to undertake a comprehensive asset register exercise and provide technical support to address the identified weaknesses and prior-year audit findings.

The appointed service provider must not merely prepare a new asset register, but must assist the municipality in **identifying the root causes of the prior-year findings, implementing corrective measures and compiling a complete audit evidence file capable of supporting the municipality's response to AGSA**.

3. PROBLEM STATEMENT

The municipality requires an asset management solution that provides reasonable assurance that:

- All qualifying municipal assets are identified and recorded;
- Assets are correctly classified in accordance with the applicable GRAP Standards;
- Asset descriptions and unique identification information are accurate;
- Asset locations and custodians are properly recorded;
- Asset ownership and supporting documentation can be verified;
- Asset values are appropriately determined and supported;
- Depreciation is calculated correctly;
- Useful lives and residual values are appropriately assessed;
- Impairment indicators are identified and appropriately accounted for;
- Work-in-progress is properly identified, supported and transferred to completed asset categories when ready for use;
- Disposals, losses and write-offs are appropriately authorised and recorded;
- The Fixed Asset Register reconciles to the General Ledger;
- The asset register agrees to the underlying source documentation;
- Financial statement disclosures are supported by the asset register; and
- Prior-year audit findings are appropriately addressed and supported with sufficient audit evidence.

4. OBJECTIVES

The objectives of the assignment are to:

1. Compile or reconstruct a comprehensive and GRAP-compliant Fixed Asset Register;
2. Verify the existence and completeness of municipal assets;
3. Identify and record all assets owned, controlled or managed by the municipality;
4. Ensure appropriate classification and accounting treatment of assets;
5. Verify asset descriptions, locations, custodians and identification details;
6. Review and validate asset acquisition costs and other relevant values;
7. Determine or validate useful lives and residual values;
8. Recalculate depreciation and accumulated depreciation;
9. Identify and assess impairment indicators;

10. Review and reconcile work-in-progress;
11. Review infrastructure assets and supporting project information;
12. Reconcile the FAR to the General Ledger and financial statements;
13. Identify and correct discrepancies between the FAR and accounting records;
14. Identify assets that are fully depreciated but remain in use;
15. Identify assets recorded at zero or incorrect carrying amounts;
16. Review asset additions, transfers, disposals and adjustments;
17. Establish an appropriate audit trail for all adjustments;
18. Assist management in addressing prior-year audit findings;
19. Prepare adequate supporting documentation for AGSA review;
20. Support the municipality during the audit process; and
21. Transfer knowledge and skills to relevant municipal officials.

5. SCOPE OF WORK

The appointed service provider will be required to undertake the following activities.

5.1 Review of Existing Asset Records

The service provider must conduct a comprehensive review of:

- Existing Fixed Asset Register;
- General Ledger;
- Trial Balance;
- Prior-year Annual Financial Statements;
- Current-year financial records;
- Asset acquisition documentation;
- Invoices and payment vouchers;
- Contracts;
- Completion certificates;
- Project documentation;
- Asset disposal documentation;
- Transfer documentation;
- Asset verification records;
- Previous asset counts;

- Asset policies and procedures;
- Previous audit findings;
- AGSA management letters;
- Audit action plans; and
- Other relevant asset-related documentation.

5.2 Asset Verification and Physical Inspection

The service provider must undertake a comprehensive physical verification of assets.

The exercise must include, where applicable:

- Physical identification of assets;
- Verification of asset existence;
- Verification of asset location;
- Verification of asset custodian;
- Verification of asset description;
- Verification of asset identification/asset number;
- Verification of serial numbers;
- Verification of vehicle registration and VIN details;
- Condition assessment;
- Identification of obsolete or damaged assets;
- Identification of unrecorded assets;
- Identification of duplicate assets;
- Identification of assets incorrectly recorded;
- Identification of assets that cannot be located; and
- Identification of assets appearing in the FAR but not physically existing.

A detailed asset verification report must be produced.

6. COMPILATION OF THE GRAP-COMPLIANT FIXED ASSET REGISTER

The service provider must compile or reconstruct the FAR in accordance with applicable GRAP requirements.

At a minimum, the FAR must contain appropriate fields for:

No.	Required Information
1	Asset number
2	Asset description
3	Asset category/class
4	GRAP classification
5	Location
6	Custodian
7	Serial number
8	VIN/registration number, where applicable
9	Acquisition date
10	Date available for use
11	Acquisition cost
12	Capitalised subsequent expenditure
13	Accumulated depreciation
14	Depreciation for current year
15	Accumulated impairment
16	Current-year impairment
17	Carrying value
18	Useful life
19	Residual value
20	Depreciation method
21	Funding source
22	Project number, where applicable
23	Asset status

No.	Required Information
24	Condition
25	Disposal date, where applicable
26	Disposal proceeds, where applicable
27	Supporting document reference
28	General Ledger account
29	mSCOA classification
30	Verification status

The final format must be compatible with the municipality's financial management system and must allow for future asset management and audit requirements.

7. GRAP COMPLIANCE REVIEW

The service provider must assess the municipality's asset records against applicable GRAP requirements, including, where relevant:

- **GRAP 17 – Property, Plant and Equipment**;
- **GRAP 16 – Investment Property**;
- **GRAP 31 – Intangible Assets**;
- **GRAP 32** – **Service Concession agreements**
- **GRAP 12 – Inventories**, where relevant to the interface between inventory and capital assets;
- Applicable standards relating to impairment;
- Applicable standards relating to non-current assets held for sale and disposal;
- Applicable standards relating to heritage assets; and
- Other applicable GRAP standards affecting municipal assets.

The service provider must identify any non-compliance and recommend appropriate corrective accounting treatment.

8. ASSET VALUATION AND MEASUREMENT

The service provider must review and validate the measurement of assets in accordance with the applicable GRAP requirements.

Where sufficient historical information is unavailable, the service provider must identify the appropriate accounting treatment and provide recommendations supported by the applicable accounting framework.

The service provider must specifically assess:

- Historical cost;
- Cost accumulation;
- Componentisation;
- Useful lives;
- Residual values;
- Depreciation methods;
- Depreciation periods;
- Impairment;
- Replacement and rehabilitation costs, where applicable;
- Assets with zero carrying values;
- Fully depreciated assets still in use; and
- Assets requiring adjustment.

Any proposed adjustment must be supported by appropriate working papers and an audit trail.

9. INFRASTRUCTURE ASSETS AND WORK-IN-PROGRESS

The service provider must undertake a detailed review of infrastructure assets and WIP.

This must include:

- Review of infrastructure projects;
- Reconciliation of project expenditure to the General Ledger;
- Verification of project status;
- Identification of completed projects;
- Identification of projects ready for use;
- Identification of incomplete projects;
- Review of project expenditure;
- Review of project completion certificates;
- Identification of costs incorrectly capitalised;
- Identification of costs that should remain in WIP;
- Identification of WIP that should be transferred to completed assets;
- Review of abnormal or non-capitalisable expenditure;
- Reconciliation of project records to the FAR; and
- Preparation of appropriate supporting schedules.

The service provider must assist the municipality in ensuring that infrastructure assets and WIP are appropriately accounted for and supported.

10. RECONCILIATION OF THE FIXED ASSET REGISTER

The service provider must perform a comprehensive reconciliation between:

Fixed Asset Register → General Ledger → Trial Balance → Annual Financial Statements

The reconciliation must identify and explain all variances.

The service provider must prepare:

- FAR-to-General Ledger reconciliation;
- General Ledger-to-FAR reconciliation;
- Additions reconciliation;
- Disposal reconciliation;
- Depreciation reconciliation;
- Impairment reconciliation;
- WIP reconciliation;
- Opening balance reconciliation;
- Closing balance reconciliation; and
- Financial statement disclosure reconciliation.

All reconciling items must be investigated and appropriately resolved or documented.

11. PRIOR-YEAR AUDIT FINDINGS

A key deliverable of this assignment is the **resolution of the municipality's previous-year audit findings relating to asset management and financial reporting**.

The service provider must:

1. Review all prior-year AGSA findings relating to assets;
2. Review the corresponding management responses and corrective action plans;
3. Identify the root cause of each finding;
4. Determine the corrective action required;
5. Implement or assist the municipality to implement the corrective measures;
6. Compile supporting documentation for each corrective action;
7. Prepare an audit finding closure matrix;

8. Map each corrective action to the relevant audit finding;
9. Prepare an audit evidence file;
10. Review the evidence for completeness and sufficiency;
11. Assist management in preparing responses to AGSA;
12. Attend audit engagements relating to the asset findings, where required; and
13. Assist the municipality in responding to AGSA queries until the relevant matters have been appropriately addressed.

11.1 Audit Finding Closure Matrix

The service provider must prepare a matrix containing at least:

Audit Finding	Root Cause	Corrective Action	Evidence Required	Action Taken	Responsible Official	Status

The service provider must ensure that the evidence submitted to address each finding is directly linked to the finding and demonstrates that the corrective action has actually been implemented.

12. AUDIT SUPPORT

The appointed service provider must provide technical support during the audit process.

The support must include:

- Preparation of audit schedules;
- Preparation of audit evidence files;
- Provision of supporting documentation;
- Assistance with AGSA information requests;
- Review of audit queries;
- Preparation of responses to audit queries;
- Reconciliation of audit samples to source documentation;
- Assistance with asset-related audit confirmations;
- Assistance with audit findings;
- Technical interpretation of GRAP requirements;
- Attendance at audit meetings where required; and
- Follow-up on unresolved audit matters.

The service provider must not interfere with the independence of AGSA and must provide support to municipal management in preparing accurate and complete information.

13. FINANCIAL STATEMENT SUPPORT

The service provider must assist the municipality with asset-related disclosures for the Annual Financial Statements.

This must include schedules supporting, where applicable:

- PPE;
- Infrastructure assets;
- Land;
- Buildings;
- Machinery and equipment;
- Motor vehicles;
- Furniture and fittings;
- Computer equipment;
- Intangible assets;
- Work-in-progress;
- Heritage assets;
- Investment property; and
- Other relevant asset classes.

The schedules must agree to the final FAR and General Ledger.

14. ASSET MANAGEMENT POLICIES AND PROCEDURES

The service provider must review the municipality's existing asset management policies and procedures and recommend improvements where necessary.

The review should cover:

- Asset acquisition;
- Recognition and capitalisation;
- Asset tagging;
- Asset verification;
- Asset transfers;
- Asset safeguarding;
- Depreciation;
- Impairment;
- Componentisation;

- WIP;
- Asset disposals;
- Losses and theft;
- Asset write-offs;
- Annual asset counts;
- Reconciliation procedures; and
- Year-end asset management procedures.

Where required, the service provider must assist in updating the relevant procedures.

15. DATA CLEANING AND CORRECTIONS

The service provider must identify data integrity problems in the existing FAR, including:

- Duplicate asset records;
- Missing asset numbers;
- Incorrect asset descriptions;
- Incorrect classifications;
- Incorrect acquisition dates;
- Incorrect useful lives;
- Incorrect depreciation;
- Incorrect VINs;
- Incorrect serial numbers;
- Missing locations;
- Missing custodians;
- Incorrect values;
- Assets recorded at zero carrying value;
- Assets incorrectly capitalised;
- Assets not capitalised;
- Disposed assets still appearing in the FAR; and
- Assets appearing in the FAR but not supported by source documentation.

All corrections must be documented and supported by an appropriate audit trail.

16. DELIVERABLES

The appointed service provider must provide, at a minimum, the following deliverables:

16.1 Inception Report

Containing:

- Understanding of the assignment;
- Methodology;
- Work plan;
- Project timelines;
- Required municipal information;
- Roles and responsibilities; and
- Risk assessment.

16.2 Asset Register Diagnostic Report

Identifying weaknesses and gaps in the existing FAR.

16.3 Physical Asset Verification Report

Containing the results of the physical verification exercise.

16.4 GRAP Compliance Assessment

Identifying areas of compliance and non-compliance.

16.5 Cleaned and Updated Fixed Asset Register

A complete electronic FAR containing all verified assets and required accounting information.

16.6 FAR-to-General Ledger Reconciliation

A detailed reconciliation supported by working papers.

16.7 WIP and Infrastructure Asset Report

Containing the assessment and reconciliation of WIP and infrastructure assets.

16.8 Asset Adjustment Schedule

Containing all proposed corrections and accounting adjustments.

16.9 Prior-Year Audit Finding Closure Report

Clearly demonstrating how each prior-year finding has been addressed.

16.10 Audit Evidence File

Containing sufficient supporting documentation for submission to AGSA.

16.11 Annual Financial Statement Asset Schedules

Schedules supporting the asset-related disclosures in the Annual Financial Statements.

16.12 Final Asset Management Report

Providing management with:

- Work performed;
- Findings;
- Corrections made;
- Outstanding matters;
- Risks identified;
- Recommendations; and
- Future asset management actions.

17. MINIMUM QUALIFICATION AND EXPERIENCE REQUIREMENTS

The service provider must demonstrate relevant experience in municipal asset management and GRAP.

The proposed team should include suitably qualified personnel with experience in:

- GRAP financial reporting;
- Municipal asset management;
- Fixed Asset Register compilation;
- Infrastructure asset management;
- Asset verification;
- Asset valuation;
- Financial reconciliations;
- Municipal financial management systems;
- mSCOA;
- AGSA audit support; and
- Resolution of municipal audit findings.

The service provider must provide **curricula vitae of key personnel** and evidence of relevant experience.

Preference should be given to service providers with demonstrated experience in similar assignments for municipalities.

18. PROJECT MANAGEMENT

The service provider must appoint a dedicated Project Manager who will be responsible for:

- Overall project coordination;
- Liaison with municipal officials;
- Monitoring project milestones;
- Managing deliverables;
- Reporting on progress;
- Escalating risks and challenges; and
- Ensuring timely completion of the assignment.

The service provider must conduct regular progress meetings with the municipality.

19. MUNICIPAL RESPONSIBILITIES

The municipality will:

- Provide reasonable access to relevant records;
- Provide access to municipal facilities and assets;
- Designate officials to participate in the project;
- Provide available financial records;
- Provide the existing FAR;
- Provide previous-year audit findings;
- Provide relevant AGSA correspondence;
- Facilitate access to municipal departments;
- Facilitate access to the financial management system; and
- Review and approve deliverables within agreed timelines.

20. SERVICE PROVIDER RESPONSIBILITIES

The service provider will be responsible for:

- Providing suitably qualified personnel;
- Providing all required technical expertise;
- Developing and implementing the approved methodology;
- Conducting physical asset verification;
- Compiling the FAR;

- Performing reconciliations;
- Identifying and correcting discrepancies;
- Providing GRAP technical advice;
- Supporting the resolution of prior-year audit findings;
- Preparing audit evidence;
- Providing audit support; and
- Delivering all outputs within the agreed timeframe.

21. DURATION OF THE ASSIGNMENT

The assignment is expected to be completed within **36 months** from the date of appointment.

The municipality may require the service provider to provide audit support until the conclusion of the relevant external audit, subject to the approved contract period and applicable procurement requirements.

A detailed implementation programme must be submitted by the service provider during the inception phase.

22. REPORTING

The service provider will report to the **Manager: Asset and Inventory / Chief Financial Officer**, or any other official formally designated by the municipality.

Progress reports must be submitted on a **monthly basis**, or at intervals determined by the municipality.

Reports must clearly indicate:

- Work completed;
- Work outstanding;
- Findings;
- Risks;
- Challenges;
- Corrective actions;
- Deliverables achieved; and
- Planned activities for the following reporting period.

23. CONFIDENTIALITY AND DATA SECURITY

The service provider will be required to maintain strict confidentiality regarding all municipal information obtained during the assignment.

The service provider must:

- Protect municipal financial information;
- Prevent unauthorised access to municipal records;
- Not disclose municipal information to third parties;
- Return municipal information upon completion of the assignment; and
- Comply with applicable information security and data protection requirements.

24. KNOWLEDGE TRANSFER

The service provider must provide practical knowledge transfer to designated municipal officials.

Training should cover:

- Maintenance of the FAR;
- Asset additions;
- Asset transfers;
- Asset disposals;
- Depreciation;
- Impairment;
- Asset verification;
- Reconciliations;
- WIP management;
- GRAP compliance; and
- Audit preparation.

The objective is to ensure that the municipality is able to maintain the FAR after completion of the assignment.

25. ACCEPTANCE OF DELIVERABLES

All deliverables will be subject to review and acceptance by the municipality.

The municipality reserves the right to request corrections, additional information or amendments where deliverables do not meet the requirements of the TOR.

Payment should be linked to the achievement and acceptance of agreed milestones and deliverables.

26. PERFORMANCE MONITORING

The municipality will monitor the service provider against agreed deliverables and milestones.

Performance will be assessed against:

- Quality of the FAR;
- Completeness of asset verification;
- Accuracy of reconciliations;
- Compliance with GRAP;
- Quality of audit evidence;
- Progress in resolving prior-year findings;
- Responsiveness to audit queries;
- Timeliness of deliverables; and
- Knowledge transfer.

27. EXPECTED OUTCOMES

At the completion of the assignment, the municipality expects to have:

1. A **complete, accurate and GRAP-compliant Fixed Asset Register**;
2. A FAR reconciled to the General Ledger;
3. Verified physical existence of municipal assets;
4. Properly classified assets;
5. Correct depreciation and carrying values;
6. Properly accounted-for infrastructure assets and WIP;
7. Improved asset supporting documentation;
8. A documented audit trail for asset adjustments;
9. Prior-year asset-related audit findings appropriately addressed;
10. A comprehensive audit evidence file;
11. Improved asset management controls and procedures;
12. Improved readiness for AGSA audit; and
13. Municipal officials capacitated to maintain the FAR going forward.

28. SPECIAL REQUIREMENT – RESOLUTION OF PRIOR-YEAR AUDIT FINDINGS

The successful service provider must specifically demonstrate how its methodology will address and assist in resolving the municipality's **prior-year AGSA audit findings**.

The service provider must not regard the preparation of the FAR as the sole deliverable.

The assignment must include a **finding-by-finding assessment**, root-cause analysis, corrective action, implementation and compilation of evidence demonstrating that the corrective action has been implemented.

The service provider must prepare a **Prior-Year Audit Finding Resolution Matrix** and continuously update it until all asset-related matters assigned under this TOR have been appropriately addressed.

Where an audit finding cannot be resolved due to matters outside the service provider's control, the service provider must clearly document:

- The reason the finding remains unresolved;
- The action already taken;
- The outstanding action;
- The responsible municipal official;
- The supporting evidence available; and
- The further action required to address the finding.

29. MINIMUM TECHNICAL FUNCTIONALITY OF THE ASSET REGISTER

Where the service provider provides or configures an electronic asset register, the solution must, at minimum, support:

- Unique asset identification;
- Asset classification;
- GRAP classification;
- mSCOA classification where applicable;
- Asset location;
- Custodian information;
- Acquisition information;
- Asset cost;
- Capitalised subsequent expenditure;
- Depreciation;
- Accumulated depreciation;
- Impairment;
- Carrying value;
- Useful life;
- Residual value;
- Condition assessment;

- Asset transfers;
- Asset disposals;
- Asset verification;
- WIP tracking;
- Supporting documentation references;
- Audit trail;
- Reporting; and
- Reconciliation to the General Ledger.

30. BIDDER'S TECHNICAL PROPOSAL

Bidders must submit a detailed technical proposal addressing:

1. Understanding of the TOR;
2. Proposed methodology;
3. Project implementation plan;
4. Proposed timelines;
5. Approach to physical asset verification;
6. Approach to FAR compilation;
7. GRAP compliance methodology;
8. Approach to WIP and infrastructure assets;
9. Reconciliation methodology;
10. Approach to prior-year audit findings;
11. Audit support methodology;
12. Proposed project team;
13. Qualifications and experience of key personnel;
14. Similar assignments completed;
15. References from previous clients;
16. Quality assurance methodology; and
17. Knowledge transfer approach.

31. SKILLS TRANSFER

Ngaka Modiri Molema District Municipality recognises the importance of skills development, capacity building and knowledge sharing as essential components of sustainable service delivery and institutional development. In this regard, the Municipality intends to incorporate skills transfer as part of the execution of this contract to ensure that relevant knowledge, technical expertise and practical competencies are imparted to designated municipal employees.

The template below is to be completed by the bidder from Part 1 – Part 9

Assignment details	Information
Bid / Contract Reference	
Service Provider	
Contract Manager / Project Lead	
Municipal Project Coordinator	
Contract Commencement Date	
Contract End Date	
Reporting Month / Period	

PART 1: SKILLS TRANSFER IMPLEMENTATION PLAN

Complete this plan at the commencement of the assignment and update it when activities or dates change.

No.	Skills transfer area	Planned activity / practical task	Responsible service provider	Municipal official(s)	Target date	Evidence / deliverable
1	Asset Management Legislative Framework					
2	Asset Recognition and Classification					
3	Fixed Asset Register Management					
4	Asset Verification					
5	Asset Acquisition and Capitalization					
6	Depreciation and Useful Lives					
7	Impairment of Assets					
8	Work-in-Progress (WIP)					
9	Asset Transfers and Disposals					
10	Asset Reconciliation					
11	Asset Reporting / GRAP Disclosures					

12	Audit Preparation and AGSA RFIs					

PART 2: TRAINING / SKILLS TRANSFER SESSION REGISTER

Session No.	Date	Topic / skill area	Method (classroom / coaching / on-the-job)	Duration	Facilitator	Municipal participants	Evidence attached

PART 3: PRACTICAL SKILLS TRANSFER ACTIVITY LOG

Record the actual work performed jointly by the service provider and municipal officials. Attach relevant working papers or system extracts where appropriate.

Date	Asset management task performed	Practical steps demonstrated	Task performed by municipal official	Service provider guidance / support	Outcome / evidence reference	Follow-up required

PART 4: COMPETENCY ASSESSMENT

Assess the municipal official's ability to perform the task independently. Attendance at training is not, on its own, evidence of competency.

Assessment scale: 1 = Not yet competent; 2 = Requires substantial assistance; 3 = Can perform with limited guidance; 4 = Competent to perform independently; 5 = Can perform independently and guide others.

Municipal official	Skills area / task assessed	Assessment method / practical test	Initial score (1–5)	Reassessment score (1–5)	Assessor	Assessment date	Comments / development action

PART 5: MONTHLY PROGRESS REPORT

Reporting item	Progress / details
Reporting period	
Skills transfer activities planned for the month	
Activities completed	
Municipal officials who participated	
Competencies demonstrated / acquired	
Deliverables submitted (manuals, SOPs, templates, working papers)	
Activities not completed and reasons	
Challenges / risks affecting skills transfer	
Corrective actions and responsible persons	
Activities planned for the next month	
Outstanding capacity gaps	

PART 6: DELIVERABLES AND EVIDENCE CHECKLIST

No.	Required deliverable / evidence	Submitted (Yes / No)	Date submitted	Reference / file name	Reviewed / accepted by
1	Approved skills transfer implementation plan and schedule				
2	Training manuals, presentations and practical guides				
3	Signed attendance registers				
4	Practical training reports				
5	Standard Operating Procedures and working instructions				
6	Working paper templates (verification, reconciliation, depreciation, impairment and disposal)				
7	Competency assessment results				
8	Monthly progress reports				
9	Final skills transfer report				

PART 7: FINAL SKILLS TRANSFER AND HANDOVER ASSESSMENT

Skills area	Competency transferred (Yes / Partial / No)	Officials assessed	Evidence / reference	Outstanding gaps / action required
Asset Management Legislative Framework				
Asset Recognition and Classification				
Fixed Asset Register Management				
Asset Verification				
Asset Acquisition and Capitalisation				
Depreciation and Useful Lives				
Impairment of Assets				
Work-in-Progress (WIP)				
Asset Transfers and Disposals				
Asset Reconciliation				
Asset Reporting / GRAP Disclosures				
Audit Preparation and AGSA RFIs				

Overall assessment of skills transfer (select one): ☐ Satisfactory ☐ Partially satisfactory ☐ Unsatisfactory

Summary of competencies successfully transferred:

_____

_____

Outstanding capacity gaps and recommended interventions:

_____

_____

Confirmation that all relevant manuals, SOPs, working papers and electronic records have been handed over: ☐ Yes ☐ No

If no, provide details:

_____

_____

PART 8: ATTENDANCE REGISTER

No.	Name and surname	Designation / Unit	Organisation	Signature	Date
1					
2					
3					
4					
5					
6					
7					
8					

PART 9: SIGN-OFF AND ACCEPTANCE

The signatures below confirm that the skills transfer activities and evidence recorded in this template have been reviewed. Acceptance does not waive the Municipality's right to identify outstanding deliverables or capacity gaps.

Role	Name and surname	Signature	Date	Comments
Service Provider Representative				
Municipal Project Coordinator				
Manager: Asset Management / Designated Manager				
Chief Financial Officer / Delegated Official				

32. CONCLUSION

The procurement is intended to appoint a competent and experienced service provider capable of assisting Ngaka Modiri Molema District Municipality to establish a reliable and sustainable asset management environment.

The successful service provider must demonstrate an understanding that the assignment extends beyond the preparation of an asset register and must address the **underlying asset management, accounting, reconciliation and audit weaknesses** that have contributed to prior-year audit findings.

The ultimate objective is to provide the municipality with a **complete, accurate, GRAP-compliant and auditable Fixed Asset Register**, supported by appropriate documentation, reconciliations, accounting records and sustainable asset management processes, while assisting the municipality to address and prevent recurrence of prior-year audit findings.

SCHEDULE OF FEES

APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR THE COMPILATION OF A GRAP-COMPLIANT FIXED ASSET REGISTER AND AUDIT SUPPORT

Pricing Instructions

1. Prices shall be quoted in **South African Rand (ZAR)**.
2. Prices shall be **firm** for the duration of the contract.
3. All prices shall include labour, travel, accommodation, equipment, software, administration and all incidental costs necessary to complete the assignment.
4. VAT shall be indicated separately where applicable.
5. Bidders shall complete all items in the pricing schedule. Failure to price an item may result in the item being regarded as included elsewhere in the tendered price.
6. The Total Tender Price shall be carried forward to the Form of Offer.

FUNCTIONALITY CRITERIA

NO.	CRITERIA	SCORE	WEIGHT
1	**Organizational Experience in Similar Asset Management projects; i.e. Previous experience of similar tasks (Please attach appointment letters with corresponding reference letters signed by the current accounting officer on the client letterheads)**		**20**
	0 projects	0	
	1-2 projects	5	
	3-4 projects	10	
	5 and above projects	20	
2	**Reference letters indicating no audit qualification paragraphs on similar work on Property, Plant and Equipment prepared by the service provider in the past 5 years from public sector clients (Refer to the attached "Assessment of Bidders" reference form provided on page 51**		**30**
	The service provider did not provide any completed "Assessment of Bidders" reference forms	0	
	The service provider provided 1-2 completed "Assessment of Bidders" reference forms	10	
	The service provider provided 3-4 completed "Assessment of Bidders" reference forms	20	
	The service provider provided 5 and above, completed "Assessment of Bidders" reference forms	30	
3	**Qualification and experience (CV`s and certified copies of qualifications and ID`s of all officials working on the project should be included. An organogram which clearly outlines the project team should be submitted along with this document.)**		**30**
	CA(SA) with PPE FAR compilation experience (10 points) - 1-4 years : 2 points - 5-9 years : 5 points - 10 years+ : 10 points	10	
	Accountant with PPE FAR compilation experience (10 points) - 1-3 years : 2 points - 4-7 years : 5 points - 8 years+ : 10 points	10	
	Association with South African Asset Management Specialist (SAAMA) (5 points) - No association with SAAMA : 0 points - SAAMA Association : 3 points - SAAMA Association (CASM) : 5 points	5	
	Professional Engineer with association with Engineering Counsil of South Africa (ECSA registered) with FAR compilation experience (5 Points). - No association with ECSA : 0 points - Non-ECSA Engineer with FAR experience : 1 point - ECSA Engineer with 1-2 years FAR experience : 2 points - ECSA Engineer with 3-4 years FAR experience : 3 points - ECSA Engineer with 5 years+ FAR experience : 5 points	5	
4	**Smart Infrastructure Verification System and Technology**		**10**
	No licensed smart infrastructure verification system demonstrated, or no proof of licensing provided.	0	
	Bidder has a fully licensed and operational smart infrastructure verification system with GIS/GPS capabilities, mobile data collection, geo-tagging, and asset management functionality. Valid license/subscription proof provided	10	
5	**Methodology and Plan**		**10**
	No methodology was provided	0	
	The methodology and plan presented is unlikely to lead to achievement of the project objectives; and/or The methodology and plan does not address the full scope of the project; and/or The methodology and plan does not take into consideration project risks; and/or The methodology and plan is unclear, does not have clear timelines, or other important considerations	5	
	A clear and robust methodology was presented that fully addresses the scope of work to be performed. Key project risks were identified, and mitigation measures proposed. A clear and robust project plan has been submitted.	10	
			100

NB: The bidder must obtain a minimum threshold of **70 Points**

ASSESSMENT OF BIDDER FOR ASSET MANAGEMENT

ASSESSMENT OF BIDDER'S PERFORMANCE BY INDEPENDENT REFERENCE

(This must be sent by the bidder to the references listed in the Experience of Tenderer schedule.
All assessment forms must be attached with the tender submission.)

Name of Bidder	
Contract/Tender Number (if applicable)	
Value of Contract	**R**
Date of Commencement	
Contract Duration	
Contract Completion Date	

CONFIRMATION OF GOOD AUDIT OUTCOME **No Audit Qualification of Property, Plant and Equipment as a result of the assistance provided by the Consultant/Bidder (i.e. The entity does not have an audit paragraph for PPE in the audit report from the year which the Consultant/Bidder assisted)**	**Yes**	**No**
Received a good audit outcome (i.e. No PPE Audit Paragraph in the Audit Report)		
Copy of the respective audit report stamped by the entity/firm attached		
Year of assessment where good audit outcome was received		

Your assessment of the Contractor's performance in the following areas: Please tick one of the blocks on the right-hand side. 1 = Poor; 5 = Excellent	**1**	**2**	**3**	**4**	**5**
Quality of work performed					
Reliability of consultants					
Customer satisfaction					
1 = Poor; 2 = Unsatisfactory; 3 = Average; 4 = Good; 5 = Excellent					

COMMENTS:

Name of Person Completing this Assessment Form	
Position of Person Completing this Assessment Form	
Representing Firm	
Signature of Person Completing this Assessment Form	
Telephone Number	
Email Address	
Date of Assessment	

OFFICIAL FIRM STAMP	

PRICING SCHEDULE

Item	Description	Unit	Quantity	Rate (Excl. VAT) (R)	Amount (Excl. VAT) (R)
1	Project inception meeting and detailed project plan	Lump Sum	1		
2	Collection and review of existing asset information and supporting documentation	Lump Sum	1		
3	Physical verification of movable assets	Lump Sum	1		
4	Physical verification of infrastructure and immovable assets	Lump Sum	1		
5	Asset identification, tagging and barcode verification (where applicable)	Lump Sum	1		
6	Compilation of a GRAP-compliant Fixed Asset Register	Lump Sum	1		
7	Identification and accounting for Work-in-Progress (WIP)	Lump Sum	1		
8	Componentisation of infrastructure assets	Lump Sum	1		
9	Determination and review of useful lives and residual values	Lump Sum	1		
10	Impairment assessment and recommendations	Lump Sum	1		
11	Identification and classification of Heritage Assets, Investment Property, Intangible Assets and Biological Assets (where applicable)	Lump Sum	1		
12	Reconciliation of the Asset Register to the General Ledger and Annual Financial Statements	Lump Sum	1		

Item	Description	Unit	Quantity	Rate (Excl. VAT) (R)	Amount (Excl. VAT) (R)
13	Preparation of GRAP-compliant accounting journals	Lump Sum	1		
14	Preparation of audit-ready working papers and supporting schedules	Lump Sum	1		
15	Audit support during the Auditor-General audit process, including responses to audit queries until completion of the audit	Lump Sum	1		
16	Transfer of skills and training of municipal officials	Lump Sum	1		
17	Submission of final electronic Fixed Asset Register compatible with the municipality's financial management system	Lump Sum	1		

SUMMARY OF TENDER PRICE

Description	Amount (R)
Total Amount (Excluding VAT)	
VAT (15%)	
Total Tender Price (Including VAT)	

ANNEXURE B
GENERAL CONDITIONS OF CONTRACT