

Extraordinary
GOVERNMENT
TENDER
BULLETIN

PRETORIA
27 November 2002
NO. 2145

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REPUBLIC OF SOUTH AFRICA



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

REQUEST FOR PROPOSALS FOR PROVISIONING OF INTERNAL AUDITING SERVICES

1. General

Independent Communications Authority of South Africa (ICASA) invites interested parties to submit proposals for the provisioning of an internal audit service.

The completed tender document in plain sealed envelopes (original, ten hard and one electronic copies), should be clearly marked and deposited in the tender box provided at ICASA's offices, Block C, Pinmill Farm, 164 Katherine Street, Sandton.

The documentation must reach us on or before 16H00 on -20 December 2002.

The Independent Communications Authority of South Africa reserves the right to accept or reject any application without giving reasons therefore. Any canvassing whatsoever will render the prospective applicant ineligible to participate in the tender process.

Enquiries relating to this Request For Proposals document should be made in writing to:

The Chief Executive Officer

Nkateko Nyoka

Fax: (011) 444-6242

2. Clarifications

All costs incurred by the bidder in the preparation and provision of a response to this RFP are to be borne by the bidder, including all costs associated with making presentations to the Independent Communications Authority of South Africa.

3. Submission of Proposals

The Proposals must be in English, dated and delivered in a sealed envelope, by hand or by airmail or courier.

Proposals received after the closing date and time will not be considered and will be returned unopened to the bidders.

Proposals shall be submitted in original and copy.

The envelope must be clearly marked:

**PROPOSAL FOR THE PROVISIONING OF INTERNAL AUDIT SERVICES FOR
INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA.**

4. Validity of bids

The bids should be valid for a period of 90 days following the closing date specified below in the procurement schedule. While ICASA will endeavour to make a final decision within the bid validity period, the purchaser reserves the right to negotiate an extension of validity with short-listed suppliers.

5. Documentation

Sufficient supporting documentation and or brochures containing general and technical information must be provided at the time of tendering to enable proper evaluation of the proposals.

6. Evaluation process

The evaluation will be based on the submissions received and possible interviews with prospective respondents.

7. Selection panel

A Tender Committee (the Committee), comprising ICASA personnel and members of the Audit Committee of the Authority, shall undertake the evaluation of submissions.

The Committee shall be guided by the evaluation criteria laid down in section 11 below. The evaluation criteria form the basis by which the bidders will ultimately be qualified.

8. Two-step process

The bidders will be ranked in accordance with their responses to the evaluation criteria and a short list will be compiled. Oral presentations to the committee may also be required.

No discussions or negotiations with, requests for clarity or questions to bidders are to be construed as acceptance of a proposal. Only once the contract, described in section 9 below, has been signed by duly authorised representatives of the bidder and ICASA, will a contract come into existence.

9. Term and contract

The successful bidder will be expected to enter into a two-year contractual agreement with ICASA. The contract will include a Service Level Agreement. The appointment will be reviewed annually in line with the ICASA procurement policy.

10. Non-contact policy

Respondents to this RFP are cautioned not to contact the panel or representatives of ICASA other than indicated in section 1 above. All questions should be directed in writing to the ICASA coordinator.

11. RFP Evaluation Criteria

The following main criteria, with reference to the specifications in section 13 below, will be considered in evaluating the proposals received:

a. Expertise and reputation in the field of Internal Audit

Bidders will be evaluated on the depth and breadth of their experience and standing in the industry and their ability to mobilise resources.

b. Knowledge and experience in the industry and public sector

Bidders need to indicate experience and knowledge relevant to an assignment of the nature of ICASA.

c. Appropriateness of audit approach and ability to service the Authority

The extent to which the proposed solution will be relevant to the needs of ICASA will be evaluated.

d. Costing structure and fees charged

Bidders need to indicate hourly tariffs per staff member and expected costs of action plans to achieve their objectives. It is expected that the rates of the Auditor-General will not be exceeded.

e. Promotion of economic empowerment

Respondents must clearly demonstrate that previously disadvantaged enterprises (PDE's) are fully integrated into its business proposal and whether over and above the equity holdings by previously disadvantaged Individuals (PDI's) there shall be effective participation at a strategic and managerial level in the workings of the respondent's business entity.

12. Additional information

The following information may be considered in preparing proposals:

12.1. The Vision and Mission of the Independent Communications Authority of South Africa

The vision of ICASA is "to be a strong, service-oriented and responsive communications regulator in South Africa." Its mission is to "increase access to communication services through the promotion of a competitive and socially responsive communications industry."

12.2. Business overview

ICASA is a regulatory authority established by the ICASA Act 13 of 2000 and came into being with effect from 1 July 2000. It was established through the merger of two former regulatory bodies, namely the Independent Broadcasting Authority (IBA) and South African Telecommunications Regulatory Authority (SATRA).

In essence, ICASA is tasked with development of regulatory rules or policy and the issuing of licences in the broadcasting and telecommunications industry. ICASA is enabled, through policies derived from its regulatory rules and primary legislation, to issue licences with conditions. Licensees are obliged to comply with licence conditions and ICASA's enforcement functions are derived from these conditions and legislation. ICASA's Council has adjudicating powers over complaints that are lodged with ICASA by industry players and the public.

12.3. Relevant statistics

The following figures may provide guidance on the size of ICASA:

	Year ended 31 March 2002 R 000	9 months ended 31 March 2001 R 000
Licence fees recovered on behalf of National Treasury	786 301	643 052
Net surplus/(deficit) carried forward	2 636	(14 760)
Total government grants received	117 911	74 122
Number of employees	273	280
Number of business units	13	N/A

13. Specification of the internal audit service

13.1 Role and objective of Internal Audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of ICASA. It further helps ICASA to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

13.2 Scope of internal audit work

The scope of ICASA internal audit work would entail the evaluation of the adequacy and effectiveness of the system of internal control. This should include the following:

- Review the reliability and integrity of financial and operating information;
- Review the system established by management to ensure compliance with policies, plans, procedures, laws and regulations that could have a significant impact on operations;
- Review the means of protecting, and verifying the existence of assets;
- Appraise the economy and efficiency with which resources are deployed, and identify opportunities to improve operating performance;
- Review operations to ascertain whether results are consistent with established objectives and goals;
- Assess and report on issues of corporate governance.

13.3 Staffing

The Internal Audit business unit comprises a Risk Audit Manager reporting to the Audit Committee and the Chief Executive Officer of ICASA. The performance of audit reviews will be planned and managed by the Risk Audit Manager and staff will be supplied by the successful bidder.

13.4 Content of PROPOSAL

Your proposal should, *inter alia*, include the following:

- Relevant strengths and weaknesses of the bidding firm, i.e. information that will assist in assessing capabilities, capacity, competitiveness etc.;
- Reference to relevant experience in the broadcasting and telecommunications industry as well as public sector audits;
- A list of references of internal audit appointments;
- A list of partners, managers and specialists, together with the curriculum vitae of staff who will be available for the assignment;
- As far as possible, a comprehensive budget indicating activities proposed, hours per activity, tariffs per hour, and detailing all assumptions made in arriving at the budget;
- Assurance that all conduct and work will conform to the Code of Ethics and Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors;
- Details of the audit approach and methodology to be adopted and implemented;
- A proposed plan of action to achieve the objectives of the internal audit function over the contract period.

13.5 Documents to be included with PROPOSAL

Your proposal must include the following documents, duly completed:

- Contractor confidentiality agreement
- Tender form
- Declaration of interest

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

CONTRACTOR CONFIDENTIALITY AGREEMENT

Between:

**THE INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH
AFRICA**

(Hereinafter referred to as ICASA)

Represented by _____ who warrants that he is duly authorised to conclude this agreement.

And _____

(Hereinafter referred to as "The Contractor ")

WHEREAS ICASA is empowered in terms of the Telecommunications Act, 1996 to enter into contracts in the performance of its responsibilities; and

WHEREAS ICASA has appointed _____ as a Contractor to provide certain goods and services to ICASA, as contemplated in the Telecommunications Act; and

WHEREAS both ICASA and the Contractor agree that all information obtained by the Contractor in the course of the provision of the said goods and services remains confidential.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1.
 - (a) The Contractor shall take all reasonable steps to minimise the risk of disclosure of confidential information, by ensuring that only its directors, delegates or employees whose duties will require them to possess any of such information shall have access thereto and that they shall be instructed to treat the same as confidential.
 - (b) The foregoing shall not be applicable to the Contractor with respect to disclosures made as required by law or enforceable legal process or by the rules of any regulatory authority having jurisdiction.
2. Unless otherwise agreed to in writing by ICASA, the Contractor shall not issue or make any public announcement or statement, whether written or oral, under circumstances where it could reasonably be expected that such statement would be published in any media, or any other disclosure to any third party regarding the goods and services, including, without limitation, any reference to its specifications, terms and conditions, unless required by law or enforceable legal process or any regulatory authority having jurisdiction over the Contractor in the Republic of South Africa,
3. The Contractor shall not at anytime be relieved of its obligation to maintain confidentiality of information unless and until it is so relieved by ICASA in writing.

SIGNED AT _____ ON THIS _____ DAY OF
_____ 2002

AS WITNESSES:

1.....
2.....

.....
ON BEHALF OF ICASA
CAPACITY:

SIGNED AT _____ ON THIS _____ DAY OF
_____ 2002

AS WITNESSES:

1.....
2.....

.....
ON BEHALF OF CONTRACTOR
CAPACITY:

TENDER FORM

I/We hereby tender to supply all or any of the supplies and/or to render all or any of the services described in the attached documents to the INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA (ICASA) on the terms and conditions and in accordance with the specifications stipulated in the tender documents (and which shall be taken as part of, and incorporated into, this tender) at the prices and on the terms regarding time for delivery and/or execution inserted therein.

I/We agree that:-

- (a) the offer herein shall remain binding upon me/us and open for acceptance by ICASA during the validity period indicated and calculated from the closing time of the tender;
 - (b) if I/we withdraw my/our tender within the period for which I/we have agreed that the tender shall remain open for acceptance, or fail to fulfil the contract when called upon to do so, ICASA may, without prejudice to its other rights, agree to the withdrawal of my/our tender or cancel the contract that may have been entered into between me/us and ICASA and I/we will then pay ICASA any additional expense incurred by ICASA having either to accept any less favourable tender, if fresh tenders have to be invited, the additional expenditure incurred by the invitation of fresh tenders and by the subsequent acceptance of any less favourable tender, ICASA shall also have the right to recover such additional expenditure by set-off against moneys which may be due or become due to me/us under this or any other tender or contract or against any guarantee or deposit that may have been furnished by me/us or on my/our behalf for the due fulfilment of this or any other tender or contract and pending the ascertainment of the amount of such additional expenditure to retain such moneys, guarantee or deposit as security for any loss ICASA may sustain by reason of my/our default;
 - (c) if my/our tender is accepted the acceptance may be communicated to me/us by letter or order by ordinary post or registered post and that SA Post Office LTD shall be regarded as my/our agent, and delivery of such acceptance to SA Post Office LTD shall be treated as delivery to me/us;
 - (d) the law of the Republic of South Africa shall govern the contract created by the acceptance of my/our tender and that I/we choose domicilium citandi et executandi in the Republic at (full address of this place).
3. I/We furthermore confirm that I/we have satisfied myself/ourselves as to the correctness and validity of my/our tender, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the tender documents and that the price(s) and rate(s) cover all my/our obligations under a resulting contract and that I/we accept that any mistakes regarding price(s) and calculations will be at my/our risk.
 4. I/We hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me/us under this agreement as the Principal(s) liable for the due fulfilment of this contract.
 5. I/We agree that any action arising from this contract may in all respects be instituted against me/us and I/we hereby undertake to satisfy fully any sentence or judgement which may be pronounced against me/us as a result of such action.
 6. I/We declare that I/we have participation/no participation* in the submission of any other offer for the supplies/services described in the attached documents. If in the affirmative, state name(s) of tender(s) involved.
-

*Delete whichever is not applicable

7. Are you duly authorised to sign the tender?

*YES? NO

8 Has the Declaration of Interest (S 12) been duly completed and included with the other tender forms?

*YES? NO

SIGNATURE(S) OF BIDDER OR ASSIGNEE(s).....

DATE.....

Capacity and particulars of the authority under which this tender is signed

.....
Name of bidder

.....

Postal address (In block letters)

Telephone No. (s) (Toll free if applicable)

Facsimile No.:

Tender No.:

Name of contact person (in block letters):

SEE NEXT PAGE FOR IMPORTANT CONDITIONS

IMPORTANT CONDITIONS

1. Failure on the part of the bidder to sign this tender form (S 8) and thus to acknowledge and accept the conditions in writing or to complete the attached forms, questionnaires and specifications in all respects, may invalidate the tender,
2. Tenders should be submitted on the official forms and should not be qualified by the bidder's own conditions of tender. Failure to comply with these requirements or to renounce specifically the bidders' own conditions of tender, when called upon to do so, may invalidate the tender.
3. If any of the conditions on this tender form (S 8) are in conflict with any special conditions, stipulations or provisions incorporated in the tender, such special conditions, stipulations or provisions shall apply.
- 4.0 Firm tender prices and delivery periods are preferred. Consequently the bidder shall clearly state whether prices and delivery periods will remain firm for the duration of the contract or not.
5. Definitions
 - 5.1 **Equity Ownership:** The percentage beneficial ownership and/or control exercised by individuals within an enterprise.
 - 5.2 **Historically Disadvantaged Individuals (HDI):** Individuals who, being South African citizens, are socially and economically disadvantaged by the legacy of the South African political dispensation prior to 28 April 1994. For the purpose of the contract, the presumption shall be made that individuals, who fall into population groups that had no franchise in national elections prior to the introduction of the 1993 constitution and the tricameral parliamentary system, are Historically Disadvantaged Individuals. Incumbent individuals must demonstrate their claims to fall into such population group on the basis of identification and association with and recognition by the members of such group.
6. **Feasibility Study Consultants or members thereof:** Where the tender addresses a study objective and may result in a business opportunity, I/we will not be permitted to take part in the follow-on tender, or application, for the resulting business opportunity.

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the State or ICASA, or persons who act on behalf of the State or ICASA or persons having a kinship with persons employed by the State or ICASA, including a blood relationship, may make an offer or offers in terms of this tender invitation. In view of possible allegations of favouritism, should the resulting tender, or part thereof, be awarded to persons employed by the State or ICASA, or to persons who act on behalf of the State or ICASA, or to persons connected with or related to them, it is required that the bidder or his authorized representative shall declare his position *vis-à-vis* the evaluating authority and/or take an oath declaring his interest, where:-
 - the bidder is employed by the State or ICASA or acts on behalf of the State or ICASA; and/or
 - the legal person on who's behalf the tender document is signed, has a relationship with persons/a person who are/is involved with the evaluation of the tender(s), or where it is known that such a relationship exists between the person or persons for or on who's behalf the declarant acts and persons who are involved with the evaluation of the tender.

In order to give effect to the above, the following questionnaire shall be completed and submitted with the tender.

1. Are you or any person connected with the bidder, employed by the State or ICASA?

*YES/NO

2.1 If so, state particulars

.....

3. Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed in the department concerned or with the State Tender Board or ICASA or their Administrations and who may be involved with the evaluation or adjudication of this tender?

*YES/NO

3.1 If so, state particulars

.....

4. Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any person employed by the department Concerned, State Tender Board or ICASA, or their administrations, who

may be involved with the evaluation or adjudication of this tender?

*YES/NO

4.1 If so, state particulars

.....
.....

.....
SIGNATURE OF DECLARANT

.....
TENDER REFERENCE

.....
DATE

.....
POSITION OF DECLARANT

.....
NAME OF COMPANY OR BIDDER

* Delete whichever is not applicabl

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