

**THE NATIONAL CREDIT REGULATOR**

**JANUARY 2019**

**TERMS OF REFERENCE FOR A SERVICE PROVIDER TO CONDUCT AN AUDIT OF THE NCR PAYMENT DISTRIBUTION AGENT (PDA)**

 **FOR 3 YEARS**

**RFP NUMBER: NCR567/01/19**

**DUE DATE: 25 FEBRUARY 2019**

**SECTION 1**

**GENERAL TERMS OF CONDITIONS**

1. **General Information for Bidders**

The National Credit Regulator (NCR) was established in terms of Section 12 (1) of the National Credit Act (Act 34 of 2005) and came into being on 1 June 2006.

The NCR will determine which bidding organisation (“bid participant”), if any, is appointed in response to this request for submission as stipulated in section 2 of this document.

* 1. **General Terms**

This tender is issued in terms of the Public Finance Management Act 1 of 1999 (PFMA), the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA), the Preferential Procurement Regulations, 2017 (PPR), Supply Chain Management Regulations issued by the National Treasury and BBBEE Act.

Parties that wish to submit proposals are required to indicate that they are willing to accept the General Conditions and Procedures of the NCR (see Section 4 below and Annexure B.1). Please read this document carefully prior to submitting your proposal.

* 1. **The Proposal Format**
		1. **Economy of proposal preparation**

The proposal should be prepared simply and economically, providing a straightforward and concise description of the bid participant’s ability to meet the requirements of the proposal request.

Clear factual responses are required. The content of the proposals shall determine the merit of each participant, not brochures or other marketing material. To facilitate the review of proposals, participants are required to organise their responses according to the format presented below. Should a participant wish to provide additional information, that information should be referred to, and provided for, in a file of Annexures.

* + 1. **Validity of proposals**

The proposals must include a statement as to the period for which the proposal remains valid. The proposal must be valid for at least ninety (90) days from the due date for the submission of all bids. Refer to the quarters in the terms of reference (TOR).

* + 1. **Number of proposals**

Each bid participant must provide **three (3)** hard copies and **1 CD** of their entire proposal, including all the documentation referred to in 1.5 below, in the format specified in that section. All submitted proposals will become the property of the NCR, and will not be returned. Receipt of all proposals will be recorded in a register at the point of receipt. One copy of the proposal must be signed and dated in black ink by the bidder or authorized representative of the bidder and initialled on each page.

1. **Submission of proposals**
	1. Proposals must reach the offices of the NCR before 11:00 on **25 FEBRURARY** **2018**, @11H00AM and must be enclosed in a sealed envelope which must be clearly labelled/addressed on the outside:
2. **RFP No: NCR 567/01/19**
3. **TERMS OF REFERENCE: TO APPOINT A SERVICE PROVIDER TO AUDIT THE NCR PAYMENT DISTRIBUTION AGENT**
4. ***Closing date: 25 FEBRUARY 2019 AT 11H00 SHARP***
5. **compulsory briefing session to be held on 06 february 2019 @12h00pm**
	1. Proposals are to be submitted in the marked tender box, in the reception area, National Credit Regulator, 127-15th Road, Randjiespark, Halfway House, Midrand. The tender box will **only** be available for the depositing of proposals between 08h00 and 16h30 on weekdays (excluding public holidays).
	2. Please note that this RFP closes punctually at 11h00 on **25 FEBRUARY 2019**. No late submissions will be considered under any circumstances.
	3. **All** the documentation referred to in Section 4 below must be submitted. Failure to submit all the documentation referred to in this section may result in a submission being discarded, and not considered for evaluation.
	4. If responses are not delivered as stipulated in this Section 2.1, such responses will be considered **“late”**, and will not be considered for evaluation.
	5. The NCR shall not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.
	6. Envelopes must not contain documents relating to any RFP other than the one referred to in this RFP.
	7. The responses to the RFP will be opened as soon as is practical after the expiry of the time advertised for receiving them.
	8. Only the participants that are short-listed after the evaluation process will be informed of the results of the submission adjudication process.
	9. After the evaluation process is completed, the Evaluation Committee may, prior to making a final selection, draw up a shortlist of participants and require them to make a detailed presentation to the Adjudication Committee. A minimum of 2 days’ notice will be given to relevant participants in advance of the presentation date.
6. **Timetable**

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| --- | --- |
| **Date**  | **Activity** |
| **01/02/2019** | Issue tender document |
| **06/02/2019** | Compulsory briefing session  |
| **25/02/2019** | Closing date at 11h00 |
| **26/02/2019** | Evaluations – functionality criteria |
| **27/02/2019** | Consolidation of scores |
| **03/03/2019** | Adjudication committee |
| **18/03/2019** | Appointment of a supplier |

The National Credit Regulator reserves the right to determine the structure of the process, the right to determine the number of short-listed participants, the right to withdraw from the proposal process, and the right to change this timetable at any time without notice.

1. **Documentation to be submitted**

**Please Note**

All of the documentation described below must be submitted, with no omissions whatsoever. Where a particular form or format of documentation is stipulated, this is the **only** form or format in which these documents must be submitted. Failure to adhere to these requirements may result in the rejection of the entire submission.

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| --- |
| **All of the documentation referred to below (in Parts One – Eleven) must be submitted. For ease of reference and to facilitate the evaluation process, you are requested to clearly mark each part of the submitted documentation as it is referred to below.** |

**Part One – Proposal drafted in response to Terms of Reference**

Section 2 of this document below, contains the terms of reference (TOR) for the above mentioned tender. Bid participants are required to draft a proposal that will clearly indicate to the Evaluation Committee how they will fulfil the requirements as set out in the TOR.

Bid participants should include the following information when drafting their proposals:

* + Proposals should make clear the relevant skills, experience and capacity of the participant, in respect of this particular TOR. This is an important evaluation criterion. Bid participants should ensure that their proposals focus on how they will address the requirements of this TOR, rather than on achievements.
	+ Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR.
	+ Proposals should clearly indicate whether or not bid participants have the internal capacity to meet the requirements of the TOR.

**Part Two – Pricing Proposal- SEPERATE ENVELOPE**

SBD 3.1 Pricing Schedule together with signed off detailed pricing on the company’s letter head. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. Additional information may be added on a separate page if necessary.

The total price that the participant will charge to deliver services in accordance with the TOR must be clearly indicated. The pricing proposal should contain sufficient information to allow the Evaluation Committee to estimate the cost of the service, to a high degree of accuracy.

Please note that a financial proposal must be submitted in a **separate sealed envelope** together with your submission. The financial Proposal will be opened once all technical proposals have been evaluated. This appointment will be made in line with QBS.

**All prices provided must be inclusive of Value-Added Tax (VAT)**.

Please note that the prices contained in the pricing proposal are the only charges that may be levied if the participant’s proposal is successful, unless explicitly agreed to in writing by the National Credit Regulator, and in terms of the General Conditions of Contract, no additional cost will be accepted after the bidding documents have been submitted and the tender closing date has expired. Any cost for additional parts and peripherals needed for the successful implementation of the project shall remain and form part of the bidding price.

**Part Three – General Conditions and Procedures of the NCR**

Annexure B and B1 - General Conditions and Procedures of the NCR. Bid participants must indicate clearly that they have read this document, and have no objections to being bound by its contents. In cases where any provisions of the General Conditions and Procedures conflict with this General Information for Bidders and/or Terms of Reference, the latter will take precedence over the General Conditions of Contract.

**Part Four – Contract Form: Rendering of Services**

Annexure C - Contract Form: Rendering of Services. This will only be completed by the successful bidder once a selection has been made by NCR. Participants do not, therefore, need to complete this form at the bidding stage but their proposals must clearly indicate that they have read this form, and have no objections to signing it as is, if selected as the successful participant.

**Part Five – Tax Clearance Certificate**

Annexure D - Please complete form SBD 2. **DO NOT RETYPE THESE FORMS.** They must be completed on the original and signed, all in black ink. Failure to submit a valid, original tax clearance certificate issued by SARS will result in a proposal being rejected.

*A CSD print out must also be attached.*

**Part Six – Preference Points Claim Form**

Annexure E – form SBD 6.1. Bid participants must complete Sections 8 and 9 in full. **DO NOT RETYPE THESE FORMS**. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected. ***## Please note that a BBBEE certificate must also be attached to the bid documents. None submission will result in zero scoring in this competitive bidding process***

**Part Seven – Declaration of Interest**

Annexure F – form SBD 4. **DO NOT RETYPE THESE FORMS**. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

**Part Eight – Declaration of past Supply Chain Management Practices**

Annexure G – form SBD 8. **DO NOT RETYPE THESE FORMS**. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

**Part Nine – Non-Disclosure Agreement**

Annexure H – Non-Disclosure Agreement. Participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is.

**Part Ten – Certificate of Independent Bid Determination**

Annexure I – Certificate of Independent Bid Determination Participants. They must be completed on the original and signed, all in black ink. Forms with photocopies and/or other reproductions of signatures may be rejected.

**Part Eleven – SLA draft version for supplier review**

Annexure K – SLA draft version for supplier review. The participants must indicate clearly that they have read this agreement, and have no objections to signing it, as is. If not objections should be outlined separately in a letter.

**Part twelve – SBD6.2. Local content**

Annexure J- Bidder must complete this form and return it back with the proposal.

1. **Evaluation Criteria**

Proposals will be evaluated on the 80/20 preference points scoring system: that is, 80% of the points awarded will be based on price, as indicated in the table below; and 20% of the points awarded will be based on B-BBEE codes system, allocated as indicated in the table below:

|  |  |  |
| --- | --- | --- |
| **B-BBEE status level of contributor** | **Number of points** | **Price** |
| Total maximum points | **20** | **80** |

**Functionality will be evaluated in terms of Section 2 point 3**

1. **Conflict of interest**

Service providers are required to provide services that are professional, objective and impartial. Service providers must ensure that there is no conflict of interest between existing assignments, obligations and responsibilities to other clients and the services set out in the TOR. In the event of any uncertainty in this regard, full disclosure in the submitted proposal should be considered. Non-disclosure of a conflict of interest may be grounds for termination of any contract.

1. **Confidentiality agreement**

The successful service provider may have access to confidential data or information. The appointment of a successful bidder is subject to that bidder agreeing to the contents of, and signing, the NCR’s standard Non-Disclosure Agreement.

1. **Contact details**

This no-contact policy does not apply to any information deemed to be in the public domain, or which is readily available from organs of State, which are repositories of such information. All communications and enquiries/requests for clarification relating to this proposal should be directed to procurement@ncr.org.za/ Imatjie@ncr.org.za

**Section 2**

**TERMS OF REFERENCE/ SCOPE OF WORK**

**TERMS OF REFERENCE TO APPOINT A SERVICE PROVIDER TO** **AUDIT THE NCR PDA INTEREST ACCOUNT**

**1. BACKGROUND**

The National Credit Regulator (“the NCR”) registers and regulates Payment Distribution Agents (PDAs) to collect funds on behalf of consumers who are under debt and distribute such funds to credit providers. All registered PDAs are required to open a separate trust account with a registered bank into which interest earned on monies collected from consumers is deposited. This interest is then transferred on a quarterly basis to the NCR’s account by all registered PDAs.

In terms of Regulation 10A 9(h) (iii) of the National Credit Act as amended (“the Act”), the NCR must develop a policy on the usage of the interest earned by the PDAs for approval by the Minister of Trade and Industry. In accordance with this regulation, the NCR developed a policy on the utilization of the interest earned and which was approved by the Minister, effective from15 October 2015.

The approved policy stipulates that the PDA interest earned should be used for the activities aligned to the NCR’s mandate in terms of section 3(e) (i) & (iii) and section 15 of the Act as follows:

* Consumer awareness and education campaign;
* Investigation of prohibited conduct.

The approved policy requires the NCR to conduct an independent audit into the NCR PDA account on an annual basis and submit a copy of the audit report to the Minister within sixty (60) days of the end of the NCR financial year.

**2. TERMS OF REFERENCE**

In light of the above, the NCR seeks to procure the services of an audit firm to conduct an independent audit into the NCR PDA account for a period of three (3) years. This audit will focus on the activities undertaken for the 2018/19, 2019/20 and 2020/21 NCR financial years.

The audit will be carried out in accordance with the International Standards on Auditing and must include audit products and tests, as the auditor considers necessary under the circumstances for the periods under review.

In conducting the audit, special attention, though not limited should be paid to the following areas:

* Review of the quarterly utilization reports submitted to the Minister of Trade and Industry for the period under review and verify that the activities reported are in accordance with the provisions of the approved policy.
* Comprehensive assessment of the adequacy and effectiveness of the accounting and overall internal controls to monitor the transactions and ensure safe custody of the funds.
* Review the adequacy of the internal controls over the PDA interest utilization.
* Verify the validity, accuracy and completeness of transactions during the period under review.
* Review accuracy and completeness of account balance in the financials at end of reporting per period.

**3. OUTPUT REQUIRED**

* Provide an audit report on the 30th April 2019.

**4. FUNCTIONALITY EVALUATION**

**The functionality criteria will be evaluated based on the following:**

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| --- | --- |
| **Description** | **Weights** |
| **Understanding of the NCR requirements** Does the proposal show bidder’s understanding of the NCR requirements to conduct an independent audit on the NCR PDA interest account. | **10** |
| **Proposals should make clear the relevant skills, and experience of the participant, in respect of this particular TOR*** The experience of the company in undertaking similar work or projects (auditing services)
* The relevant skills level of the entire proposed project team (Brief CV’s of the team members with maximum 3 pages indicating amongst others their qualifications, and experience).
 | **35** |
| **Proposals must contain the details of the proposed approach to be adopted in order to deliver the service in accordance with the TOR.** Bidders must provide: * Project Execution Plan or Framework
	+ An indication of ability to meet tight deadlines and work schedules;
	+ Outline high level audit products to be conducted.
 | **35** |
| **Proof of registration with IRBA (INDEPENDENT REGULATORY BOARD FOR AUDITORS)** | **10** |
| **References** Contact details of at least 3 references from amongst recent clients with whom similar work has been conducted in the past 12 Months. The bidder must provide the reference letters indicating the contact name, telephone number and e-mail address. | **10** |

**5. Further requirements**

Bidders are required to score a minimum of 70% points on functionality to qualify to be evaluated for the next level (BBBEE and price). Bidders who do not score the minimum of 70% points on functionality will be disqualified and not be evaluated on price and BBBEE.

**6. Additional information:**

* Brief company profile, as relevant to the above mentioned terms of reference.
* Experience in the relevant areas.
* Clientele.
* A proposal should include the methodology to deliver and meet the deadline for delivery
* Confirmation that the proposed team members will in fact be available to undertake this exercise at the appropriate time and meet the necessary deadlines.
* The proposal should contain a work plan, showing tasks, timelines etc.
* Contact details of at least three references from amongst recent clients with whom similar work has been conducted in the past 24 Months.
* Certificate of incorporation / legal status.
	+ Company registration documents
	+ Certified copy of director’s identity documents
	+ Certified BBBEE certificate
* Financial proposal.
	+ Detailed pricing on the company letter head, the total cost must link to SBD 3.1 attached.

**NB: Bidders must also submit a proof of registration on the central database system. (National Treasury system)**